
MOGOTES METALS INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND SIX MONTHS ENDED
MAY 31, 2024
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Mogotes Metals Inc. (the "Company") have been prepared by and are the responsibility of management.

The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Mogotes Metals Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at May 31, 2024	As at November 30, 2023
ASSETS		
Current assets		
Cash	\$ 8,414,466	\$ 1,398,254
Amounts receivable	40,417	51,841
Prepaid expenses	449,124	169,017
Total current assets	8,904,007	1,619,112
Non-current assets		
VAT recoverable	391,180	275,033
Total assets	\$ 9,295,187	\$ 1,894,145
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 336,080	\$ 782,720
Subscription liability	1,934,029	-
Total liabilities	2,270,109	782,720
Shareholders' equity		
Share capital (note 4)	9,644,695	9,465,087
Special warrants (note 5)	10,054,786	-
Share-based payments (note 6)	376,891	136,788
Warrants (note 7)	814,328	671,021
Accumulated other comprehensive loss	(89,952)	(29,312)
Deficit	(13,775,670)	(9,132,159)
Total shareholders' equity	7,025,078	1,111,425
Total shareholders' equity and liabilities	\$ 9,295,187	\$ 1,894,145

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

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 8 and 13)
Subsequent events (note 14)

Mogotes Metals Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended May 31, 2024	Three Months Ended May 31, 2023	Six Months Ended May 31, 2024	Six Months Ended May 31, 2023
Expenses				
Exploration and evaluation expenditures (notes 8 and 9)	\$ 3,152,336	\$ 4,340,487	\$ 3,962,865	\$ 7,156,372
Professional fees (note 9)	200,217	133,876	251,989	179,319
Consulting (note 9)	49,999	16,667	119,146	16,667
General and administrative	187,804	122,048	303,872	240,759
Regulatory fees	96,446	21,571	131,706	25,733
Share-based payments (notes 6 and 9)	185,654	136,788	185,654	136,788
Investor relations	31,250	31,250	62,500	31,250
	(3,903,706)	(4,802,687)	(5,017,732)	(7,786,888)
Other income				
Foreign exchange gain	171,380	683,654	266,559	1,673,083
Interest income	88,944	7,752	107,662	7,752
Net loss for the period	(3,643,382)	(4,111,281)	(4,643,511)	(6,106,053)
Other comprehensive loss				
Items that will be reclassified subsequently to income				
Currency translation	(40,589)	(1,906)	(60,640)	(17,302)
Total comprehensive loss for the period	\$ (3,683,971)	\$ (4,113,187)	\$ (4,704,151)	\$ (6,123,355)
Basic and diluted net loss per share	\$ (0.03)	\$ (0.04)	\$ (0.04)	\$ (0.06)
Weighted average number of common shares outstanding	120,737,656	107,188,289	118,162,148	99,749,930

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

Mogotes Metals Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

	Six Months Ended May 31, 2024	Six Months Ended May 31, 2023
Operating activities		
Net loss for the period	\$ (4,643,511)	\$ (6,106,053)
Adjustments for:		
Share-based payments	185,654	136,788
Shares issued for property acquisition	-	1,200,000
Shares and units issued for services	-	219,000
Changes in non-cash working capital items:		
Amounts receivable	11,424	212,148
Prepaid expenses	(12,751)	(234,438)
VAT recoverable	(116,147)	(270,292)
Accounts payable and accrued liabilities	(267,032)	380,532
Net cash used in operating activities	(4,842,363)	(4,462,315)
Financing activities		
Shares, units, special warrants, and subscriptions issued for cash	12,465,836	5,152,900
Shares, units, special warrants, and subscriptions issue costs	(546,621)	(173,288)
Net cash provided by financing activities	11,919,215	4,979,612
Net change in cash	7,076,852	517,297
Net effect of currency translation	(60,640)	(17,302)
Cash, beginning of period	1,398,254	3,084,371
Cash, end of period	\$ 8,414,466	\$ 3,584,366
Supplemental cash flow information		
Shares issued for share issue costs	\$ -	\$ 180,000
Broker warrants	\$ 143,307	\$ 130,426
Shares issued for debt settlements	\$ 179,608	\$ -
Taxes paid in cash	\$ -	\$ -

