



(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

**Notice to Reader**

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

The accompanying unaudited amended condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these amended condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**SONORO GOLD CORP.**

(An Exploration Stage Company)

Consolidated statements of financial position

(Expressed in Canadian Dollars)

As at	Note	March 31, 2025	December 31, 2024
<b>Assets</b>			
<b>Current assets</b>			
Cash	4	\$ 72,677	\$ 214,084
	7		
Value-added tax receivable		1,096,801	1,096,801
Receivables	10	11,768	16,804
Prepaid expenses		58,123	97,750
		1,239,369	1,425,439
<b>Non-current assets</b>			
Value-added tax receivable	7	690,282	520,716
Right of use asset	5	65,687	5,216
Exploration and evaluation assets	6	5,970,726	5,970,726
<b>Total Assets</b>		<b>\$ 7,966,064</b>	<b>\$ 7,922,097</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	8,9	\$ 1,908,138	\$ 1,641,565
Due to related parties	8	395,051	337,442
Loans payable	9	5,066,513	4,888,046
Lease liability	5	61,548	6,000
<b>Total Liabilities</b>		<b>7,431,250</b>	<b>6,873,053</b>
<b>Shareholders' equity (deficiency)</b>			
Share capital	10	31,164,464	31,021,566
Share-based payment reserve	10	2,467,337	2,005,737
Share subscriptions receivable	10	(1,265,238)	(1,265,238)
Deficit		(31,831,749)	(30,713,021)
		534,814	1,049,044
		\$ 7,966,064	\$ 7,922,097

Approved on behalf of the Board:

*"Stephen Kenwood" (signed)**"Ken MacLeod" (signed)*

Stephen Kenwood, Director

Ken MacLeod, Director

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

**SONORO GOLD CORP.**

(An Exploration Stage Company)

Consolidated statements of loss and comprehensive loss

(Expressed in Canadian Dollars)

For the three months ended March 31	Note	2025	2024
<b>Operating expenses</b>			
Consulting fees	8	\$ 163,283	\$ 162,789
Depreciation		11,187	15,641
Exploration expenditures	6	210,408	213,404
Legal and audit		16,236	36,636
Office and administration		21,388	19,799
Share-based compensation		461,600	-
Transfer agent and filing fees		20,861	19,071
Travel and promotion		181,702	190,045
		(1,086,665)	(657,385)
<b>Other income (expenses)</b>			
Interest expense	5,9	(134,862)	(90,390)
Foreign exchange gain (loss)		102,799	(225,055)
		(32,063)	(421,843)
<b>Loss and comprehensive loss for the year</b>		<b>\$ (1,118,728)</b>	<b>\$ (1,079,228)</b>
<b>Basic and diluted loss per share</b>		<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of shares outstanding</b>		<b>212,562,113</b>	<b>166,584,179</b>

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

**SONORO GOLD CORP.**

(An Exploration Stage Company)

Consolidated statements of loss and comprehensive loss

(Expressed in Canadian Dollars)

	Share Capital		Share-Based Payment Reserve	Share Subscriptions Receivable	Deficit	Shareholders' Equity (Deficiency)
	Shares	Amount				
Balance, December 31, 2023	166,070,992	\$ 28,521,721	\$ 2,005,737	\$(1,288,944)	\$(29,425,687)	\$ (187,173)
Private placement, net of issuance costs	46,405,565	2,499,845	-	23,706	-	2,523,551
Net loss for the year	-	-	-	-	(1,287,334)	(1,287,334)
Balance, December 31, 2024	212,476,557	\$ 31,021,566	\$ 2,005,737	\$(1,265,238)	\$(30,713,021)	\$ 1,049,044
Exercise of warrants	2,041,400	142,898	-	-	-	142,898
Share-based compensation	-	-	461,600	-	-	461,600
Net loss for the period	-	-	-	-	(1,118,728)	(1,118,728)
Balance, March 31, 2025	214,517,957	\$ 31,164,464	\$ 2,467,337	\$(1,265,238)	\$(31,831,749)	\$ 534,814

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

**SONORO GOLD CORP.**

(An Exploration Stage Company)

Consolidated statements of cash flows

(Expressed in Canadian Dollars)

