

**Financial Statements
(unaudited)
Gold Express Mines, Inc.**

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GOLD EXPRESS MINES, INC.
CONSOLIDATED BALANCE SHEETS

	March 31 2023 (unaudited)	June 30 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,852,272	\$ 9,728,531
Accounts receivable	2,250	-
Prepaid expense	267,300	154,041
Deposits	151,244	416,244
Total Current Assets	5,273,066	10,298,816
FIXED ASSETS		
Vehicles, net of depreciation	65,323	42,961
Total Fixed Assets	65,323	42,961
OTHER ASSETS		
Mineral properties	1,955,154	927,194
Investments	858,295	419,922
Equity method investments	1,130,414	
Reclamation bond	184,638	68,122
Total Other Assets	4,128,501	1,415,238
TOTAL ASSETS	\$ 9,466,890	\$ 11,757,015
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 102,087	\$ 356,558
Accounts payable ó related party	1,911	13,516
Accrued expense	107,639	138,299
Accrued interest	1,728	1,147
Notes payable	15,000	15,000
Mineral claim liability - current	100,000	100,000
Total Current Liabilities	328,365	624,520
LONG TERM LIABILITIES		
Mineral claim liability	175,000	225,000
Total Long-Term Liabilities	175,000	225,000
TOTAL LIABILITIES	503,365	849,520
COMMITMENTS AND CONTINGENCIES		
	-	-
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.001 par value, 20,000,000 shares authorized, none issued and outstanding	-	-
Common stock, \$0.001 par value, 480,000,000 shares authorized; 61,184,401 and 55,456,397 shares issued and outstanding	61,185	55,456
Additional paid-in capital	14,020,776	12,856,752
Stock to be issued	-	261,000
Subscription receivable	(60,000)	(60,000)
Accumulated deficit	(8,738,738)	(6,061,354)
Stockholders' equity before non-controlling interest	5,283,223	7,051,854
Equity attributable to non-controlling interest	3,680,302	3,855,641
Total Stockholders' Equity	8,963,525	10,907,495
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 9,466,890	\$ 11,757,015

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

GOLD EXPRESS MINES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

	Three Months Ended		Nine Months Ended	
	March 31, 2023	March 31, 2022	March 31, 2022	March 31, 2021
REVENUES	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES				
Exploration expense	763,457	1,035,364	3,416,362	1,924,288
General and administrative	177,788	180,209	524,339	482,413
Officers' & director's fees	123,000	72,000	363,000	216,000
Professional fees	55,173	28,263	66,887	187,203
Depreciation	5,213	1,213	10,638	3,142
TOTAL OPERATING EXPENSES	<u>1,124,631</u>	<u>1,317,049</u>	<u>4,381,226</u>	<u>2,813,046</u>
LOSS FROM OPERATIONS	(1,124,631)	(1,317,049)	(4,381,226)	(2,813,046)
OTHER INCOME (EXPENSES)				
Interest income	2,879	-	2,879	-
Interest expense	(257)	(191)	(582)	(1,644)
Sale of mining claims	1,000,000	202,500	2,500,000	202,500
Earn in agreement	100,000	-	100,000	-
Loss on sale of equipment	-	-	-	(4,938)
Loss on disposal of investment	(7,350)	-	(7,350)	-
Unrealized loss on investment	(420,225)	-	(486,395)	-
Loss on equity method investment	(9,586)	-	(9,586)	-
Exchange gain (loss)	(570,463)	-	(570,463)	(777)
TOTAL OTHER INCOME (EXPENSES)	<u>94,998</u>	<u>202,309</u>	<u>1,528,503</u>	<u>195,141</u>
LOSS BEFORE TAXES	<u>(1,029,633)</u>	<u>(1,114,740)</u>	<u>(2,852,723)</u>	<u>(2,617,905)</u>
INCOME TAXES	-	-	-	-
NET LOSS	<u>\$ (1,029,633)</u>	<u>\$ (1,114,740)</u>	<u>\$ (2,852,723)</u>	<u>\$ (2,617,905)</u>
Less: net loss attributable to noncontrolling interest	<u>(53,419)</u>	<u>(40,013)</u>	<u>(175,340)</u>	<u>(249,240)</u>
NET LOSS ATTRIBUTABLE TO GOLD EXPRESS MINES, INC	<u>\$ (976,214)</u>	<u>\$ (1,074,728)</u>	<u>\$ (2,677,383)</u>	<u>\$ (2,368,666)</u>
NET LOSS PER COMMON SHARE, BASIC AND DILUTED	<u>\$ (0.02)</u>	<u>\$ (0.05)</u>	<u>\$ (0.05)</u>	<u>\$ (0.19)</u>
WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED	<u>61,123,290</u>	<u>23,501,778</u>	<u>58,885,253</u>	<u>12,237,629</u>