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

Mogotes Metals Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Share capital	Special warrants	Share-based payments	Warrants	Accumulated other comprehensive loss	Deficit	Total
Balance, November 30, 2022	\$ 3,175,901	\$ -	\$ -	\$ 540,595	\$ (4,189)	\$ (508,071)	\$ 3,204,236
Shares issued for cash	5,152,900	-	-	-	-	-	5,152,900
Shares issued for finders' fees	180,000	-	-	-	-	-	180,000
Share issue costs	(483,714)	-	-	130,426	-	-	(353,288)
Shares issued for services	219,000	-	-	-	-	-	219,000
Shares issued for property acquisition	1,200,000	-	-	-	-	-	1,200,000
Share-based payments	-	-	136,788	-	-	-	136,788
Comprehensive loss for the period	-	-	-	-	(17,302)	(6,106,053)	(6,123,355)
Balance, May 31, 2023	\$ 9,444,087	\$ -	\$ 136,788	\$ 671,021	\$ (21,491)	\$ (6,614,124)	\$ 3,616,281
Balance, November 30, 2023	\$ 9,465,087	\$ -	\$ 136,788	\$ 671,021	\$ (29,312)	\$ (9,132,159)	\$ 1,111,425
Special warrants issued for cash	-	10,799,163	-	-	-	-	10,799,163
Special warrants issued for services	-	145,164	-	-	-	-	145,164
Special warrants issue costs	-	(835,092)	-	143,307	-	-	(691,785)
Allocation to special warrant reserve	-	(54,449)	54,449	-	-	-	-
Shares issued for debt settlement	179,608	-	-	-	-	-	179,608
Share-based payments	-	-	185,654	-	-	-	185,654
Comprehensive loss for the period	-	-	-	-	(60,640)	(4,643,511)	(4,704,151)
Balance, May 31, 2024	\$ 9,644,695	\$ 10,054,786	\$ 376,891	\$ 814,328	\$ (89,952)	\$ (13,775,670)	\$ 7,025,078

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

Mogotes Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2024

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

Mogotes Metals Inc. (the "Company" or "Mogotes") is a company incorporated under the Business Corporations Act (Ontario) on August 12, 2022 and is engaged in the business of locating and exploring mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. Its registered and head office is located at 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2. On June 12, 2024, the Company's common shares began trading on the TSX Venture Exchange ("TSX-V") under the symbol "MOG".

These unaudited condensed interim consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business.

As at May 31, 2024, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business, all of which constitutes a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise future equity financing to fund its operations and advance the development of its business.

These unaudited condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material. Management is actively pursuing funding options, being financing and alternative funding options, required to meet the Company's requirements on an ongoing basis. To meet the challenges of the current climate in the financial markets, the Company is minimizing its expenditures.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of January 1, 2023. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the period ended November 30, 2023. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the period ending November 30, 2024 could result in restatement of these unaudited condensed interim consolidated financial statements. These adjustments could be material.

The unaudited condensed interim consolidated financial statements were approved by the Board of Directors of the Company on July 26, 2024.

Mogotes Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2024

(Expressed in Canadian Dollars)

Unaudited

3. Critical accounting estimates and judgments

The preparation of the unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. The following are the critical assumptions and estimates that the Company has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Going concern

The preparation of these unaudited condensed interim consolidated financial statements requires management to make estimates regarding the going concern of the Company, as discussed in note 1.

Share-based payments

The fair value of share-based payments including the grant of warrants are estimated using the Black-Scholes option pricing model. There are a number of estimates used in the calculation, such as forfeiture rates, expected life, and share price volatility which can vary from actual future events. The factors applied in the calculation are management's best estimates based on historical information and future forecasts.

4. Share capital

(a) Authorized share capital

As at May 31, 2024, the authorized share capital of the Company is an unlimited number of shares, without par value.