For the three months ended March 31	2025	2024
<b>Operating Activities</b>		
Net loss	\$ (1,118,728)	\$ (1,079,228)
Items not involving cash		
Share-based compensation	461,600	-
Depreciation	11,187	15,641
Interest expense	2,380	3,097
Provision for uncollectable VAT	-	106,398
Changes in non-cash working capital		
VAT receivables	(169,566)	(106,398)
Receivables	5,036	(2,324)
Prepaid expenses	39,627	(9,327)
Accounts payable and accrued liabilities	266,573	334,771
Due to related parties	57,609	143,815
<b>Cash Used in Operating Activities</b>	<b>(444,282)</b>	<b>(593,555)</b>
<b>Investing Activities</b>		
Expenditures on exploration and evaluation assets	-	(36,078)
<b>Cash Used in Investing Activities</b>	<b>-</b>	<b>(36,078)</b>
<b>Financing Activities</b>		
Common shares issued for cash, net of share issuance costs	-	587,922
Lease payments	(18,490)	(18,000)
Exercise of warrants	142,898	-
Loans payable – related parties	178,467	381,260
<b>Cash Provided by Financing Activities</b>	<b>302,875</b>	<b>951,182</b>
<b>Outflow of Cash and Cash Equivalents</b>	<b>(141,407)</b>	<b>321,549</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>214,084</b>	<b>877</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 72,677</b>	<b>\$ 322,426</b>
<b>Supplemental Disclosure with Respect to Cash Flows</b>		
Interest received	\$ -	\$ -
Interest paid/accrued	\$ 132,482	\$ 90,390

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

# SONORO GOLD CORP.

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

---

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Sonoro Gold Corp. ("Sonoro" or the "Company") was incorporated in Ontario on November 30, 1944 under the *Company Act* of Ontario. On January 15, 2007, the Company was issued a Certificate of Continuation by the Province of British Columbia. The Company's principal business activity is the acquisition, exploration, and development of mineral properties. The Company is a publicly traded company listed on the TSX Venture Exchange ("TSX-V") under the symbol "SGO".

The head office, registered address and records office of the Company are located at Suite 300 – 2489 Bellevue Avenue, West Vancouver, British Columbia, Canada, V7V 1E1.

The Company has no source of revenue and has significant cash requirements to meet its administrative overhead and to finance mineral property acquisitions and future exploration. The Company does not generate cash flow from operations to adequately fund its activities and has therefore relied principally upon the issuance of securities for financing. The Company will be required to and intends to continue relying upon the issuance of securities to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company incurred a net loss of \$1,118,728 during the three months ended March 31, 2025 (2024 - \$1,079,228) and has an accumulated deficit of \$31,831,749 (December 31, 2024 - \$30,713,021) as at March 31, 2025. As at March 31, 2025, the Company had a working capital deficiency of \$6,191,881 (December 31, 2023 - \$5,447,614) available to meet its liabilities as they become due. Although these condensed interim consolidated financial statements do not include any adjustments that may result from the inability to secure future financing, or to the recoverability of assets and classification of assets and liabilities, such a situation would have a material adverse effect on the Company's business, results of operations and financial condition. These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

The Board of Directors approved these consolidated financial statements for issue on May 30, 2025.

## 2. BASIS OF PREPARATION AND CONSOLIDATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports including International Accounting Standard 34 - Interim Financial Reporting. Therefore, these condensed interim consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2022 ("Annual Financial Statements"), which have been prepared in accordance with IFRS.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are the same as those applied in the most recent annual consolidated financial statements and were consistently applied to all the periods presented with the exception of IFRS 16 discussed below.

These condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian dollars, the Company's functional currency, unless otherwise specified.

These consolidated financial statements include the accounts of the Company and its wholly owned integrated subsidiaries, Cap Capital Corp. ("Cap Capital"), Minera Mar de Plata, S.A. de C.V. ("MMP"), Oronos Gold Corp. ("Oronos"), and Minera Breco, S.A. de C.V. ("Breco"). A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. All significant intercompany transactions and balances have been eliminated upon consolidation.

## **SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

---

### **2. BASIS OF PREPARATION (Continued)**

These consolidated financial statements include the accounts of the Company and its wholly owned integrated subsidiaries, Cap Capital Corp. ("Cap Capital"), Minera Mar de Plata, S.A. de C.V. ("MMP"), Oronos Gold Corp. ("Oronos"), and Minera Breco, S.A. de C.V. ("Breco"). A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. All significant intercompany transactions and balances have been eliminated upon consolidation.

