VORTEX METALS INC. (FORMERLY VICTORY CAPITAL CORP.)

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Independent Auditor's Report

To the Shareholders of Vortex Metals Inc. (formerly Victory Capital Corp.):

Opinion

We have audited the consolidated financial statements of Vortex Metals Inc. (formerly Victory Capital Corp.) and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has a working capital deficit, incurred a net loss during the year and has an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no key audit matters to communicate in our report.

Other Matter

The consolidated financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 25, 2023.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

MNP LLP

1 Adelaide Street East, Suite 1900, Toronto ON, M5C 2V9 1.877.251.2922 T: 416.596.1711 F: 416.596.7894

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Brock Stroud.

MNP LLP

Toronto, Ontario
April 26, 2024

Chartered Professional Accountants
Licensed Public Accountants

VORTEX METALS INC. (FORMERLY VICTORY CAPITAL CORP.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

AS AT

	December 31, 2023	December 31, 2022
ASSETS		
Current		
Cash	$ 293,871	$ 2,070,269
Receivables	97,704	44,987
Prepaids	22,898	4,703
	414,473	2,119,959
Exploration and evaluation assets (Note 4)	6,384,507	5,751,838
	$ 6,798,980	$ 7,871,797
LIABILITIES AND SHAREHOLDERS' EQUITY (Deficiency)		
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 2,080,495	$ 1,326,172
	2,080,495	1,326,172
Shareholders' equity (deficiency)		
Share capital (Note 6)	10,842,432	10,842,432
Reserves (Note 6)	671,408	601,883
Deficit	(6,795,355)	(4,898,690)
	4,718,485	6,545,625
	$ 6,798,980	$ 7,871,797

Nature and continuance of operations and going concern (Note 1)

Approved and authorized by the Board on April 26, 2024.

"Michael Williams"	Director	*"Vikas Ranjan "*	Director
Michael Williams		Vikas Ranjan	

The accompanying notes are an integral part of these consolidated financial statements.

VORTEX METALS INC. (FORMERLY VICTORY CAPITAL CORP.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Expenses		
Advertising and promotion	$ 138,602	$ 307,213
Consulting (Note 5)	629,088	405,184
Exploration and evaluation expenditures (Note 4)	402,411	568,749
Foreign exchange	145,858	7,469
Office expense (Note 5)	35,044	24,924
Professional fees (Note 5)	130,253	91,202
Property investigation (Note 4)	-	11,390
Salaries (Note 5)	189,448	134,967
Share-based payment (Note 6)	69,525	385,547
Transfer agent and filing fees	107,485	144,567
Travel	99,159	44,668
Total operating expense	(1,946,873)	(2,125,880)
Interest income	50,208	9,766
Listing fee	-	(1,732,443)
Loss and comprehensive loss for the year	$ (1,896,665)	$ (3,848,557)
Basic and diluted loss per common share	$ (0.03)	$ (0.09)
Weighted average number of common shares outstanding – basic and diluted	60,080,059	42,983,328

The accompanying notes are an integral part of these consolidated financial statements.

VORTEX METALS INC. (FORMERLY VICTORY CAPITAL CORP.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (1,896,665)	$ (3,848,557)
Items not affecting cash:		
Listing fee	-	1,732,443
Share-based compensation	69,525	385,547
Interest	-	803
Non-cash working capital item changes:		
Decrease (increase) in receivables	(52,717)	86,808
Increase in Prepaids	(18,195)	(4,703)
Increase (decrease) in accounts payable and accrued liabilities	121,654	(33,050)
Net cash used in operating activities	(1,776,398)	(1,680,709)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of exploration and evaluation assets	-	(200,000)
Cash received from RTO	-	52,158
Net cash used by investing activities	-	(147,842)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash for shares issued	-	289,000
Share issuance costs	-	(262,962)
Promissory note	-	50,000
Repayment of loan	-	(21,980)
Net cash provided in (used in) financing activities	-	54,058
Change in cash for the year	(1,776,398)	(1,774,493)
Cash, beginning of year	2,070,269	3,844,762
Cash, end of year	$ 293,871	$ 2,070,269