(b) Common shares issued

	Number of common shares	Amount
Balance, November 30, 2022	90,737,500	\$ 3,175,901
Private placements (i)(ii)(vi)	17,176,332	5,152,900
Shares issued for finders' fees (i)(vi)	600,000	180,000
Share issue costs (i)(ii)(vi)	-	(483,714)
Shares cancelled (iv)	(250,000)	-
Shares issued for services (iii)(vii)	730,000	219,000
Shares issued for property acquisition ((iv) and note 8)	4,000,000	1,200,000
Balance, May 31, 2023	112,993,832	\$ 9,444,087
Balance, November 30, 2023	113,063,832	\$ 9,465,087
Shares issued pursuant to an agreement (i)	2,500,000	-
Shares issued for debt settlement (viii)(x)(xii)	1,193,125	179,608
Shares issued for property acquisition ((ix) and note 8)	4,000,000	-
Balance, May 31, 2024	120,756,957	\$ 9,644,695

Mogotes Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2024

(Expressed in Canadian Dollars)

Unaudited

4. Share capital (continued)

(b) Common shares issued (continued)

- (i) On February 17, 2023, the Company closed the first tranche of a non-brokered private placement pursuant to which it issued 11,176,332 common shares at \$0.30 per share to raise gross proceeds of \$3,352,900. In connection with the private placement, the Company incurred share issue costs of \$152,288, issued 350,000 common shares (valued at \$105,000, based on the fair value of the services received as agreed upon with the third parties to be the fair value of equity instruments at the time of agreement for services), and issued 728,676 finders' warrants as finders' fees. Each finders' warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.30 per share and expires in 2 years from the closing date. The 728,676 finders' warrants were assigned a value of \$119,033 using the Black-Scholes valuation model using the weighted average assumptions: expected life of 2 years, expected volatility of 101%, risk-free rate of 4.15%, and expected dividend yield of 0%.

In conjunction with this private placement, a certain shareholder entered into an agreement with the Company, whereby in the event the Company did not complete an initial public offering of at least \$5,000,000 gross proceeds or become listed on a recognized stock exchange by December 31, 2023, that the Company would issue an additional 2,500,000 common shares for \$nil consideration to the shareholder (issued in January 2024).

- (ii) On March 16, 2023, the Company closed the second and final tranche of a non-brokered private placement pursuant to which it issued 1,000,000 common shares at \$0.30 per share to raise gross proceeds of \$300,000. In connection with the private placement, the Company incurred share issue costs of \$21,000 and issued 70,000 finders' warrants as finders' fees. Each finders' warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.30 per share and expires in 2 years from the closing date. The 70,000 finders' warrants were assigned a value of \$11,393 using the Black-Scholes valuation model using the weighted average assumptions: expected life of 2 years, expected volatility of 101%, risk-free rate of 3.73%, and expected dividend yield of 0%.
- (iii) On March 28, 2023, the Company issued 400,000 common shares (valued at \$120,000) for services.
- (iv) On April 19, 2023, the Company cancelled 250,000 common shares issued to a former director of the Company.
- (v) On April 19, 2023, the Company issued 4,000,000 common shares with a fair value of \$1,200,000 in satisfaction of the Filo Sur option payments due on or before May 4, 2023, 2024, 2025 and 2026.
- (vi) On April 25, 2023, the Company closed a non-brokered private placement pursuant to which it issued 5,000,000 common shares at \$0.30 per share to raise gross proceeds of \$1,500,000. In connection with the private placement, the Company issued 250,000 common shares (valued at \$75,000, based on the fair value of the services received as agreed upon with the third parties to be the fair value of equity instruments at the time of agreement for services) to a director of the Company as finders' fees.
- (vii) On May 16, 2023, the Company issued 330,000 common shares (valued at \$99,000) to a director of the Company for services.
- (viii) On February 13, 2024, the Company issued 1,125,000 common shares (valued at \$168,750) for debt settlement with a company associated with the Company's director.

