(Expressed in Canadian Dollars) (Unaudited)

4. FINANCIAL INSTRUMENTS (Continued)

(b) Foreign currency risk (continued)

The sensitivity analysis of the Company's exposure to foreign currency risk suggests that a 10% change in foreign exchange rates between the Mexican peso, US dollar and Canadian dollar would impact net loss and comprehensive loss for the three months ended March 31, 2024 by approximately $319,000 (December 31, 2023 - $280,000).

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to be able to identify and continue with the exploration activities on its exploration and evaluation assets. The Company defines capital that it manages as shareholders' equity.

The Company manages its 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 its capital structure, the Company may attempt to issue shares from treasury, which is the Company's primary source of funds. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the three months ended March 31, 2024.

5. RIGHT-OF-USE ASSET AND LEASE LIABILITY

On December 1, 2021, the Company entered into a lease agreement for an office premise which expired on August 30, 2023. In January 2023, the Company entered into a lease agreement for another office premise commencing on February 1, 2023 and ending on January 31, 2025 for a monthly rent of $6,000.

The lease liability and right of use asset were measured as the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. The weighted average incremental borrowing rate applied to the lease liability was 19.00% per annum. The lease term remaining as at March 31, 2024 is approximately 0.84 years. The details of the lease liability and right-of-use asset recognized at inception are as follows:

	$
Operating lease commitment on December 1, 2021	92,652
Effect of discounting	(7,202)
Lease liability and right-of-use asset recognized on December 1, 2021	85,450
Operating lease commitment on January 1, 2023	144,000
Effect of discounting	(18,872)
Lease liability and right-of-use asset recognized on January 1, 2023	125,128

(Expressed in Canadian Dollars) (Unaudited)

5. RIGHT-OF-USE ASSET AND LEASE LIABILITY (Continued)

Right-of-use asset

The following is the continuity of the cost and accumulated depreciation of the right-of-use asset as at and for the year ended December 31, 2023:

Cost	$
Balance, December 31, 2022	85,450
Additions	125,128
Balance, December 31, 2023	210,578
Additions	-
Balance, March 31, 2024	210,578
Accumulated depreciation	
Balance, December 31, 2022	52,897
Depreciation	89,902
Balance, December 31, 2023	142,799
Depreciation	15,641
Balance, March 31, 2024	158,440
Carrying amount as at December 31, 2023	67,779
Carrying amount as at March 31, 2024	52,138

Lease liability

The following is the continuity of lease liabilities as at and for the year ended December 31, 2023:

Cost	$
Balance, December 31, 2022	32,718
Additions	125,128
Lease payments	(106,822)
Interest expense on lease payments	15,413
Balance, December 31, 2023	66,437
Additions	-
Lease payments	(18,000)
Interest expense on lease payments	3,097
Balance, March 31, 2024	51,534
Less: current portion	(51,534)
Lease liability – noncurrent	-

(Expressed in Canadian Dollars) (Unaudited)

6. EXPLORATION AND EVALUATION ASSETS

During the three months ended March 31, 2024, the Company incurred the following acquisition expenditures:

	Cerro Caliche	San Marcial	Total
December 31, 2022	3,895,300	353,649	4,248,949
Acquisition costs	665,950	-	665,950
December 31, 2023	$ 4,561,250	$ 353,649	$ 4,914,899
Acquisition costs	36,078	-	36,078
December 31, 2023	$ 4,597,327	$ 353,649	$ 4,950,976

During the three months ended March 31, 2024, the Company incurred the following exploration expenditures:

	Cerro Caliche
Field expenses	$ 2,670
Consulting	71,589
Geological fees	111,861
Engineering services	17,085
Administration	10,199
	$ 213,404

During the three months ended March 31, 2023, the Company incurred the following exploration expenditures:

	Cerro Caliche	San Marcial	Total
Field expenses	$ 45,295	$ -	$ 45,295
Drilling	(142,779)	-	(142,779)
Geological fees	95,619	-	95,619
Consulting	84,490	-	84,490
Administration	12,055	-	12,055
Concession taxes	21,458	8,604	30,062
	$ 116,138	$ 8,604	$ 124,742

(Expressed in Canadian Dollars) (Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

(a) Cerro Caliche Property

On January 23, 2018, the Company, through its wholly owned Mexican subsidiary, MMP, entered into an option agreement with a resident of Sonora, Mexico (the "Cerro Caliche Vendor"), to acquire a 100% interest in the Cerro Caliche Group of Concessions ("Cerro Caliche"), located in the municipality of Cucurpe, in the northern State of Sonora, Mexico.