#### **Critical accounting estimates and judgments**

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

##### *Critical accounting estimates*

Critical accounting estimates made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year include, but are not limited to, the following:

##### Value-Added Tax ("VAT") receivable

The VAT receivables are generated on the purchase of supplies and services relating to exploration activities and are receivable from the Mexican government. The recovery of VAT involves a complex application process and the timing of collection of VAT receivables is uncertain. Management's assumptions regarding the recoverability of VAT receivable at the end of each reporting period is made using all relevant facts available, including past collectability, the development of VAT policies and the general economic environment of the country to determine if a write-down of the VAT is required. Collection of the amount receivable depends on processing and payment of the claims by the Mexican federal government.

##### *Critical accounting judgments*

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

##### Exploration and evaluation assets

Management is required to make judgments on the status of each mineral property and the future plans with respect to finding commercial reserves. The nature of exploration and evaluation activity is such that only a few projects are ultimately successful and some assets are likely to become impaired in future periods.

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral properties.

##### Functional currency

The Company applies judgment in assessing the functional currency of each entity consolidated in these consolidated financial statements, including determinations of whether each entities' functional currency is impacted by the direction of the Canadian head office, or local market forces.



## **SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

---

### **2. BASIS OF PREPARATION (Continued)**

#### **Critical accounting estimates and judgments (continued)**

##### Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

### **3. CAPITAL MANAGEMENT**

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, 2025.

## SONORO GOLD CORP.

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 4. FINANCIAL INSTRUMENTS

The Company has classified its cash as fair value through profit and loss, receivables (excluding input tax credits and VAT receivable), accounts payable and accrued liabilities, lease liabilities, loans payable and due to related parties, as amortized cost.

#### Fair value

Financial instruments that are measured at fair value subsequent to initial recognition are grouped in a hierarchy based on the degree to which the fair value is observable. The levels in the hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The carrying values of receivables, accounts payable and accrued liabilities, loans payable and due to related parties approximate their fair values due to the short-term nature of these financial instruments. Cash is measured at market value in accordance with Level 1 of the fair value hierarchy. The carrying value of lease liabilities has a Level 2 measurement and the fair value has been based on approximate fair value as the interest rate approximates market rates. There were no transfers between levels of the fair value hierarchy during the three months ended March 31, 2025 and 2024.

#### Credit risk

The Company is exposed to credit risk with respect to its cash and receivables (excluding input tax credits and VAT receivable). The risk arises from the non-performance of counterparties of contracted financial obligations. Credit risk is mitigated as cash has been placed on deposit with major Canadian and Mexican financial institutions.

Concentration of credit risk exists with respect to the Company's cash and maximum exposure thereto is as follows:

	March 31, 2025	December 31, 2024
Cash held at major Canadian financial institutions	\$ 58,048	\$ 153,498
Cash held at major Mexican financial institutions	14,629	60,586
Total cash	\$ 72,677	\$ 214,084

#### Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company had working capital deficiency at March 31, 2025 in the amount of \$6,191,881 (December 31, 2024 - \$5,447,614).

**SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

**4. FINANCIAL INSTRUMENTS (Continued)****Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and other price risk.

**(a) Interest rate risk**

The Company's cash consists of cash held in bank accounts. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of March 31, 2025 and December 31, 2024.

**(b) Foreign currency risk**

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars.

The Company is exposed to foreign currency risk with respect to cash and accounts payable and accrued liabilities as a portion of these amounts are denominated in US dollars and Mexican pesos. The Company has not entered into any foreign currency contracts to mitigate this risk.

As at March 31, 2025 and December 31, 2024, the Company's significant exposure to foreign currency risk, based on the consolidated statement of financial position carrying values, were to the Mexican peso and the US dollar, as follows:

<b>March 31, 2025</b>			
		<b>MXN</b>	<b>USD</b>
Cash	\$	87,023	\$ 534
Accounts payable and accrued liabilities		(11,073,015)	-
Loans		(46,935,685)	-
Total		(57,921,678)	534
Canadian dollar equivalent		\$ (4,077,686)	\$ 534

  

<b>December 31, 2024</b>			
		<b>MXN</b>	<b>USD</b>
Cash	\$	878,851	\$ 16,866
Accounts payable and accrued liabilities		(14,629,568)	-
Loans		(46,484,140)	-
Total		(60,234,857)	16,866
Canadian dollar equivalent		\$ (4,173,673)	\$ 24,269

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, 2025 by approximately \$453,000 (December 31, 2024 - \$415,000).