Mogotes Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2024

(Expressed in Canadian Dollars)

Unaudited

4. Share capital (continued)

(b) Common shares issued (continued)

- (ix) On February 13, 2024, the Company issued 4,000,000 additional common shares for \$nil consideration pursuant to a downside protection clause in the Filo Sur Option Agreement as described in note 8.
- (x) On March 12, 2024, the Company issued 36,186 common shares (valued at \$5,428) for debt settlement.
- (xi) On March 21, 2024, the Company closed a brokered offering pursuant to which it issued 11,376,641 subscription receipts at a price of \$0.17 per subscription receipt to raise gross proceeds of \$1,934,029. Each subscription receipt is convertible, for no additional consideration, into a unit, which consists of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.30 per share and expires on January 31, 2027. In connection with the offering, the Company paid commissions of \$116,042 and granted 682,598 broker's warrants. Each broker's warrant is exercisable for 2 years after the listing date with exercise price of \$0.17 per share. The gross proceeds from the offering were deposited in escrow and are held by the escrow agent. The funds will be released from escrow upon satisfaction of the following escrow conditions:
- (i) The receipt by the Company of the conditional approval of the TSX Venture Exchange for listing;
 - (ii) The receipt by the Company of the final receipt issued by the Ontario Securities Commission of the final prospectus;
 - (iii) The receipt by the agent of an opinion of counsel to the Company that the subscription receipt shares and warrants will be freely tradable upon the completion of the listing; and
 - (iv) The receipt by the escrow agent of a notice from the Company and the agent confirmation that the conditions set forth in (i) and (ii) above have been met or waived.

The subscription receipts were converted into units subsequent to May 31, 2024.

- (xii) On April 11, 2024, the Company issued 31,939 common shares (valued at \$5,430) for debt settlement.

5. Special warrants

	Number of special warrants	Amount
Balance, November 30, 2022, May 31, 2023 and November 30, 2023	-	\$ -
Private placements (i)(ii)	71,994,417	10,799,163
Special warrants issued for finders' fees (i)	967,753	145,164
Special warrants issue costs (i)	-	(835,092)
Allocation to special warrant reserve (i)	-	(54,449)
Balance, May 31, 2024	72,962,170	\$ 10,054,786

Mogotes Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2024

(Expressed in Canadian Dollars)

Unaudited

5. Special warrants (continued)

- (i) On January 31, 2024, the Company closed a private placement pursuant to which it issued 71,875,017 special warrants (the "Special Warrants") at a price of \$0.15 per Special Warrant to raise gross proceeds of \$10,781,253. Each Special Warrant entitles the holder to acquire one unit upon the exchange of the Special Warrant. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.30 per share and expires in 3 years from the closing date. In connection with the private placement, the Company issued 967,753 Special Warrants were issued to satisfy finders' fees in the amount of \$145,164 payable by the Company as partial commission in connection with the private placement.

The Company also issued 1,770,501 finders' warrants to the agents. Each finders' warrant is exercisable for 2 years after the listing date with exercise price of \$0.15 per share. The 1,770,501 finders' warrants were assigned a value of \$143,307 using the Black-Scholes valuation model using the assumptions: expected life of 2 years, expected volatility of 100%, risk-free rate of 4%, and expected dividend yield of 0%.

- (ii) On February 15, 2024, the Company closed a private placement pursuant to which it issued 119,400 Special Warrants at a price of \$0.15 per Special Warrant to raise gross proceeds of \$17,910.

The Special Warrants were converted to units subsequent to May 31, 2024.

6. Stock options

On August 12, 2022, the Company adopted a stock option plan that authorizes the Company to issue up to a maximum of 10% of its issued common shares. The term, exercise price, and vesting conditions of the options are fixed by the Company's Board of Directors at the time of grant.