To exercise, the Company must make payments of US$2,982,000 payable in instalments as follows:

December 19, 2017 deposit	US$10,000 (paid)
January 23, 2018 (on signing)	US$117,000* (paid)
January 23, 2019	US$200,000 (paid)
December 13, 2019	US$30,000 (paid)
January 13, 2021	US$135,000 (paid)
April 3, 2021	US$20,000 (paid)
April 30, 2021	US$120,000 (paid)
July 23, 2021	US$200,000 (paid)
January 23, 2021	US$200,000 (paid)
July 23, 2021	US$250,000 (paid)
January 23, 2022	US$250,000 (paid)
July 23, 2022	US$300,000 (paid)
January 23, 2023	US$300,000 (paid)
July 23, 2023	US$200,000 (paid)
December 18, 2023	US$25,000 (paid)
January 31,2024	US$25,000 (paid)
April 1, 2024	US$600,000 (Note 15)

* Plus reimbursement of property taxes of US$17,487 (paid)

Following exercise of the option, the Cerro Caliche Vendor will be entitled to a 2% net smelter returns royalty ("NSR") ("Cerro Caliche NSR") from the proceeds of the sale of minerals from the Cerro Caliche project. The Company may purchase the Cerro Caliche NSR at any time for US$1,000,000 for each one percent.

In September 2023, MMP entered into an amendment agreement with the Cerro Caliche Vendor to pay US$200,000 by September 15, 2023, which was paid and the balance of the US$200,000 of the US$400,000 amount due on July 23, 2023, by December 31, 2023.

In December 2023, MMP entered into an amendment agreement with the Cerro Caliche Vendor to pay US$25,000 by December 18, 2023 and US$25,000 by January 31, 2024 which were paid and the balance of the US$150,000 of the US$400,000 amount due on July 23, 2023 together with the final payment of $450,000 due on January 23, 2024 by April 1, 2024.

On February 14, 2018, the Company, through its wholly owned Mexican subsidiary, MMP, entered into a purchase agreement with a resident of Sonora, Mexico to acquire a 100% interest in the Abel concession adjacent to the eastern portion of Cerro Caliche in northern Sonora State, Mexico, for a onetime payment of 300,000 pesos (paid - $21,215).

On March 14, 2018, the Company, through its wholly owned Mexican subsidiary, MMP, entered into an option agreement with a resident of Tucson, Arizona (the "Rosario Vendor") to acquire a 100% interest in the Rosario Group of Concessions ("Rosario") located in the municipality of Cucurpe, in the northern State of Sonora, Mexico. The Rosario concessions are contiguous to the Company's Cerro Caliche concessions.

(Expressed in Canadian Dollars) (Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

a. Cerro Caliche Property (continued)

To exercise the option, the Company must make payments totaling US$1,600,000 payable in instalments as follows:

On signing	US$60,000 (paid)
March 14, 2019	US$75,000 (paid)
March 14, 2021	US$90,000 (paid)
March 14, 2021	US$150,000 (paid)
March 14, 2022	US$300,000 (paid)
April 1, 2024	US$925,000 (Note 15)

Following exercise of the option, the Rosario Vendor will be entitled to a 2% NSR ("Rosario NSR") from the proceeds of the sale of minerals from the Rosario project. The Company may purchase the Rosario NSR at any time for US$1,000,000 for each one percent.

In March 2023, MMP entered into an amendment agreement with the Rosario Vendor to pay the US$375,000 amount which was due on March 14, 2023, on May 31, 2023.

In August 2023, MMP entered into an amendment agreement with the Rosario Vendor to pay the US$375,000 amount due on May 31, 2023 by December 31, 2023. MMP also agreed to make a one-time interest payment of US$16,000 in conjunction with the final payment of US$550,000 due upon or prior to March 14, 2024.

In December 2023, MMP entered into an amendment agreement with the Rosario Vendor to pay the US$375,000 amount due on May 31, 2023 in conjunction with the final payment of US$550,000 due on March 14, 2024, upon or prior to April 1, 2024 (Note 15).

(b) San Marcial Property

On July 8, 2014, the Company completed the acquisition of Breco, a private Mexican company that holds the San Marcial project in Sonora, Mexico. The Company acquired all of the issued and outstanding shares of Breco by paying $40,000 cash and issuing 50,000 common shares with a market value of $16,000.

As a result of the acquisition of Breco, Sonoro assumed the original option agreement obligation with the original optionors of the San Marcial property. The Company paid additional $60,000 over the following two years and issued 150,000 shares over following three years to complete the acquisition of San Marcial Project.

In September 2012, Breco entered into an option agreement with certain vendors (the "Vendors") whereby Breco acquired a 100% interest in the additional concession that is contiguous to the San Marcial project for cash payments of US$180,000 made between September 2012 to September 2017. In September 2017, the Company acquired the 100% interest in concession by making the final US$30,000 payment and secured 100% title to the concession through execution of an "Assignment of Title to Mining Concession Agreement".