**(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.

## **SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

---

### **4. FINANCIAL INSTRUMENTS (Continued)**

#### **Capital Management**

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 (deficiency).

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, 2025.

### **5. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

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. In January 2025, the Company extended the lease agreement for one year commencing on February 1, 2025 and ending on January 31, 2026 for a monthly rent of \$6,250.

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 9.9% per annum. The lease term remaining as at December 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 February 1, 2025	75,000
Effect of discounting	(3,342)
Lease liability and right-of-use asset recognized on February 1, 2025	71,658

---

**SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

**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, 2024 and 2023:

<b>Cost</b>	<b>\$</b>
Balance, December 31, 2024	210,578
Additions	71,658
Balance, March 31, 2025	282,236
<b>Accumulated depreciation</b>	
Balance, December 31, 2024	205,362
Depreciation	11,187
Balance, March 31, 2025	216,549
Carrying amount as at March 31, 2025	65,687
Carrying amount as at December 31, 2024	5,216

**Lease liability**

The following is the continuity of lease liabilities as at and for the three months ended March 31, 2025:

<b>Cost</b>	<b>\$</b>
Balance, December 31, 2024	6,000
Additions	71,658
Lease payments	(18,490)
Interest expense on lease payments	2,380
Balance, March 31, 2025	61,548
Less: current portion	(61,548)
Lease liability – noncurrent	-

**SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

**6. EXPLORATION AND EVALUATION ASSETS**

During the year ended December 31, 2024, the Company incurred the following acquisition expenditures:

	Cerro Caliche	San Marcial	Total
December 31, 2023	4,561,250	353,649	4,914,899
Acquisition costs	1,055,827	-	1,055,827
March 31, 2025 and December 31, 2024	\$ 5,617,077	\$ 353,649	\$ 5,970,726

During the three months ended March 31, 2025, the Company incurred the following exploration expenditures:

	Cerro Caliche
Field expenses	\$ 3,697
Concession taxes	738
Geological fees	192,465
Geological data	3,363
Administration	10,145
	\$ 210,408

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

**SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

**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.

The Company made payments of US\$2,982,000 in instalments as follows:

December 19, 2017 deposit	US\$10,000
January 23, 2018 (on signing)	US\$117,000*
January 23, 2019	US\$200,000
December 13, 2019	US\$30,000
January 13, 2021	US\$135,000
April 3, 2021	US\$20,000
April 30, 2021	US\$120,000
July 23, 2021	US\$200,000
January 23, 2021	US\$200,000
July 23, 2021	US\$250,000
January 23, 2022	US\$250,000
July 23, 2022	US\$300,000
January 23, 2023	US\$300,000
July 23, 2023	US\$200,000
December 18, 2023	US\$25,000
January 31, 2024	US\$25,000
April 11, 2024	US\$100,000
May 11, 2024	US\$100,000
June 14, 2024	US\$150,000
November 14, 2024	US\$250,000

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

The Cerro Caliche Vendor is 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 after the fourth year of production.

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.

**SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

**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 26, 2024	US\$50,000 (paid)
July 26, 2024	US\$50,000 (paid)
November 26, 2024	US\$50,000 (paid)
April 1, 2025	US\$50,000 (Note 13)
October 1, 2025	US\$913,113

---

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 December 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 14).

During the year ended December 31, 2024, MMP entered into amendment agreements with the Rosario Vendor to pay the US\$375,000 amount due on December 31, 2023 as follows: US\$50,000 by April 26, 2024 (paid), US\$50,000 by June 26, 2024 (paid), US\$50,000 by November 26, 2024 (paid) and the balance of US\$241,000 by April 1, 2025 in conjunction with the final payment of US\$550,000 (Note 14).

During the year ended December 31, 2024 \$108,117 (2023: \$8,980) interest was accrued in relation to the Rosario Vendor.

