



**AZTEC MINERALS CORP.**

**Condensed Interim Consolidated Financial Statements**

**(stated in Canadian dollars)**

**Nine months ended September 30, 2024**

**Notice of No Auditor Review of  
Unaudited Condensed Consolidated Interim Financial Statements  
For the Nine Months Ended September 30, 2024**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these unaudited condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Aztec Minerals Corp. (the “Company”) for the nine months ended September 30, 2024 (the “Financial Statements”) have been prepared by and are the responsibility of the Company’s management and have not been reviewed by the Company’s auditors. The Financial Statements are stated in Canadian dollars, unless otherwise indicated, and are prepared in accordance with International Accounting Standards 34 (“IAS 34”) and International Financial Reporting Standards (“IFRS”).

# AZTEC MINERALS CORP.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

		September 30,	December 31,
	Notes	2024	2023
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 2,027,763	\$ 485,590
Receivables	3	63,990	106,165
Prepays, current		185,537	239,192
<b>Total Current Assets</b>		<b>2,277,290</b>	<b>830,947</b>
<b>Non-Current Assets</b>			
Equipment	4	1,048	1,432
Prepays, non-current		67,388	62,527
Mineral property interests	5,8	12,251,733	11,585,558
<b>Total Non-Current Assets</b>		<b>12,320,169</b>	<b>11,649,517</b>
<b>Total Assets</b>		<b>\$ 14,597,459</b>	<b>\$ 12,480,464</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		\$ 122,791	\$ 455,496
<b>Shareholders' Equity</b>			
Share capital	6(b)	24,379,225	20,884,941
Reserve for share-based payments	6(c)	2,234,238	1,641,057
Deficit		(12,138,795)	(10,501,030)
<b>Total Shareholders' Equity</b>		<b>14,474,668</b>	<b>12,024,968</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>\$ 14,597,459</b>	<b>\$ 12,480,464</b>

Nature of operations and going concern (Note 1)

Approved on behalf of the Board  
on November 15, 2024:

/s/ *Simon Dyakowski*

Director

/s/ *Patricio Varas*

Director

Refer to the accompanying notes to the condensed interim consolidated financial statements.

# AZTEC MINERALS CORP.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Comprehensive Loss

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

		Three Months ended September 30,		Nine Months ended September 30,	
	Notes	2024	2023	2024	2023
<b>Expenses:</b>					
Accounting and audit		\$ 29,000	\$ -	\$ 95,590	\$ 19
Amortization		19	224	385	671
Consulting		47,000	-	74,000	-
Employee and director remuneration	6	167,078	123,810	401,010	275,657
Legal		4,080	17,132	22,006	20,128
Office and sundry		35,508	19,464	97,562	56,776
Regulatory		11,016	15,877	47,698	53,875
Shareholder relations		73,823	191,764	381,987	460,602
Share-based payments	6 and 7	197,113	131,020	585,863	494,273
<b>Operating loss</b>		<b>(564,637)</b>	<b>(499,291)</b>	<b>(1,706,101)</b>	<b>(1,362,001)</b>
Interest income		5,285	1,421	8,641	9,847
Other income (loss)		(31,210)	-	3,073	-
Foreign exchange gain		(10,309)	17,366	(10,012)	74,788
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (600,871)</b>	<b>\$ (480,504)</b>	<b>\$ (1,704,399)</b>	<b>\$ (1,277,366)</b>
<b>Basic and diluted loss per share</b>		<b>\$ (0.01)</b>	<b>\$ -</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>		<b>119,762,863</b>	<b>96,291,331</b>	<b>111,351,402</b>	<b>94,308,082</b>

Refer to the accompanying notes to the condensed interim consolidated financial statements.