The San Marcial concession is subject to a 2% NSR, which may be purchased for US$750,000 at the Company's election.

(Expressed in Canadian Dollars) (Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

(c) Realization of assets

The Company's investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interest, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for the exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the exploration and evaluation assets, and upon future profitable production or proceeds from the disposition thereof.

(d) Title to mineral properties

Title to exploration and evaluation assets 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 of many exploration and evaluation assets. Although the Company has taken steps to ensure title to the exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such assets, these procedures may not guarantee the Company's title. Asset title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(e) Environmental matters

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its exploration and evaluation assets. The Company conducts its exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current assets that may result in a material liability to the Company.

Environmental legislation is becoming increasingly stringent and the costs of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the exploration and evaluation assets, the potential for production on these assets may be diminished or negated.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are broken down as follows:

	March 31, 2024	December 31, 2023
Trade payables	$ 735,153	$ 914,803
Accrued liabilities	971,851	435,333
Total	$ 1,707,004	$ 1,350,136

All accounts payable and accrued liabilities for the Company are due within the next 12 months.

(Expressed in Canadian Dollars) (Unaudited)

8. RELATED PARTY TRANSACTIONS

Compensation of key management

Key management comprises directors and executive officers. Compensation awarded to key management is as follows:

	For the three months ended March 31,	
	2024	**2023**
Consulting fees	$ 191,083	$ 142,650

The Company incurred no post-employment benefits, no long-term benefits, and no termination benefits.

In January 2023, the Board of Directors reapproved executive compensation plans (“ECPs”) for the Chief Executive Officer (“CEO”) and Executive Chairman (“EC”) of the Company for a three-year term starting from May 1, 2023. Pursuant to the ECPs, the CEO and EC are entitled to additional bonuses at the discretion of the Board of Directors. In the event of termination without cause or under change of control provisions, the CEO and EC are entitled to a one-time lump sum payment equivalent to 36 months of the officer’s then-current annual fees, within five business days from the date of the termination notice.

In January 2023, the Board of Directors reapproved the compensation plan for an officer of the Company for a three-year term starting from May 1, 2023. Pursuant to the compensation plan, the officer is entitled to additional bonuses at the discretion of the Board of Directors. In the event of termination without cause or under change of control provisions, the officer is entitled to a one-time lump sum payment equivalent to 24 months of the officer’s then-current annual fees within five business days from the date of the termination notice.

At March31, 2024, $644,134 (December 31, 2023 - $500,319) is owing to related parties, including management, directors and companies controlled by management, without interest and is payable on demand.

At March 31, 2024, $3,194,221 (December 31, 2023 - $2,897,263) of loans payable is owing to related parties these loans bear interest at a rate of 10% per annum and have varying repayment dates. In connection with these loans, $62,162 (December 31, 2023 - $240,092) is accrued as interest and loan fees and is included in accounts payable and accrued liabilities.

9. LOANS PAYABLE

During the three months ended March 31, 2024, the Company issued promissory notes to related parties and third parties in the amount of $359,163 with 10% interest and loan fee of 7% (year ended December 31, 2023 - $2,656,417). The Company repaid $nil (year ended December 31, 2023 - $327,927) of the promissory notes and paid or accrued $75,320 of interest (year ended December 31, 2023 - $347,110). As at March 31, 2024, the balance owing was $3,771,561 (December 31, 2023 - $3,412,398). The outstanding loans and interest are due and payable upon the completion of financing for the development of the Cerro Caliche mining operation.

10. SHARE CAPITAL AND RESERVES

a. Authorized

Unlimited number of common shares without par value.

b. Issued

i. In February 2024, the Company closed the first tranche of a $1,000,000 non-brokered private placement by issuing 11,028,429 units at a price of $0.05 per Unit, for gross proceeds of $551,421.

ii. In March 2024, the Company closed the second and final tranche of the non-brokered private placement by issuing another 12,321,580 units for additional gross proceeds of $616,079. In total, the Company issued 23,350,009 units at a price of $0.05 per unit, for gross proceeds of $1,167,500.

Each unit consists of one Sonoro common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional Sonoro common share for a period of three years from the closing of the private placement at an exercise price of $0.07 per share.

In connection with the offering, the Company paid $5,950 in Finder's fees and issued 77,000 in non-transferable three-year Finder's Warrants at an exercise price of $0.07 and 42,000 non-transferable two-year Finder's Warrants at an exercise price of $0.05 for a total of 119,000 Finder's Warrants. The fair value of the finder's warrants was estimated to be nominal and nothing has been recorded as share-based payment reserve.