Non-cash financing and investing activities		
Re-allocation of deferred financing costs, restricted cash and subscriptions received in advance to share capital	$ -	$ 4,043000
Acquisition of exploration and evaluation assets for shares	$ -	$ 5,000,000
Valuation of finders warrants	$ -	$ 184,503
Exploration and Evaluation assets in Accounts Payable	$ 632,699	$ 551,838

No cash was paid for interest or taxes for year ended December 31, 2023 and 2022.

The accompanying notes are an integral part of these consolidated financial statements.

VORTEX METALS INC. (FORMERLY VICTORY CAPITAL CORP.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Share Capital				
	Number	**Amount**	**Reserves**	**Deficit**	**Total**
Balance, December 31, 2021	6,744,104	$ 685,946	$ -	$ (1,050,133)	$ (364,187)
Acquisition of Vortex (RTO)	5,088,750	1,017,750	60,605	-	1,078,355
Shares issued in relation to the RTO	1,587,205	317,441	(28,773)	-	288,668
Shares issued for cash	21,660,000	4,332,000	-	-	4,332,000
Finders share purchase warrants	-	(184,504)	184,503	-	-
Share issuance costs	-	(326,201)	-	-	(326,201)
Shares for exploration and evaluation asset	25,000,000	5,000,000	-	-	5,000,000
Share-based compensation	-	-	385,547	-	385,547
Loss for the year	-	-	-	(3,848,557)	(3,848,557)
Balance, December 31, 2022	60,080,059	$ 10,842,432	$ 601,883	$ (4,898,690)	$ 6,545,625
Shared-based compensation			69,525		69,525
Loss for the year	-	-	-	(1,896,665)	(1,896,665)
Balance, December 31, 2023	60,080,059	$ 10,842,432	$ 671,408	$ (6,795,355)	$ 4,718,485

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Vortex Metals Inc., formerly, Victory Capital Corp. ("VCC") (the "Company" or "Vortex") was incorporated on November 6, 2009. The Company's common shares are publicly listed on the Toronto Stock Exchange's Venture Exchange (the "TSX-V") under the symbol "VMS" (formerly "VIC"). The head office, principal address and records office of the Company are located at 120 Adelaide Street West suite 2500, Toronto, Ontario, M5H 1T1, Canada.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. The Company has a working capital deficit of $1,666,022 (December 31, 2022 – surplus of $793,787) comprehensive loss for the year ended December 31, 2023 of $1,896,665 (December 31, 2022 - $3,848,557) and has reported an accumulated deficit of $6,795,355 as at December 31, 2023 (December 31, 2022 - $4,898,690). The Corporation's sole source of funding has predominantly been the issuance of equity securities. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favorable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financing, or generate profitable operations in the future.

Reverse Takeover

On April 27, 2022, the Company completed the reverse takeover transaction ("RTO") pursuant to which it acquired Acapulco Gold Holdings Ltd. (formerly Acapulco Gold Corp.) ("AGH"). AGH is principally engaged in the acquisition and exploration of resource properties. AGH is in the process of investing in potential new acquisitions and exploring and evaluating its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable.

On closing of the RTO, AGH became a wholly owned subsidiary of the Company. As AGH is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on February 11, 2011, are included in these consolidated financial statements at their historical carrying value. The Company's results of operations are those of AGH, with Vortex operations being included from April 27, 2022, onwards, the closing date. (Note 3)

Concurrent with the RTO, the Company and AGH completed a private placement (the "Private Placement") of 21,660,000 common shares for gross proceeds of a $4,332,000 (Note 6).