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

GOLD EXPRESS MINES INC

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock		Additional	Accumulated	Subscription	Stock	Noncontrolling	Total
	Shares	Amount	Paid-in Capital					
Balance, June 30, 2021	29,970,666	29,971	2,929,629	(2,172,468)	(60,000)	366,805	-	1,093,937
Member Equity issued for cash	-	-	-	-	-	-	4,296,222	4,296,222
Warrants issued with member equity	-	-	27,778	-	-	-	-	27,778
Common stock and warrants issued for cash	9,871,083	9,871	3,854,520	-	-	-	-	3,864,391
Stock to be issued	1,003,330	1,003	365,802	-	-	(366,805)	-	-
Net loss for period ending September 30, 2021	-	-	-	(701,579)	-	-	(152,545)	(854,124)
Balance, September 30, 2021	40,845,079	40,845	7,177,729	(2,874,047)	(60,000)	-	4,143,677	8,428,204
Common stock and warrants issued for cash	333,332	334	130,066	-	-	-	-	130,400
Common stock and warrants to be issued for cash	-	-	-	-	-	130,450	-	130,450
Net loss for period ending December 31, 2021	-	-	-	(592,358)	-	-	(56,682)	(649,040)
Balance, December 31, 2021	41,178,411	41,179	7,307,795	(3,466,405)	(60,000)	130,450	4,086,995	8,040,014
Common stock and warrants issued for cash	888,554	889	346,535	-	-	(130,450)	-	216,974
Common stock and warrants to be issued for cash	-	-	-	-	-	-	-	-
Net loss for period ending March 31, 2022	-	-	-	(1,074,728)	-	-	(40,013)	(1,114,741)
Balance, March 31, 2022	42,066,965	42,068	7,654,330	(4,541,133)	(60,000)	-	4,046,982	7,142,248
Common stock and warrants issued for cash	13,389,430	13,388	5,202,424	-	-	-	-	5,215,812
Common stock and warrants to be issued for cash	-	-	-	-	-	261,000	-	261,000
Net loss for period ending June 30, 2022	-	-	-	(1,520,221)	-	-	(191,341)	(1,711,562)
Balance, June 30, 2022	55,456,397	55,456	12,856,752	(6,061,354)	(60,000)	261,000	-	10,907,495
Common stock and warrants issued for cash	1,336,119	1,337	518,919	-	-	(261,000)	-	259,256
Common stock and warrants to be issued for cash	-	-	-	-	-	108,750	-	108,750
Net loss for period ending September 30, 2022	-	-	-	(345,389)	-	-	(75,771)	(421,159)
Balance, September 30, 2022	56,792,516	\$ 56,793	\$ 13,375,671	\$ (6,406,743)	\$ (60,000)	\$ 108,750	\$ 3,779,871	\$ 10,854,340
Common stock and warrants issued for cash	1,300,219	1,300	507,650	-	-	(108,750)	-	400,200
Common stock issued for mineral properties in Chile	3,000,000	3,000	747,000	-	-	-	-	750,000

Options granted for services	-	-	78,093	-	-	-	-	78,093
Net loss for period ending December 31, 2022	-	-	-	(1,355,779)	-	-	(46,150)	(1,401,929)
Balance, December 31, 2022	<u>61,092,735</u>	<u>61,093</u>	<u>14,708,414</u>	<u>(7,762,522)</u>	<u>(60,000)</u>	-	<u>3,733,721</u>	<u>10,680,704</u>
Common stock and warrants issued for cash	91,666	92	41,158	-	-	-	-	41,250
Options granted	-	-	34,845	-	-	-	-	34,845
Dividends	-	-	(763,641)	-	-	-	-	(763,641)
Net loss for period ending March 31 2023	-	-	-	(976,216)	-	-	(53,419)	(1,029,635)
Balance, March 31, 2023	<u><u>61,184,178</u></u>	<u><u>61,185</u></u>	<u><u>14,020,776</u></u>	<u><u>(8,738,738)</u></u>	<u><u>(60,000)</u></u>	-	<u><u>3,680,302</u></u>	<u><u>8,963,523</u></u>