# AZTEC MINERALS CORP.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

	Share Capital		Reserve for		Total
	Number of Shares	Amount	Share-Based Payments	Deficit	
Balance, December 31, 2022	90,149,594	\$ 18,379,155	\$ 1,255,315	\$ (8,979,586)	\$ 10,654,884
Private placement	11,270,007	2,527,627	117,580	-	2,645,207
Share issue expenses	-	(39,837)	-	-	(39,837)
Finders fees - warrants issued	-	(7,141)	7,141	-	-
Exercise of options	200,000	36,859	(12,859)	-	24,000
Expiration of stock options	-	-	(152,629)	152,629	-
Share-based payments	-	-	494,273	-	494,273
Contributions by non-controlling interest	-	-	-	-	-
Comprehensive loss for the period	-	-	-	(1,277,366)	(1,277,366)
Balance, September 30, 2023	101,619,601	20,896,663	1,708,821	(10,104,323)	12,501,161
Private placement	-	-	-	-	-
Share issue expenses	-	(11,722)	-	-	(11,722)
Finders fees - warrants issued	-	-	-	-	-
Expiration of stock options	-	-	-	-	-
Expiration of warrants	-	-	(138,479)	138,479	-
Share-based payments	-	-	70,715	-	70,715
Comprehensive loss for the period	-	-	-	(535,186)	(535,186)
Balance, December 31, 2023	101,619,601	\$ 20,884,941	\$ 1,641,057	\$ (10,501,030)	\$ 12,024,968
Private placement	21,639,504	3,675,111	-	-	3,675,111
Share issue expenses	-	(154,874)	-	-	(154,874)
Exercise of options	400,000	48,000	-	-	48,000
Finders fees - warrants issued	-	(28,162)	28,162	-	-
Expiration of stock options	-	-	(66,634)	66,634	-
Residual value of warrants options	-	(71,530)	71,530	-	-
options	-	25,739	(25,739)	-	-
Share-based payments	-	-	585,862	-	585,862
Comprehensive loss for the period	-	-	-	(1,704,399)	(1,704,399)
Balance, September 30, 2024	<b>123,659,105</b>	\$ 24,379,225	\$ 2,234,238	\$ (12,138,795)	\$ 14,474,668

Refer to the accompanying notes to the condensed interim consolidated financial statements.

# AZTEC MINERALS CORP.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

	Nine Months Ended September 30,	
	2024	2023
<b>Cash provided from (used by):</b>		
<b>Operations:</b>		
Loss for the year	\$ (1,704,399)	\$ (1,277,366)
Items not involving cash:		
Amortization	385	671
Share-based payments	585,862	494,273
Unrealized foreign exchange (loss) gain	(3,205)	(55)
	(1,121,357)	(782,477)
Changes in non-cash working capital items:		
Receivables	42,175	199,251
Prepays, current	53,655	(130,459)
Accounts payable and accrued liabilities	(170,342)	(141,361)
Cash used by operating activities	(1,195,869)	(855,046)
<b>Financing:</b>		
Issuance of common shares	3,723,111	2,645,207
Exercise of stock options	-	24,000
Share issue expenses	(154,874)	(32,103)
Cash provided from financing activities	3,568,237	2,637,104
<b>Investing:</b>		
Mineral property interests, net of recoveries	(828,539)	(1,954,594)
Prepays, non current	(4,861)	(16,690)
Cash used by investing activities	(833,400)	(1,971,284)
<b>Foreign exchange loss (gain) on cash held in foreign currency</b>	<b>3,205</b>	<b>55</b>
<b>Decrease in cash</b>	<b>1,542,173</b>	<b>(189,171)</b>
Cash, beginning of period	485,590	1,471,056
<b>Cash, end of period</b>	<b>\$ 2,027,763</b>	<b>\$ 1,281,885</b>

Refer to the accompanying notes to the condensed interim consolidated financial statements.

# AZTEC MINERALS CORP.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

		Months ended September 30	
	Notes	2024	2023
<b>Non-cash financing and investing activities:</b>			
Accrual for mineral property interests		\$ 56,367	\$ 124,274
Fair value of common shares issued for:			
Exercise of stock options		25,739	13,453
Interest paid		-	-
Income taxes paid		-	-

Refer to the accompanying notes to the condensed interim consolidated financial statements.

# **AZTEC MINERALS CORP.**

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2024

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

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## **1. Nature of Operations and Going Concern**

Aztec Minerals Corp. (the “Company”) was incorporated on July 6, 2007, under the laws of British Columbia, Canada. The address of the Company’s registered office is 910 – 800 West Pender Street, Vancouver, BC, Canada, V6C 2V6 and its principal place of business is 1030 – 505 Burrard Street, Vancouver, BC, Canada, V7X 1M5.