2. SUMMARY OF MATERIAL ACCOUTNING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

a) **Statement of compliance**

These consolidated financial statements, including comparatives have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their value.

b) **Basis of presentation**

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair market value. In addition, theses consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) **Basis of Consolidation**

These consolidated financial statements include the accounts of the Company, and its wholly owned subsidiaries, Acapulco Gold Holdings Ltd. and Empresa Minera Acagold S.A. de C.V., incorporated in Mexico, from the date of acquisition on April 27, 2022.

A subsidiary is an entity over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. A subsidiary is fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. The accounts of the Company subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated.

d) **Significant Accounting Judgments and Estimates**

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

2. SUMMARY OF MATERIAL ACCOUTNING POLICIES (continued)

d) Significant Accounting Judgments and Estimates (continued)

- The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether to recognize these deferred tax assets; and
- The fair value of stock options and warrants issued are subject to the limitations of the Black-Scholes option pricing model which incorporated market data and involved uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model required the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized, and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- The determination of functional currency of the Company and its subsidiaries.
- Acquisition of a company and reverse take-over. Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. The Company must determine whether it is the acquirer or acquiree in each acquisition. Under IFRS 3 –Business Combinations, the components of a business must include inputs, processes and outputs. Management has determined that Victory Capital Corp ("VCC") did not include those components. Accordingly, the acquisition of VCC has been recorded as an acquisition of VCC's net assets (Note 3).

e) Foreign Currencies

The presentation and functional currency of the Company and its subsidiaries is considered to be the Canadian dollar. Transactions in currencies other than the functional currency of the respective corporation are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities in a foreign currency are retranslated using the foreign exchange rate at the statement of financial position date. Non-monetary items are not remeasured. Foreign exchange gains or losses resulting from transactions conducted in currencies other than the functional currency of the operation in which the transaction occurs, are recognized as part of profit or loss.

f) Exploration and evaluation expenditures

The costs associated with the acquisition of property rights, including cash consideration paid, direct legal costs incurred and the issuance of shares for mineral property interests are capitalized. Where the Company has entered into an option agreement for the acquisition of a mineral property interest which provides for periodic payments, such unpaid amounts are not recorded as a liability since they are payable entirely at the discretion of the Company. At each reporting period the Company assesses for indicators of impairment.

The Company has adopted the policy of expensing exploration and evaluation expenditures incurred prior to the determination that a property has economically recoverable reserves.

2. SUMMARY OF MATERIALACCOUTNING POLICIES (continued)

g) Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the Company's long-lived assets, being mineral property interests, are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the assets in an arm's length transaction between knowledgeable and willing parties. In assessing value in use. The estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to be revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

h) Financial instruments

Financial assets and liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have been transferred. Gains and losses on recognition are generally recognized in profit and loss.

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. Financial assets that re held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period. Financial assets and liabilities classified as FVOCI are measured at fair value with changes in those fair values recognized in other comprehensive income (loss) for the period. Financial assets and liabilities classified at amortized cost are measured at amortized cost using the effective interest method.

The following tables sets out the classification of the Company's financial assets and liabilities:

Financial assets/liabilities	Classification under IFRS 9
Cash	Amortized cost
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

IFRS requires an expected credit loss model for calculation the impairment of financial assets.

2. SUMMARY OF MATERIALACCOUTNING POLICIES (continued)

The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

i) Decommissioning liabilities

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment when those obligations result from the acquisition, construction, development or normal operation of assets or if an obligation to incur rehabilitation and environmental costs occurs as a result of an environmental disturbance caused by the Company's work at its projects prior to determining the existence of mineral reserves. The net present value of future rehabilitation costs is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred.