In connection with this private placement, $561,300 is unpaid and is included in subscriptions receivable. The subscribers from which this amount is receivable from also have amounts in loans payable which may be settled on a net basis, pending regulatory approval.

iii. In August 2023, the Company closed two non-brokered private placements offering of 5,600,000 units at $0.10 per unit for proceeds of $560,000. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of two years from the closing date at an exercise price of $0.15 per share.

iv. In June 2023, the Company closed a non-brokered private placement offering of 17,000,000 units at $0.10 per unit for proceeds of $1,700,000. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of two years from the closing date at an exercise price of $0.15 per share.

In connection with this private placement, $1,015,906 is unpaid and is included in subscriptions receivable and $159,525 was received in relation to the financing completed in 2022. The subscribers from which this amount is receivable from also have amounts in loans payable which may be settled on a net basis, pending regulatory approval.

In connection with the offerings, the Company paid $22,187 in finders' fees and legal costs, and issued 9,590 in non-transferable finders' warrants. The fair value of the finder's warrants was estimated to be nominal and nothing has been recorded as share-based payment reserve.

(Expressed in Canadian Dollars) (Unaudited)

10. SHARE CAPITAL AND RESERVES (Continued)

(b) Issued (continued)

(c) Stock options

Pursuant to the policies of the TSX-V, under the Company's stock option plan, options to purchase common shares are granted to directors, employees and consultants at exercise prices determined by reference to the market value on the date of grant for a maximum term of five years. The Board of Directors may grant options for the purchase of up to a total of 10% of the outstanding shares at the time of the option grant less the aggregate number of existing options and number of common shares subject to issuance under outstanding rights that have been issued under any other share compensation arrangement. Options granted under the plan may vest over a period of time at the discretion of the Board of Directors.

A summary of the Company's outstanding and exercisable stock options is as follows:

	December 31, 2023		December 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	535,000	$ 0.30	9,650,000	$ 0.26
Expired	(535,000)	(0.30)	(9,115,000)	(0.12)
Balance, end of year	-	$ -	535,000	$ 0.30

No stock options were granted during the three months ended March 31, 2024 and 2023.

(Expressed in Canadian Dollars) (Unaudited)

10. SHARE CAPITAL AND RESERVES (Continued)

(d) Warrants

The Company's warrant activity for the year ended December 31, 2023 is as follows:

	Number of Financing Warrants	Number of Finders Warrants	Weighted Average Exercise Price $
December 31, 2022	94,524,623	2,988,380	0.28
Expired	(70,313,891)	(2,721,050)	0.30
Issued	22,600,000	9,590	0.15
December 31, 2023	46,810,732	276,920	
Issued	-	42,000	0.05
Issued	23,350,009	77,000	0.07
March 31, 2024	70,160,741	395,920	

The following summarizes information on the number of warrants outstanding:

Expiry Date	Exercise Price	March 31, 2024	December 31, 2023
June 30, 2024	$ 0.23	20,293,997	20,293,997
October 19, 2024	$ 0.23	4,184,065	4,184,065
June 20, 2025	$ 0.15	17,009,590	17,009,590
August 1, 2025	$ 0.15	3,007,920	3,007,920
August 31, 2025	$ 0.15	2,592,080	2,592,080
February 16, 2026	$ 0.05	14,000	-
March 28, 2026	$ 0.05	28,000	-
February 16, 2027	$ 0.07	11,084,429	-
March 28, 2027	$ 0.07	12,342,580	-
		70,556,661	47,087,652

11. SEGMENTED INFORMATION

The Company's business interests are in the exploration and development of mineral properties. The Company's significant assets are distributed by geographic locations as follows:

As at March 31, 2024:

	Exploration and evaluation assets	Right-of-use Asset	Total
Mexico	$ 4,950,976	$ -	$ 4,950,976
Canada	$ -	$ 52,138	$ 52,138

As at December 31, 2023:

	Exploration and evaluation assets	Right-of-use Asset	Total
Mexico	$ 4,914,899	$ -	$ 4,914,899
Canada	$ -	$ 67,779	$ 67,779

12. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

In January 2023, the Company entered into a commercial property lease commencing on February 1, 2023 and ending on January 31, 2025 for a monthly rent of $6,000.

The Company has entered into option agreements to acquire certain exploration properties in Mexico. For the option agreements to remain in good standing, the Company is committed to making periodic payments (Note 6).

13. EVENTS AFTER THE REPORTING PERIOD

In April 2024, MMP entered into an amendment agreement with the Cerro Caliche Vendor to pay US$100,000 by April 11, 2024, which was paid and $100,000 by May 11, 2024, which was paid and a final payment of $400,000 by June 11, 2024.

In April 2024, MMP entered into an amendment agreement with the Rosario Vendor to pay the US$375,000 amount due on May 31, 2023 as follows: US$50,000 by April 26, 2024, which was paid, US$50,000 by June 26, 2024, US$50,000 by November 26, 2024 and the balance of US$225,000 by April 1, 2025 in conjunction with the final payment of US$550,000.