As at September 30, 2024, the Company has a working capital of \$2,154,499 and an accumulated deficit of \$12,138,795. The Company expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The Company is in the process of exploring its own mineral exploration properties and evaluating new properties for potential acquisition. The Company has not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed interim consolidated financial statements have been prepared based on accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal courses of business rather than through a process of forced liquidation. These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset and amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

## **2. MATERIAL ACCOUNTING POLICIES**

### **Basis of presentation**

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of condensed interim consolidated financial statements, including International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The condensed interim consolidated financial statements do not include all the information required for full annual IFRS financial statements and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS as issued by the IASB. In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the nine-month period ended September 30, 2024, are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.



# AZTEC MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2024

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

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## 2. MATERIAL ACCOUNTING POLICIES *(cont'd)*

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit and loss, which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting and are presented in Canadian dollars.

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Aztec Minerals America Corp. (USA) and Aztec Minerals (Mexico) JV Corp. (“Aztec Mexico JV”) (Canada) which owns 100% interest in Minera Azteca Dorada S.A. de C.V (Mexico).

The Company consolidates its subsidiaries on the basis that it controls the subsidiaries through its ability to govern its financial and operating policies.

### **New accounting policies and amendments**

The Company adopted: *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* – the amendments require that an entity disclose its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

The Company adopted amendments made to IAS 12. IAS 12 was amended so that it no longer applies to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. The adoption of this amendment did not have a material impact on the audited consolidated financial statements.

## 3. RECEIVABLES

The Company’s current receivables primarily consist of refundable sales tax from government taxation authorities in Canada and amounts due from its joint venture partner and the receivables are current. The Company does not have any allowance for doubtful accounts as at September 30, 2024. Due to their short-term maturities, the fair value of receivables approximates their carrying value.

	September 30, 2024	December 31, 2023
GST receivable	\$ 62,359	\$ 32,679
Joint venture partner receivable	1,631	73,486
Total receivable	\$ 63,990	\$ 106,165

# AZTEC MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2024

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

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## 4. Equipment

	Office Furnishings	Office Equipment	Total
<b>Cost:</b>			
Balance, December 31, 2022	\$ 4,121	\$ 11,455	\$ 15,576
Add: Acquisitions	-	-	-
Balance, December 31, 2023	4,121	11,455	15,576
Add: Acquisitions	-	-	-
Balance, September 30, 2024	4,121	11,455	15,576
<b>Accumulated amortization:</b>			
Balance, December 31, 2022	3,820	9,476	13,296
Add: Amortization	219	629	848
Balance, December 31, 2023	4,039	10,105	14,144
Add: Amortization	82	303	385
Balance, September 30, 2024	\$ 4,121	\$ 10,408	\$ 14,529
<b>Net book value:</b>			
Balance, December 31, 2023	\$ 3,902	\$ 1,350	\$ 1,432
Balance, September 30, 2024	-	1,047	1,047

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# AZTEC MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2024

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

## 5. Mineral Property Interests

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing.

	September 30, 2024		
	Mexico	USA	Total
	Cervantes	Tombstone	
<b>Acquisition Costs:</b>			
Balance, December 31, 2023	\$ 582,611	\$ 568,783	\$ 1,151,394
Acquisition	-	11,339	11,339
Balance, September 30, 2024	582,611	580,122	1,162,733
<b>Deferred Exploration Expenditures:</b>			
Balance, December 31, 2023	7,466,870	2,967,294	10,434,164
Access and facilities	82,026	-	82,026
Assays	187	35,122	35,309
Drilling	96,321	-	96,321
Equipment and systems	13,072	10,587	23,659
Environmental	-	28,322	28,322
Field, camp, supplies	3,278	2,383	5,661
General, administrative, legal, sundry	31,713	23,962	55,675
Geology	85,764	99,061	184,825
Salaries and local labour	6,156	-	6,156
Surface taxes	21,923	294	22,217
Transportation and travel	5,388	61,014	66,402
Value added tax	27,900	-	27,900
Adjustment - joint venture partner (Note 5(b))	-	20,363	20,363
Balance, September 30, 2024	\$ 7,840,598	\$ 3,248,402	\$ 11,089,000
<b>Mineral Property Interests:</b>			
December 31, 2023	\$ 8,049,481	\$ 3,536,077	\$ 11,585,558
September 30, 2024	8,423,209	3,828,524	12,251,733

### (a) Cervantes property (Mexico):

On September 30, 2016, the Company entered into the Option Amendment and Assignment Agreement for the Cervantes Property (“Option Assignment Agreement”) for the Cervantes Property with Aztec Metals Corp. (“AzMet”), which share common directors with the Company, AzMet, and Kootenay Silver Inc. (“Kootenay”), whereby AzMet assigned to the Company all of its rights and interests in the Property Option Agreement dated July 25, 2015 between AzMet and Kootenay (the “Option Agreement”). In July 2019, the Company earned its 65% interest in the Cervantes property.