Pre-tax discount rates that reflect the time value of money are used to calculate the net present value. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditure. These changes are recorded directly to exploration and evaluation assets and the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. There are no decommissioning liabilities for the years presented.

j) Shared-based payment transactions

The Company has a stock option plan. The cost of stock options granted to employees and directors for services received is measured using the estimated fair value at the date of the grant determined using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility. The expected term of options granted is determined based on historical data on the average hold period before exercise, expiry or cancellation. Expected volatility is estimated with reference to the historical volatility of the share price of the Company. These estimates involve inherent uncertainties and the application of management judgment. The costs are recognized over the vesting period of the option. The total amount recognized as an expense is adjusted to reflect the number of options expected to vest at each reporting date. The corresponding credit for these costs is recognized within reserves in shareholders' equity.

Share based compensation arrangements in which the Company receives other goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

k) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

2. SUMMARY OF MATERIALACCOUTNING POLICIES (continued)

l) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expenses are the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively at year end applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which asset can be utilized.

m) New and revised standards, interpretations, and amendments

There are no IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. ACQUISITION OF ACAPULCO GOLD HOLDINGS LTD.

On April 27, 2022, the Company completed a Reverse Takeover (RTO) pursuant to the Merger Agreement in which the Company acquired AGH. For accounting purposes, AGH is deemed to be the accounting acquirer in such reverse takeover transaction. The net assets of VCC are acquired at fair value at April 27, 2022.

The Transaction was accounted for in accordance with guidance provided in IFRS 2, “Share-Based Payment” as Vortex did not qualify as a business according to the definition in IFRS 3. Accordingly, AGH will be the continuing entity and the total purchase price is allocated to the assets acquired and liabilities assumed based on their respective fair values with excess allocated to charge to listing fee. Additionally, the transaction was not considered to be a business acquisition as the primary item acquired was the public listing.

Replacement options of VCC were be issued in the amount of 407,100 stock options and are valued at $31,833. The fair value of the replacement options were estimated on the grant date using the Black-Scholes option model with the following weighted average variables: share price of $0.20, risk-free interest rate of 2.62%, expected option life of 1 year, expected stock price volatility of 100% and expected dividend rate of 0%. Each replacement option gives the holder the right to purchase one common share at an exercise price of $0.20 and for a period of 4.84 months following the release date.

(Expressed in Canadian Dollars)

3. ACQUISITION OF ACAPULCO GOLD HOLDINGS LTD. (continued)

The Company issued 1,587,205 common shares with a fair value of $317,441 as a finder's fee in connection with the RTO transaction.

The allocation of estimated consideration transferred is summarize as follows:

Purchase Price		
Fair value of the common shares of the resulting issuer held by VCC valued using the concurrent financing price.		
Common shares	$	1,017,750
Transaction costs (finders' shares)		317,441
Replacement options		31,833
Purchase price		1,367,024
Allocation of purchase price:		
Cash	$	52,158
Loan receivable		159,429
Accounts payable and accrued liabilities		(577,006)
Net liabilities assumed	$	(365,419)
Listing fee	$	1,732,443

4. EXPLORATION AND EVALUATION ASSETS

Mexico Properties

On March 16, 2022, AGH entered into an amended and restated agreement of purchase and sale with Minera Zalamera S.A. de C.V ("Zalamera") in relation to the Riqueza Marina Project, Zaachila Project and the El Rescate Project each located in Mexico. Immediately preceding the completion of the RTO (Note 3) the Company issued a total of 25,000,000 common shares (valued at $5,000,000) paid $200,000 and settled assumed liabilities of $551,838. Upon completion of the environmental impact assessment study and receipt of drill permits the Company will pay $300,000 over 38 months and once the first set of core samples are obtained the Company will pay an additional $150,000. The Company granted a 3% net smelter returns royalty ("NSR") over the properties.