In March 2025, MMP entered into an amendment agreement with the Rosario Vendor whereby MMP agreed to pay US\$50,000 on April 1, 2025 and the balance of US\$913,113 which includes a cash bonus and interest charges by October 1, 2025.

**(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.



## **SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

---

### **6. EXPLORATION AND EVALUATION ASSETS (Continued)**

#### **(b) San Marcial Property (continued)**

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.

#### **(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.

**SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

**7. VALUE ADDED TAX (“VAT”) RECEIVABLE**

During the year ended December 31, 2023, the Company received notice that its VAT claims were under audit by the Mexican tax authorities and that further documentation was required to support the transactions and comply with authority requirements. During the year ended December 31, 2024, the Company engaged with a legal counsel to assist with the process of recovering the VAT. The Company has agreed to a 15% service fee payable to the legal counsel of the VAT recovered. During the three months ended March 31, 2025, the Company wrote off \$nil (year ended December 31, 2024 - \$215,642) of VAT receivable relating to unrecoverable amount, and wrote down the balance due to the 15% service fee payable for an amount of \$nil (year ended December 31, 2024 - \$285,444). During the three months ended March 31, 2025, the Company received \$nil (year ended December 31, 2024 - \$88,901) of VAT refund from the Mexican authorities. Accordingly, the Company reinstated the VAT receivable of \$nil during the three months ended March 31, 2025 (year ended December 31, 2024 - \$1,617,517). The timing and amount of VAT ultimately collectable could be materially different from the amount recorded in these consolidated financial statements.

A summary of the changes in VAT for the three months ended March 31, 2025 and the year ended December 31, 2024 is as follows:

<b>VAT receivable</b>	<b>\$</b>
Balance, December 31, 2023	-
Additions	133,653
Reversal of provision for uncollected VAT	2,121,393
Amounts recovered	(88,901)
Expected service fee	(285,444)
Cumulative effect of foreign exchange	(263,184)
Balance, December 31, 2024	1,617,517
Additions	169,566
Balance, March 31, 2025	1,787,083
Less: Non-current portion	690,282
VAT receivable - current	1,096,801

## SONORO GOLD CORP.

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 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	
	2025	2024
Consulting fees	\$155,783	\$191,083
Share-based compensation	\$309,261	\$ -
	\$465,044	\$191,083

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 March 31, 2025, \$395,051 (December 31, 2024 - \$337,442) is owing to related parties, including management, directors and companies controlled by management, without interest and is payable on demand.

At March 31, 2025, \$5,066,513 (December 31, 2024 - \$4,888,046) 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, \$498,779 (December 31, 2024 - \$412,200) is accrued as interest and loan fees and is included in accounts payable and accrued liabilities (Note 9).

### 9. LOANS PAYABLE

During the three months ended March 31, 2025, the Company issued promissory notes to related parties and third parties in the amount of \$nil (December 31, 2024 - \$1,956,904 with 10% interest and loan fee of 7%). The Company repaid \$nil (December 31, 2024 - \$255,000) of the promissory notes and paid or accrued \$86,579 of interest (December 31, 2024 - \$428,878). As at March 31, 2025, the balance owing was \$5,066,513 (December 31, 2024 - \$4,888,046). The outstanding loans and interest are due and payable upon the completion of financing for the development of the Cerro Caliche mining operation.

## **SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

---

### **10. SHARE CAPITAL AND RESERVES**

#### **a. Authorized**

Unlimited number of common shares without par value.

The Company did not enter into any equity transactions in the three months ended March 31<sup>st</sup>, 2025.

#### **b. Issued**

- i. In January and March 2025, warrant holders exercised 2,041,000 warrants at an exercise price of \$0.07 per warrant for gross proceeds of \$142,898.
- ii. 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.
- iii. 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 \$19,437 in Finder's fees, legal and related costs 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.

- iv. In September 2024, the Company completed a non-brokered private placement by issuing 17,500,000 units at a price of \$0.05 per Unit, for gross proceeds of \$875,000.

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 \$12,127 in Finder's fees, legal and related costs and issued 134,400 in non-transferable three-year Finder's Warrants at an exercise price of \$0.07.