In December 2020, the Company entered into a joint venture agreement with Kootenay whereby the Company holds 65% interest in the joint venture entity, Aztec Minerals (Mexico) JV Corp. (“Aztec Mexico JV”). Minera Azteca Dorada SA de CV is a wholly owned subsidiary of Aztec Mexico JV and owns the

# AZTEC MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2024

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

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## 5. Mineral Property Interests (continued)

Cervantes property. The Company determined that the 65% interest in Aztec Mexico JV does not constitute a loss of control. The issuance of the shares is accounted for as an equity transaction and resulted in a non-controlling interest of \$954,847.

In August 2022, the Company closed the purchase transaction with Kootenay whereby the Company acquired Kootenay's 35% interest in the joint venture, Aztec Mexico JV, resulting in the Company owning a 100% interest in the Cervantes project. As consideration for the 35% interest in Aztec Mexico JV, the Company issued to Kootenay 10,000,000 common shares in the capital of the Company at a fair value of \$0.24 per share, and Kootenay retains a 0.5% net smelter return royalty.

### (b) Tombstone property (USA):

On November 30, 2017, as amended on February 28, 2018, the Company entered into a Purchase Option Agreement for the Tombstone property (the "Tombstone Option Agreement") with Baroyeca Gold & Silver Inc. and its two wholly owned U.S. subsidiaries (collectively, "Baroyeca"). In February 2021, the Company earned a 75% interest by making cash payments of \$100,000, incurred exploration expenditures of \$1 million and issued 1 million common shares over a three-year period starting from March 2018.

In February 2021, the Company entered a joint venture with Baroyeca's two U.S. subsidiaries whereby the Company holds 75% interest in the joint venture. The Company records its proportionate share of their interest in the Tombstone property in mineral property interests. As at September 30, 2024, the respective partners interest has been adjusted, with the new joint venture interests recalculated to 77.7% for the Company and 22.3% for Baroyeca. As a result of the adjusted joint venture interest the Company recognized an account adjustment of \$20,363 in relation to the joint venture and as at September 30, 2024, had an estimated amount receivable of \$1,631 (December 31, 2023 - \$ 27,300) from Baroyeca.

During the period ended September 30, 2024, the company recognized other income of \$1,729 (2023 – \$Nil) from Joint venture partner as share of royalty income from sale of aggregate.

## 6. Share Capital

### (a) Authorized:

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value.

### (b) Issued:

During the period ended September 30, 2024, the Company:

Completed a non-brokered private placement for 7,333,333 units at \$0.15 per unit for gross proceeds of \$1,100,000. Each unit is comprised of one common share and one share purchase warrant which is exercisable to acquire one common share at an exercise price of \$0.225 until February 20, 2027. Additional share issue costs of \$10,902 were incurred in connection with these financing, and was recorded as an offset to share capital, as share issue costs.

Issued 400,000 common shares upon the exercise of stock options for proceeds of \$48,000.

# AZTEC MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2024

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

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## 6. Share Capital (continued)

Completed a non-brokered private placement for 14,306,171 units at \$0.18 per unit for gross proceeds of \$2,575,110. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase one share at an exercise price of \$0.25 until July 26, 2026. The company paid a cash finder's fee in the amount of \$90,553 and issued 495,286 agent warrants valued at \$28,162. Each agent warrant has an exercise price of \$0.18 and an expiry date of July 26, 2026. Additional share issue costs of \$53,420 were incurred in connection with these financing, and was recorded as an offset to share capital, as share issue costs. A value of \$71,530 was attributed to the warrants using the residual value method.

During the year ended December 31, 2023, the Company:

Completed a non-brokered private placement for 4,378,168 shares at \$0.25 per share for total proceeds of \$1,094,542.