Exploration & Evaluation Assets

	Riqueza Marina Property	Zaachila Property	Total
December 31, 2021	$ -	$ -	$ -
Additions			
Cash	100,000	100,000	200,000
Liabilities assumed	280,086	271,752	551,838
Shares	2,500,000	2,500,000	5,000,000
December 31, 2022	$ 2,880,086	$ 2,871,752	$ 5,751,838
Additions	316,334	316,335	632,669
December 31, 2023	$ 3,196,420	$ 3,188,087	$ 6,384,507

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION (continued)

Exploration and evaluation expenditures for the years ended December 31, 2023 and December 31, 2022

	Riqueza Marina Property	Zaachila Property	Total
Exploration and Evaluation Expenditures			
For the year ended December 31, 2023			
Geological	126,668	275,743	402,411
Maintenance costs	-	-	-
Total, December 31, 2023	$ 126,668	$ 275,743	$ 402,411

	Riqueza Marina Property	Zaachila Property	Total
Exploration and Evaluation Expenditures			
For the year ended December 31, 2022			
Assay	782	782	1,564
Field supplies and other	17,697	17,698	35,395
Geological	82,993	82,993	165,986
Maintenance costs	246,895	118,909	365,804
Total, December 31, 2022	$ 348,367	$ 220,382	$ 568,749

5. RELATED PARTY TRANSACTIONS

Key management personnel include those people who have authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board and corporate officers, including the Company’s Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties, not disclosed elsewhere in these consolidated financial statements:

	For the year ended December 31,	
	2023	**2022**
	$	**$**
Professional fees	-	3,000
Consulting fees	193,519	159,550
Salaries	189,448	134,967
Share based compensation	-	212,716
Rent*	18,439	10,650
Total	401,406	520,883

*Rent is recorded in office expenses.

As at December 31, 2023, $20,000 (December 31, 2022 - $44,100) was included in accounts payable and accrued liabilities owing to directors of the Company.

(Expressed in Canadian Dollars)

6. SHAREHOLDERS' EQUITY

Authorized

An unlimited number of common shares without par value.

Issued share capital

No share capital transactions during the year ended December 31, 2023

During the year ended December 31, 2022, the Company:

a) On April 27, 2022, completed the RTO and exchanged 20,215,000 commons shares for subscription receipts at a price of $0.20 per common share recorded as subscriptions received in advance as at December 31, 2021. Additionally, the Company issued 1,445,000 common shares for subscription receipts of $289,000 received by VCC. The Company issued 1,732,800 finders' warrants valued at $184,503. Each warrant allows the holder to purchase one common share at $ 0.20 per common share for a period of 24 months. The fair value of the warrant was estimated using the Black-Scholes option pricing model assuming a life expectancy of 2 years, a risk-free rate of 2.50%, a forfeiture rate of 0%, and volatility of 100%.

b) On April 27, 2022, issued 25,000,000 common shares at a price of $0.20 for a value of $5,000,000 in relation to the acquisition the Riqueza Marina Project, Zaachila Project and the El Rescate Project each located in Mexico (Note 4).

c) On April 27, 2022, issued 5,088,750 common shares at $0.20 per share for a value of $1,017,750 as part of the RTO (Note 3). In addition, the Company issued 1,587,205 common shares at $0.20 per share for a value of $317,441 recorded as transaction costs associated to the RTO.

Escrow Shares

As at December 31, 2023, the Company had 2,046,597 common shares in escrow and 11,770,943 common shares subject to seed share resale restrictions.

	Common share in Escrow	Common shares subject to seed share resale restrictions
December 31, 2023	2,046,597	11,770,944
May 6, 2024	1,364,398	7,847,296
November 6, 2024	682,199	3,923,648

Share purchase warrants

As at December 31, 2023 and 2022, the following share purchase warrants were outstanding:

	Number of share purchase warrants	Weighted average exercise price
Balance, December 31, 2021	-	-
Granted	1,732,800	$0.20
Balance, December 31, 2022	1,732,800	$0.20
Granted	-	-
Balance, December 31, 2023	1,732,800	$ 0.20

The share purchase warrants expire on April 27, 2024.