	Number of stock options	Weighted average exercise price
Balance, November 30, 2022	-	\$ -
Issued (i)(ii)	600,000	0.30
Balance, May 31, 2023 and November 30, 2023	600,000	0.30
Issued (iii)	5,700,000	0.23
Balance, May 31, 2024	6,300,000	\$ 0.24

- (i) On March 28, 2023, the Company granted 400,000 stock options to consultants of the Company. Each stock option has an exercise price of \$0.30 per share and expire on December 31, 2026. The stock options were assigned a value of \$91,403 using the Black-Scholes valuation model using the weighted average assumptions: expected life of 3.8 years, expected volatility of 118% based on comparable companies, risk-free rate of 3.0%, and expected dividend yield of 0%.
- (ii) On April 25, 2023, the Company granted 200,000 stock options to consultants of the Company. Each stock option has an exercise price of \$0.30 per share and expire on December 31, 2026. The stock options were assigned a value of \$45,385 using the Black-Scholes valuation model using the weighted average assumptions: expected life of 3.7 years, expected volatility of 118% based on comparable companies, risk-free rate of 2.92%, and expected dividend yield of 0%.

Mogotes Metals Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three and Six Months Ended May 31, 2024****(Expressed in Canadian Dollars)****Unaudited**

6. Stock options (continued)

- (iii) On May 6, 2024, the Company granted 5,700,000 stock options to directors, officers and consultants of the Company. Each stock option has an exercise price of \$0.23 per share and expire on May 6, 2026. The stock options vested 1/3 on the grant date, and 1/3 are vesting every six months thereafter. The stock options were assigned a value of \$462,454 using the Black-Scholes valuation model using the weighted average assumptions: expected life of 2 years, expected volatility of 102% based on comparable companies, risk-free rate of 4.15%, and expected dividend yield of 0%.

The following table reflects the stock options issued and outstanding as of May 31, 2024:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding
May 6, 2026	0.23	1.93	5,700,000
December 31, 2026	0.30	2.59	600,000
	1.99	0.24	6,300,000

7. Warrants

	Number of warrants	Weighted average exercise price
Balance, November 30, 2022	14,100,000	\$ 0.10
Issued	798,676	0.30
Balance, May 31, 2023 and November 30, 2023	14,898,676	0.11
Issued	1,770,501	0.15
Balance, May 31, 2024	16,669,177	\$ 0.11

The following table reflects the warrants outstanding as of May 31, 2024:

Expiry date	Exercise price (\$)	Number of warrants outstanding
October 7, 2027	0.10	6,000,000
October 12, 2024	0.10	8,100,000
February 7, 2025	0.30	728,676
March 16, 2025	0.30	70,000
June 12, 2026	0.15	1,770,501
	0.11	16,669,177

Mogotes Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2024

(Expressed in Canadian Dollars)

Unaudited

8. Exploration and evaluation expenditures

	Three Months Ended May 31, 2024	Three Months Ended May 31, 2023	Six Months Ended May 31, 2024	Six Months Ended May 31, 2023
Filo Sur Project				
Acquisition and claims maintenance	\$ 45,883	\$ 1,742,190	\$ 60,010	\$ 1,772,296
Geologists and consulting	468,657	551,012	637,542	993,992
Logistics and field assistants	249,649	259,739	317,108	520,299
Land access	-	375,730	-	1,196,532
Camp - Services, equipment and consumables	203,380	392,728	310,410	1,016,225
Rental and buildings	54,959	320,941	89,773	599,220
Camp infrastructure	92,214	155,781	162,361	155,781
Vehicle hire	104,382	87,559	212,674	162,523
Travel and accommodation	4,732	(959)	18,845	47,444
Analysis	5,414	204	9,243	2,597
Drilling	1,264,133	201,377	1,408,629	201,377
Geophysics	657,765	245,317	714,886	479,218
Environmental	1,168	8,868	21,384	8,868
	\$ 3,152,336	\$ 4,340,487	\$ 3,962,865	\$ 7,156,372

Filo Sur Project

The Company's principal property is the Filo Sur Project. The Filo Sur Project consists various claims located in the Province of San Juan, Argentina and in Chile. The Filo Sur Project is adjacent to the international border between Chile and Argentina and the Atacama region in Northern Chile.

Golden Argentina Properties

In September 2022, the Company entered into an agreement (the "Filo Sur Option Agreement") to earn up to 85% interest in the Filo Sur Project, located in the Province of San Juan, Argentina and in Chile.