GOLD EXPRESS MINES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	March 31, 2023	March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (2,677,383)	\$ (2,368,666)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation	10,638	3,142
Investment given for services	17,500	-
Loss on sale of asset	-	4,937
Unrealized loss on investment	486,395	-
Options granted for services	112,938	-
Loss on equity method investment	9,586	-
Mineral claims sold for investment	(2,500,000)	(172,500)
Loss attributable to non-controlling interest	(175,339)	(249,240)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(2,250)	-
Decrease (increase) in prepaid expense and deposits	151,741	10,977
Decrease (increase) in reclamation bond	(116,516)	(17,030)
Increase (decrease) in accounts payable	(266,077)	(307,548)
Increase (decrease) in accrued expense	(30,660)	1,805
Increase (decrease) in accrued interest	581	1,643
Increase (decrease) in mineral claim liability	(50,000)	(125,000)
Net cash used by operating activities	<u>(5,028,846)</u>	<u>(3,217,480)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
PPE	(33,000)	(69,253)
Investments	(345,909)	(350,000)
Mineral properties	(277,960)	(29,719)
Net cash used by investing activities	<u>(656,869)</u>	<u>(448,972)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock and warrants, net of fees	809,456	4,342,215
Proceeds from sale of member equity, net of fees	-	4,296,222
Proceeds from common stock and warrants to be issued	-	-
Proceeds from sale of warrants	-	27,778
Payment of note payable	-	(28,496)
Net cash provided by financing activities	<u>809,456</u>	<u>(8,637,719)</u>
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(4,876,259)	4,971,267
Cash, beginning of period	<u>9,728,531</u>	<u>1,000,964</u>
Cash, end of period	<u>\$ 4,852,272</u>	<u>\$ 5,972,231</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	\$ <u> </u>	\$ <u> </u>
Income taxes paid	\$ <u> </u>	\$ <u> </u>
NON-CASH DISCLOSURES		
Common stock issued for mineral properties in Chile	\$ 750,000	\$ -

GOLD EXPRESS MINES, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2023 and period March 31, 2022
(unaudited)

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Gold Express Mines, Inc (the Company) was incorporated under the laws of the State of Nevada on June 12, 2020. The Company was incorporated for the purpose of mining and exploring for non-ferrous and precious metals, primarily gold, silver, lead, zinc and copper.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Gold Express Mines, Inc is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States and have been consistently applied in the preparation of the financial statements. The Company has adopted a June 30 fiscal year end.

Consolidation

The consolidated financial statements incorporate the financial statements of the Company, its wholly owned subsidiary Gold Express Mines Spa (GEM SPA), a Chilean company, and Yellow Band Operating, LLC (YBO), of which the company holds fifty percent of the equity. All intercompany accounts and transactions have been eliminated.

Noncontrolling Interest

Non-controlling interest represents the portion of equity that is not attributable to the Company. The net income (loss) attributable to noncontrolling interests is separately presented in the accompanying statements of operations. Losses attributable to noncontrolling interests in a subsidiary may exceed the interest in the subsidiary's equity.

Accounting Method

The Company's financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Earnings (Losses) Per Share

Basic earnings per share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding during the year. Fully-diluted earnings per share is computed by dividing net income (loss) by the sum of the weighted-average number of common shares outstanding and the additional common shares that would have been outstanding if potential common shares had been issued. Potential common shares are not included in the computation of fully diluted earnings per share if their effect is antidilutive. At March 31, 2023 and March 31, 2022, the Company had 37,341,230 and 18,355,185 share purchase warrants and options outstanding, respectively. The computation of earnings per share of common stock is based on the weighted average number of shares outstanding at the date of the financial statements.