(Expressed in Canadian Dollars)

6. SHAREHOLDERS' EQUITY (continued)

Stock options

Stock Option Plan

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

Stock option transactions are summarized as follows:

	Number of Stock options	Weighted average exercise price
Balance, December 31, 2021	-	-
Granted	4,757,100	$0.20
Balance, December 31, 2022	4,757,100	$ 0.20
Expired	407,100	$ 0.20
Balance, December 31, 2023	4,350,000	$ 0.20

As at December 31, 2023, the following stock options were outstanding:

Number of Options Issued and Exercisable	Weighted Average Exercise Price	Expiry Date
4,350,000	$ 0.20	July 28, 2032

During the year ended December 31, 2022, the Company issued 4,350,000 shares purchase options with a value of $455,072 or $0.105 per option.

During the year ended December 31, 2023, the Company recorded share-based compensation of $69,525 (2022 $385,547)

Options were priced based on the Black-Scholes options pricing model using the following weighted average assumptions to estimate the fair value of option granted:

	Year ended December 31, 2022
Risk-free interest rate	2.71%
Expected option life in years	10
Expected share price volatility	100.00%
Grant date share price	$0.20
Expected forfeiture rate	Nil
Expected dividend yield	Nil

(Expressed in Canadian Dollars)

7. GUARANTEED INVESTMENT CERTIFICATES

As of December 31, 2022, the following short-term investment certificates were outstanding:

Principal Amount	Maturity Date	Interest Rate
$2,000,000	September 26, 2023	3.50% per annum

The short-term investment certificates were redeemable on demand thus considered as cash.

8. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties in Mexico (Note 4).

9. INCOME TAXES

The reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2023	**2022**
Loss before income taxes	$ (1,896,665)	$ (3,848,557)
Income tax recovery at statutory rate	$ (512,100)	$ (1,039,000)
Tax rate differential	(12,072)	4,000
Permanent differences	39,814	572,000
Share issuance costs booked to equity	-	(89,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	5,670	(212,000)
Change in unrecognized deductible temporary differences	478,688	764,000
Total income tax expense (recovery)	**$ -**	**$ -**

The significant components of the company's deferred tax assets and liabilities are as follows:

	2023	**2022**
Deferred tax assets (liabilities)		
Share issuance costs	$ 195,721	$ 70,000
Non-Capital losses	5,157,665	899,000
Exploration and evaluation assets	-	6,000
Unrecognized deductible temporary differences	**$ 5,353,386**	**$ 975,000**

(Expressed in Canadian Dollars)

9. INCOME TAXES (continued)

The significant components of the Company's temporary differences, unused tax credits that have not been included on the consolidated statement of financial position are as follows:

		2023	Expiry Date Range		2022	Expiry Date Range
Temporary Differences						
Share issue costs	$	195,721	No expiry date	$	261,000	No expiry date
Exploration and evaluation assets	$	-	No expiry date	$	21,000	No expiry date
Non-Capital losses	$	4,755,254	2032-2042	$	3,328,000	2032-2041

Tax attributes are subject to review, and potential adjustment, by tax authorities.

10. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of cash, receivables and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at a large financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of goods and services tax receivable from the government of Canada agency.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year. The Company is exposed to liquidity risk.

10. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any demand deposit included in cash as they are generally held with large financial institutions. The Company is not exposed to significant interest rate risk.

b) Foreign currency risk

The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity (deficiency).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

11. SUBSEQUENT EVENT

On April 25, 2024, the Company issued 19,369,411 units at $0.09 per unit for a value of $1,743,247. Each unit consists of one share and one-half of one share purchase warrant. Each full warrant entitles the holder to purchase one common share at a price of $0.135 for a period of 24 months from the date of grant. $76,500 of the funds related to the private placement are still to be received.

In connection with the closing of the private placement, the Company paid aggregate finder's fees of $24,184, representing a cash commission of 8% of the proceeds raised from subscribers introduced by the finders, and issued an aggregate of 276,711 compensation warrants. Each compensation warrant entitles the holder thereof to purchase one share at a price of $0.135 for a period of 24 months from the date of issuance.