Pursuant to the terms of the Filo Sur Option Agreement, in order to earn an 80% interest the Filo Sur Project, the Company is required to:

- Make a cash payment of \$150,000 and incur a sum of \$300,000 of expenditures on the property on or before May 4, 2023 (completed);
- Make a cash payment of \$250,000 and incur a further sum of \$500,000 of expenditures on the property on or before May 4, 2024 (completed);
- Make a cash payment of \$350,000 and incur a further sum of \$1,000,000 of expenditures on the property on or before May 4, 2025 (completed);
- Make a cash payment of \$450,000 and incur a further sum of \$1,500,000 of expenditures on the property on or before May 4, 2026 (completed); and
- Make a cash payment of \$550,000 and incur a further sum of \$1,700,000 of expenditures on the property on or before May 4, 2027.

Mogotes Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2024

(Expressed in Canadian Dollars)

Unaudited

8. Exploration and evaluation expenditures (continued)

Upon the Company exercising the Filo Sur option, a joint venture company ("JVco") will be incorporated, with 80% of JVco shares held by the Company and the remaining 20% to be held by the vendors. The Company may increase its interest to 85%, through the issue of additional shares of JVco to the Company at no cost to the Company, in the event that the board of directors of JVco determines to commence the development of a mine on the property in accordance with a feasibility study.

On April 19, 2023, the Company issued 4,000,000 common shares with a fair value of \$1,200,000 in satisfaction of the Filo Sur option payments due on or before May 4, 2023, 2024, 2025 and 2026 as per the amended option agreement.

The amended option agreement also contains a price adjustment clause, where in the event the company completes an initial public offering at a price per share less than \$0.30, then the company will issue additional common shares to the optionor to bring the total value of share consideration paid at the initial public offering price equal to \$1,200,000 as required per the option agreement. See note 4(b).

Mogotes 10 Property

In February 2023, the Company, through its subsidiary, entered into an option agreement (the "SJM Option Agreement") to acquire a 100% interest in the Mogotes 10 Property, located in the Province of San Juan, Argentina.

Pursuant to the terms of the SJM Option Agreement, the Company is required to:

- Make an aggregate payment of US\$45,000 (US\$15,000 paid); and
- Incur exploration expenses in the amount of US\$100,000, inclusive of expenses required in order to keep the property in good standing.

The vendor will retain 1.5% net smelter royalty ("NSR") from the property, provided that such NSR may not exceed US\$200,000.

Chile optioned properties

In September 2023, the Company, through its subsidiary, entered into an option agreement (the "Vicuna Option Agreement") to earn a 100% interest in the Chile optioned properties. Pursuant to the terms of the Vicuna Option Agreement, the Company can earn a 100% interest in the Chile optioned properties by:

- Making a cash payment of US\$25,000 on the date of entering into the Vicuna Option Agreement (completed);
- Making a cash payment of US\$50,000 on the earlier of (a) the 1st anniversary of the Vicuna Option Agreement, or (b) within 10 days after the Company begins first drilling on the properties;
- Making a cash payment of US\$100,000 on or before the 2nd anniversary of the Vicuna Option Agreement; and
- Making a cash payment of US\$325,000 on or before the 3rd anniversary of the Vicuna Option Agreement.

The vendor retains a 1% NSR from production from the Chile optioned properties if the Vicuna Option is exercised.

The Company may terminate the Vicuna Option Agreement unilaterally at any time before the end of the Vicuna Option Period as follows:

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8. Exploration and evaluation expenditures (continued)

- (i) By not making the required option payments under the Vicuna Option Agreement when due, provided that the Company has 10 business days after the required due date to complete such option payment;
- (ii) By providing the vendor with 30 days' prior notice; or
- (iii) If the Company does not exercise the option within 48 months after the date of the Vicuna Option Agreement, the Company will be deemed to have terminated the Vicuna Option Agreement.

If the Company elects to terminate the Vicuna Option Agreement, the Company will have no interest in the Chile optioned properties and will forfeit any payments made to the vendor under the Vicuna Option Agreement prior to the date of termination.

Either the vendor or the Company may terminate the Vicuna Option Agreement if the other party breaches their obligations under the Vicuna Option Agreement.