Issued 200,000 common shares on the exercise of stock options for gross proceeds of \$24,000, resulting in a fair value reallocation of \$12,859 from reserve for share-based payments to share capital.

Completed a non-brokered private placement in two tranches totaling 6,891,839 units at \$0.225 per unit for gross proceeds of \$1,550,663. Each unit was comprised of one common share and one-half of one share purchase warrant; each whole share purchase warrant is exercisable to acquire one common share at an exercise price of \$0.30 for a period of three years. The Company closed the first tranche for 4,051,450 units for gross proceeds of \$911,577. The Company valued the warrants at \$60,772 using the residual value approach. The Company closed the second tranche for 2,840,389 units for gross proceeds of \$639,087. The Company valued the warrants at \$56,808 using the residual value approach. Finders' fees were comprised of \$18,324 in cash and 75,700 warrants of which 56,520 agents warrants valued at \$5,443 using the following Black-Scholes assumptions: risk free interest rate of 4.38%, expected life of 3 years, volatility of 80.0% and dividend rate of 0%. Each warrants have an exercise price of \$0.30 and expiry date of August 29, 2026, and 19,180 agents warrants valued at \$1,698 using the following Black-Scholes assumptions: risk free interest rate of 4.63%, expected life of 2 years, volatility of 77.0% and dividend rate of 0%. Each warrants have an exercise price of \$0.225 and expiry date of August 29, 2025.

Additional share issue costs of \$33,233 were incurred in connection with these financing, and was recorded as an offset to share capital, as share issue costs.

### (c) Stock option plan:

On January 20, 2017, the Company adopted a stock option plan that allows it to grant stock options to its directors, officers, employees, and consultants, provided that the aggregate number of stock options granted shall not at any time exceed 10% of the total number of issued and outstanding common shares of the Company. The exercise price of each stock option shall be based on the market price of the Company's shares as traded on the TSX-V at the time of grant. Stock options have a maximum term of ten years and terminate 30 days following the termination of the optionee's employment, except in the case of death, in which case they terminate one year after the event. Vesting of stock options is made at the discretion of the Board at the time the stock options are granted.

# AZTEC MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2024

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

## 6. Share Capital (continued)

### (c) Stock option plan: (continued)

Stock option continuity	Number of options	Weighted average exercise price
Outstanding balance, December 31, 2022	5,135,000	\$0.30
Granted	3,225,000	\$0.26
Exercised	(200,000)	\$0.12
Forfeitures and cancellations	(640,000)	\$0.35
Expired	-	\$0.00
Outstanding balance, December 31, 2023	7,520,000	\$0.29
Exercised	(400,000)	\$0.12
Expired	(470,000)	\$0.35
Granted	4,850,000	\$0.180
Outstanding balance, September 30, 2024	11,500,000	\$0.25
Outstanding balance, September 30, 2024, exercisable	10,780,000	\$0.25

The weighted average remaining contractual life of outstanding and exercisable options at September 30, 2024, was respectively 3.37 and 3.28 years (December 31, 2023 – 3.03 and 2.89 year).

As of September 30, 2024, the Company had stock options outstanding as follows:

Options Outstanding				Options Exercisable	
Options outstanding	Exercise Price	Expiry Date	Weighted Average Life Remaining	Options exercisable	Weighted Average Life Remaining
1,300,000	\$0.40	August 7, 2025	0.85	1,300,000	0.85
850,000	\$0.30	April 12, 2026	1.53	850,000	1.53
1,500,000	\$0.30	March 28, 2027	2.49	1,500,000	2.49
3,000,000	\$0.26	February 27, 2028	3.41	3,000,000	3.41
3,275,000	\$0.165	March 1, 2029	4.42	2,835,000	4.42
1,575,000	\$0.200	September 27, 2024	4.99	1,295,000	4.99
11,500,000			3.37	10,780,000	3.28

During the period ended September 30, 2024, the Company recognized share-based payments expense of \$585,863 (2023 - \$363,253) in connection with the vesting of stock options granted.