- v. In December 2024, the Company completed a non-brokered private placement by issuing 5,555,556 units at a price of \$0.09 per Unit, for gross proceeds of \$500,000.

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 two years from the closing of the private placement at an exercise price of \$0.14 per share.

In connection with the offering, the Company paid \$11,089 in Finder's fees, legal and related costs and issued 68,446 in non-transferable two-year Finder's Warrants at an exercise price of \$0.14.

During the year ended December 31, 2024, the Company received \$23,706 of share subscriptions receivable of the \$1,288,944 outstanding as of December 31, 2023.

**SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

**10. SHARE CAPITAL AND RESERVES (Continued)**

The Company did not issue any warrants in the three months ended March 31<sup>st</sup>, 2025.

The fair value of the finder's warrants issued during the year ended December 31, 2024 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	December 31, 2024
	Warrants
Risk-free interest rate	3.31%
Expected dividend yield	0.00%
Expected stock price volatility	77.55%
Expected life in years	2.66
Weighted average fair value	\$0.02

The fair value was determined to be nominal and nothing was recorded as share-based payment reserve.

**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.

During the three months ended March 31, 2025, the Company granted 15,300,000 options (three months ended March 31, 2024 – nil) to certain directors, officers and consultants, exercisable for a period of three years at a price of \$0.15 per share. The fair value of the options issued during the three months ended March 31, 2025 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	March 31, 2025	March 31, 2024
Risk-free interest rate	2.89%	-
Expected dividend yield	0.00%	-
Expected stock price volatility	79.71%	-
Expected life in years	3.00	-
Weighted average fair value	\$0.03	-

**SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

**10. SHARE CAPITAL AND RESERVES (Continued)**

## c. Stock options (continued)

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

	December 31, 2024		December 31, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening balance	-	\$ -	535,000	\$ 0.30
Granted	15,300,000	0.15	-	-
Expired	-	-	(535,000)	(0.30)
	15,300,000	\$ 0.15	-	-

The following summarizes information on the number of stock options outstanding and exercisable:

	Exercise Price	March 31, 2025	December 31, 2024
Expiry Date			
January 24, 2028	\$ 0.15	15,300,000	-

## d. Warrants

The Company's warrant activity for the three months ended March 31, 2025 and year ended December 31, 2024 is as follows:

	Number of Financing Warrants	Number of Finders Warrants	Weighted Average Exercise Price \$
December 31, 2023	46,810,732	276,920	
Issued	46,405,565	321,846	0.08
Expired	(24,210,732)	(267,330)	-
December 31, 2024	69,005,565	331,436	
Exercised	(2,041,400)	-	0.07
March 31, 2025	66,964,165	331,436	

The following summarizes information on the number of warrants outstanding:

Expiry Date	Exercise Price	March 31, 2024	December 31, 2024
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, 2027	\$ 0.07	10,428,429	11,098,429
March 28, 2026	\$ 0.05	42,000	42,000
March 28, 2027	\$ 0.07	11,557,180	12,328,580
September 25, 2027	\$ 0.07	17,034,400	17,634,400
December 18, 2026	\$ 0.14	5,624,002	5,624,002
		67,295,601	69,337,001

**SONORO GOLD CORP.**

(An Exploration Stage Company)

Notes to the consolidated financial statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

**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, 2025:

	<u>Exploration and evaluation assets</u>	<u>Value Added Tax Receivable</u>	<u>Right-of-use Asset</u>	<u>Total</u>
Mexico	\$ 5,970,726	\$ 690,282	\$ -	\$ 6,661,008
Canada	\$ -	\$ -	\$ 65,687	\$ 65,687

As at December 31, 2024:

	<u>Exploration and evaluation assets</u>	<u>Value Added Tax Receivable</u>	<u>Right-of-use Asset</u>	<u>Total</u>
Mexico	\$ 5,970,726	\$ 520,716	\$ -	\$ 6,491,442
Canada	\$ -	\$ -	\$ 5,216	\$ 5,216

**12. COMMITMENTS AND CONTRACTUAL OBLIGATIONS**

In January 2025, the Company renewed a commercial property lease commencing on February 1, 2025 and ending on January 31, 2026 for a monthly rent of \$6,250.

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**

On April 1st 2025, MMP paid US\$50,000 to the Rosario vendor as per the amended agreement.