9. Related party transactions

Key management include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

The remuneration attributed to key management during the three and six months ended May 31, 2024 can be summarized as follows:

	Three Months Ended May 31, 2024	Three Months Ended May 31, 2023	Six Months Ended May 31, 2024	Six Months Ended May 31, 2023
Consulting (i)(ii)	\$ 49,999	\$ 16,667	\$ 118,749	\$ 16,667
Exploration and evaluation expenditures (ii)	131,182	183,230	175,285	333,889
Professional fees (iii)	11,983	17,280	27,843	33,321
Share-based payments	143,312	-	143,312	-
	\$ 336,476	\$ 217,177	\$ 465,189	\$ 383,877

(i) During the three and six months ended May 31, 2024, the Company incurred consulting fees of \$49,999 and \$99,999, respectively to a company associated with the Company's President and CEO. As at May 31, 2024, \$16,667 (November 30, 2023 - \$66,667) was due to the company, and is included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

(ii) During the three and six months ended May 31, 2024, the Company incurred geological services fees of \$131,182 and \$175,285, respectively (2023 - \$183,230 and \$333,889, respectively) and consulting fees of \$nil and \$18,750, respectively (2023 - \$nil) to a consulting group associated with the Company's director. As at May 31, 2024, \$nil (November 30, 2023 - \$206,250) was due to the company, and is included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

(iii) During the three and six months ended May 31, 2024, the Company incurred professional fees of \$11,983 and \$27,843, respectively (2023 - \$17,280 and \$33,321, respectively) to Marrelli Support Services Inc. ("Marrelli") for an employee of Marrelli to act as the Chief Financial Officer of the Company. As at May 31, 2024, \$2,883 (November 30, 2023 - \$2,883) was due to Marrelli, and is included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

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10. Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company mitigates its exposure to credit loss by placing its cash with major financial institutions and believes that its amounts receivable credit risk exposure is limited.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities as they come due. Accounts payable and accrued liabilities are all current. The Company monitors its liquidity position and budgets future expenditures, in order to ensure that it will have sufficient capital to satisfy liabilities as they come due.

As at May 31, 2024, the Company has accounts payable and accrued liabilities of \$336,080 (November 30, 2023 - \$782,720) due within 12 months and has cash of \$8,414,466 (November 30, 2023 - \$1,398,254) to meet its current obligations.

The Company obtains its financing through private placements. Negative trends in the general equity market and the fall in commodity prices can adversely impact the Company's ability to obtain financing at favourable terms. If the Company cannot obtain the necessary financing to fund its operating and exploration activities, the Company might not be able to continue as a going concern entity. There can be no assurance that additional financing, if and when required, will be available or on terms acceptable to the Company.

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 price risk.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to floating rates of interest. The interest rate risk on cash is not considered significant.

Foreign currency risk

Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's property interests in Argentina make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, profit or loss and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign currencies. As at May 31, 2024, a portion of the Company's net assets were held in US Dollars (US\$850,191). A 10% change in the Canadian Dollar against the US Dollar would have not have a significant effect based on foreign currency balances.

Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market.

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11. Capital risk management

Capital is comprised of the Company's shareholders' equity. As of May 31, 2024, the Company's shareholders' equity was \$7,025,078 (November 30, 2023 - \$1,111,425). The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company is currently not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the six months ended May 31, 2024.

12. Segment information

The Company primarily operates in one reportable operating segment, being the exploration and evaluation of mineral exploration properties in Argentina and Chile. The Company has administrative offices in Toronto, Canada. Geographical information is as follows:

May 31, 2024	Canada	Argentina	Chile	Total
Assets				
Current assets	\$ 7,911,239	\$ 948,995	\$ 43,773	\$ 8,904,007
Non-current assets	-	382,268	8,912	391,180
	\$ 7,911,239	\$ 1,331,263	\$ 52,685	\$ 9,295,187
Liabilities				
Current liabilities	\$ 2,045,566	\$ 220,288	\$ 4,255	\$ 2,270,109
November 30, 2023	Canada	Argentina	Chile	Total
Assets				
Current assets	\$ 1,468,251	\$ 148,617	\$ 2,244	\$ 1,619,112
Non-current assets	-	274,805	228	275,033
	\$ 1,468,251	\$ 423,422	\$ 2,472	\$ 1,894,145
Liabilities				
Current liabilities	\$ 724,274	\$ 36,017	\$ 22,429	\$ 782,720