Cash Equivalents

The Company considers cash, certificates of deposit, and debt instruments with a maturity of three months or less when purchased to be cash equivalents. The Company maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. As of March 31, 2023 and June 30, 2022,

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the Company had approximately \$3,819,188 and \$9,228,531, respectively in excess of federally-insured limits.

Cash held in foreign bank accounts as of March 31, 2023 and June 30, 2022 was approximately \$283,084 and \$0.

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions and could have a material effect on the reported amounts of the Company's financial position and results of operations.

Fair Value of Financial Instruments

The Company's financial instruments as defined by ASC 825-10-50, include cash, receivables, accounts payable and accrued expenses. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at March 31, 2023 and June 30, 2022.

The standards under ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. FASB ASC 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The following are measured on a recurring basis:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common shares	\$ 858,295	96,109	762,186	_____
Total	<u>858,295</u>	<u>96,109</u>	<u>762,186</u>	<u>_____</u>

Investments

In accordance with ASC 321, equity investments are recorded at fair value unless they do not have a readily determinable value. Those investments with a readily determinable value are common shares of publicly traded companies and the fair value is based on publicly available share pricing. Those investments without readily determinable fair value are accounted for at cost less any impairment, plus or

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minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer, in any. As of March 31, 2023 and June 30, 2022 the carrying amount of the Company's equity investments was \$858,295 and \$419,922, net of \$0 in accumulated impairment, respectively.

Equity Method Investments

The Company applies the equity method for investments in which it has the ability to exercise significant influence over operating and financial policies of the affiliate. Significant influence is generally defined as 20% to 50% ownership in the voting stock of an investee. Under the equity method the Company initially records the investment at cost and then adjusts the carrying value of the investment to recognize the proportional share of the investee's net income (loss). The Company reviews the investee's audited and reviewed financial statements each quarter to determine the proportional share of the investee's net income (loss) to record.

The Company had the following equity investment accounted of under the equity method at March 31, 2023:

Equity Investee	Type of Share Owned	Number of Shares	Original Investment Amount	Equity Investment Ownership
	Common			
Magellan Gold Corporation	Stock	6,000,000	\$ 1,140,000	31%

Roll forward basis of equity investment accounted for under the equity method:

Equity Investee	Beginning Basis	Proportional Share of Net Income (loss)	Ending Basis
Magellan Gold Corporation	\$ 1,140,000	\$ (9,586)	\$ 1,130,414

Mineral Exploration and Development Costs

Costs of lease, exploration, carrying and retaining unproven mineral lease properties are expensed as incurred. The Company expenses all mineral exploration costs as incurred as it is still in the exploration stage. If the Company identifies proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established. When a property reaches the production stage, the related capitalized costs are amortized on a units-of-production basis over the proven and probable reserves following the commencement of production. The Company assesses the carrying costs of the capitalized mineral properties for impairment under ASC 360-10, "Impairment of long-lived assets", and evaluates its carrying value under ASC 930-360, "Extractive Activities - Mining", annually. An impairment is recognized when the sum of the expected undiscounted future cash flows is less than the carrying amount of the mineral properties. Impairment losses, if any, are measured as the excess of the carrying amount of the mineral properties over its estimated fair value.

To date, the Company has not established the commercial feasibility of any exploration prospects; therefore, all exploration costs are being expensed.

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Fixed Assets, Intangibles and Long-Lived Assets

The Company records its fixed assets at historical cost. The Company expenses maintenance and repairs as incurred. Upon disposition of fixed assets, the gross cost and accumulated depreciation are written off and the difference between the proceeds and the net book value is recorded as a gain or loss on sale of assets. The Company depreciates its fixed assets over their respective estimated useful lives ranging from three to fifteen years.

The Company follows FASB ASC 360-10, "*Property, Plant, and Equipment*," which established a primary asset approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long-lived asset to be held and used. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell. As of September 30, 2022 and June 30, 2022, the Company had not experienced impairment losses on its long-lived assets.

Leases

FASB issued *ASU No. 2016-02, Leases (Topic 842)*, which establishes a comprehensive new lease accounting model. The new standard: (a) clarifies the definition of a lease; (b) requires a dual approach to lease classification similar to current lease classifications; and, (c) causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset for leases. The standard became effective for calendar years beginning after December 15, 2018.