The weighted average fair value of stock options granted, and the weighted average assumptions used to calculate share-based payments for stock option grants are estimated using the Black-Scholes option pricing model as follows:

# AZTEC MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended September 30, 2024

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

## 6. Share Capital (continued)

### (c) Stock option plan: (continued)

	September 30, 2024	June 30, 2023
Fair value of stock options granted	\$0.12	\$0.18
Risk-free interest rate	3.25%	3.86%
Expected dividend yield	0%	0%
Expected stock price volatility	91.82%	109.38%
Expected life of options	5.00	5.00

### (d) Warrants:

At September 30, 2024, the Company had outstanding warrants as follows:

Exercise Prices	Expiry Dates	Outstanding at December 31, 2023	Issued	Exercised	Expired	Outstanding at September 30, 2024
\$0.40	December 6, 2025	11,388,089	-	-	-	11,388,089
\$0.30	August 29, 2026	2,025,725	-	-	-	2,025,725
\$0.30	August 29, 2026	56,520	-	-	-	56,520
\$0.23	August 29, 2025	19,180	-	-	-	19,180
\$0.30	September 25, 2026	1,420,195	-	-	-	1,420,195
\$0.23	September 25, 2026	-	7,333,333	-	-	7,333,333
\$0.25	July 26, 2026	-	7,153,086	-	-	7,153,086
\$0.18	July 26, 2026	-	495,286	-	-	495,286
		14,909,709	14,981,705	-	-	29,891,414

The weighted average remaining contractual life of warrants outstanding at September 30, 2024, was 1.73 (December 31, 2023 – 0.97 years).

## 7. Related Party Transactions

Key management includes directors (executive and non-executive) and senior management. The compensation paid or payable to key management for employee services is disclosed in the table below.

Except as disclosed elsewhere in the consolidated financial statements, the Company had the following transactions with related parties:

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## 7. Related Party Transactions (continued)

	Period ended September 30,		Payable as at September 30,	
	2024	2023	2024	2023
Key management compensation:				
Executive salaries and remuneration <sup>(1)</sup>	\$ 351,427	\$ 354,692	\$ 7,424	\$ -
Directors fees	-	14,813	-	14,813
Share-based payments	379,146	405,381	-	-
Executive salaries and remuneration <sup>(1)</sup>	<u>\$ 730,573</u>	<u>\$ 774,886</u>	<u>\$ 7,424</u>	<u>\$ 14,813</u>

<sup>(1)</sup> Includes key management compensation which is included in mineral property interests and employee remuneration.

The above related party transactions are incurred in the normal course of business. Any amounts payable to related parties are due in less than 90 days.

## 8. Segment Disclosures

The Company has one operating segment, being mineral exploration, with assets located in Canada, Mexico, and U.S.A, as follows:

	September 30, 2024				December 31, 2023			
	Canada	Mexico	USA	Total	Canada	Mexico	USA	Total
Mineral property interests	\$ -	\$ 8,327,568	\$ 3,828,525	\$ 12,156,093	\$ -	\$ 8,049,481	\$ 3,536,077	\$ 11,585,558
Prepays, non current	-	41,776	25,612	67,388	-	43,099	19,428	62,527
Equipment	1,047	-	-	1,047	1,432	-	-	1,432

## 9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data



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## 9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, current and non-current prepaids and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

### Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to receivables is remote as they are due from the Government of Canada. The Company's cash is deposited in accounts held at a large financial institution in Canada. As such, the Company believes the credit risk with cash is remote. Receivables comprise input tax receivables due from the Government of Canada. The Company considers the credit risk of receivables to be low.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of September 30, 2024, the Company had a cash balance of \$2,027,763 to settle current liabilities of \$122,791. All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company intends to raise additional equity financing in the coming fiscal year to meet its obligations.

#### *Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company's cash is held in accounts with floating interest rates. The Company's interest rate risk is estimated to be minimal.

#### *Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in USD. Amounts exposed to foreign currency risk include cash and accounts receivable of US\$9,700 as of September 30, 2024. A 10% fluctuation in the USD against the CAD would result in an approximate \$1,300 change in profit or loss for the year.

#### *Price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss and the ability to obtain financing, due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

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## **10. CAPITAL MANAGEMENT**

The Company defines capital that it manages as shareholders' equity, consisting of issued common shares, stock options and warrants.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition and exploration of exploration and evaluation assets.

The Company has historically relied on and currently relies on the equity markets to fund all its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the year.