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12. Segment information (continued)

Three months ended May 31, 2024	Canada	Argentina	Chile	Total
Expenses				
Exploration and evaluation expenditures	\$ -	\$ 3,115,583	\$ 36,753	\$ 3,152,336
Professional fees	200,217	-	-	200,217
Consulting	49,999	-	-	49,999
General and administrative	50,597	128,174	9,033	187,804
Regulatory fees	96,446	-	-	96,446
Share-based payments	185,654	-	-	185,654
Investor relations	31,250	-	-	31,250
	614,163	3,243,757	45,786	3,903,706
Other income				
Foreign exchange gain (loss)	(87,073)	258,822	(369)	171,380
Interest income	88,944	-	-	88,944
Net loss for the period	\$ (612,292)	\$ (2,984,935)	(46,155)	\$ (3,643,382)
Six months ended May 31, 2024	Canada	Argentina	Chile	Total
Expenses				
Exploration and evaluation expenditures	\$ -	\$ 3,919,173	\$ 43,692	\$ 3,962,865
Professional fees	251,989	-	-	251,989
Consulting	119,146	-	-	119,146
General and administrative	103,556	170,447	29,869	303,872
Regulatory fees	131,706	-	-	131,706
Share-based payments	185,654	-	-	185,654
Investor relations	62,500	-	-	62,500
	(854,551)	(4,089,620)	(73,561)	(5,017,732)
Other income				
Foreign exchange gain (loss)	49,106	216,840	613	266,559
Interest income	107,662	-	-	107,662
Net loss for the period	\$ (697,783)	\$ (3,872,780)	(72,948)	\$ (4,643,511)

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Three and Six Months Ended May 31, 2024

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12. Segment information (continued)

Three months ended May 31, 2023	Canada	Argentina	Total
Expenses			
Exploration and evaluation expenditures	\$ -	\$ 4,340,487	\$ 4,340,487
Professional fees	110,779	23,097	133,876
Consulting	16,667	-	16,667
General and administrative	44,804	77,244	122,048
Regulatory fees	21,571	-	21,571
Share-based payments	136,788	-	136,788
Investor relations	31,250	-	31,250
	361,859	4,440,828	4,802,687
Other income			
Foreign exchange gain (loss)	(108,684)	792,338	683,654
Interest income	7,752	-	7,752
Net loss for the period	\$ (462,791)	\$ (3,648,490)	\$ (4,111,281)
Six months ended May 31, 2023	Canada	Argentina	Total
Expenses			
Exploration and evaluation expenditures	\$ -	\$ 7,156,372	\$ 7,156,372
Professional fees	138,195	41,124	179,319
Consulting	16,667	-	16,667
General and administrative	86,842	153,917	240,759
Regulatory fees	25,733	-	25,733
Share-based payments	136,788	-	136,788
Investor relations	31,250	-	31,250
	(435,475)	(7,351,413)	(7,786,888)
Other income			
Foreign exchange gain (loss)	(103,472)	1,776,555	1,673,083
Interest income	7,752	-	7,752
Net loss for the period	\$ (531,195)	\$ (5,574,858)	\$ (6,106,053)

Mogotes Metals Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three and Six Months Ended May 31, 2024****(Expressed in Canadian Dollars)****Unaudited**

13. Commitments and contingencies**Environmental contingencies**

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

14. Subsequent events

In June 2024, 11,376,641 subscription receipts (see note 4(b)(xi)) and 72,962,170 Special Warrants (see note 5) were converted to units.

On June 12, 2024, the Company's common shares began trading on the TSX-V under the symbol "MOG".

On July 8, 2024, the Company issued 1,000,000 restricted share units ("RSUs") to consultants of the Company. The RSUs vest one year from the grant date.