The Company has made an accounting policy election not to recognize right of use assets and lease liabilities that arise from short term leases for any class of asset.

In June, 2021, the Company entered into a 6-month lease for office space at a rate of \$604 per month, and paid a deposit of \$604.

This topic does not apply to leases to explore for natural resources and rights to use the land in which those natural resources are contained.

Going Concern

As shown in the accompanying financial statements, the Company has incurred cumulative operating losses since inception. As of March 31, 2023, the Company has limited financial resources with which to achieve its objectives and attain profitability and positive cash flows from operations. As shown in the accompanying balance sheets and statements of operations, the Company has an accumulated deficit of \$8,738,738.

Achievement of the Company's objectives will depend on its ability to obtain additional financing to generate revenue from current and planned business operations.

The Company plans to fund its future operations by potential sales of its common stock or by issuing debt securities. However, there is no assurance that the Company will be able to achieve these objectives, therefore substantial doubt about its ability to continue as a going concern exists.

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Provision for Taxes

Income taxes are provided based upon the liability method of accounting pursuant to ASC 740-10-25 *Income Taxes – Recognition*. Under the approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the more likely than not standard imposed by ASC 740-10-25-5 to allow recognition of such an asset. See Note 5.

Stock Based Compensation

The Company adopted FASB ASC Topic 718 Compensation Stock Compensation (formerly SFAS 123R), which establishes the use of the fair value-based method of accounting for stock-based compensation arrangements under which compensation cost is determined using the fair value of stock-based compensation determined as of the date of grant and is recognized over the periods in which the related services are rendered. For stock-based compensation, the Company recognizes an expense in accordance with FASB ASC Topic 718 and values the equity securities based on the fair value of the security on the date of grant.

Marketing

Marketing costs are expensed as incurred. Marketing expense for the period ended March 31, 2023 and March 31, 2022 was \$49,979 and \$24,000 respectively.

New Accounting Pronouncements

Accounting standards that have been issued or proposed by the Financial Accounting Standards Board (FASB) that do not require adoption until a future date are not expected to have a material impact on the financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

NOTE 3 – MINING CLAIMS AND LAND

Yellow Band Operating, LLC

On May 30, 2021 the Company signed a Lease, Sublease and Purchase Option Agreement for 23 unpatented mining claims located in Beaverhead County, Montana. The lease term is for seven years commencing on the dated of the Lease and Sublease and for so long thereafter as ores or minerals are continuously produced from the Leased Premises and all advance minimum payments and production royalty payments are timely paid. The company is required to make monthly payments in the amount of \$2,000.

In addition to the monthly payments, Gold Express shall pay variable production royalties as specified in the underlying lease agreements which are dependent upon mined ore grades as follows:

- Five percent (5%) on all ores mined which have a mill head assay value less than the equivalent assay value up to 0.20 troy ounce of gold per short of ton ore;
- Ten percent (10%) on ores which have a mill head assay value equal or more than the equivalent assay value of 0.20 up to 1.00 troy ounce of gold per short ton of ore.

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- Fifteen percent (15%) on ores which have a mill head assay value equal or more than the equivalent assay value of 1.00 troy ounce of gold per short ton of ore.

In order to maintain its lease, the Company is required to make advance royalty payments as follows:

Payment Obligations

Date Due	Amount
June 1, 2023 ó (paid)	150,000
June 1, 2024 ó (paid)	150,000
June 1, 2025	150,000
June 1, 2026	<u>150,000</u>
Total	\$ <u>600,000</u>

All lease payments apply to the purchase price of \$10,000,000. A royalty buyout payment of \$300,000 is also due the Schafer Estate if and when commercial production begins at the mine. This payment is also deductible from the purchase price. In summary, the final purchase payment due on June 1, 2027 shall be \$8,850,000 after crediting the aforementioned lease and royalty buyout payments.

In addition to the \$300,000 royalty buyout due to the Schafer Estate, there is a 5.0% fixed net smelter royalty (NSR) on all development and production ores and minerals extracted, milled and sold which is payable to Yellow Band Gold, Inc.

On August 20, 2021, The Company entered into an LLC agreement, in which it is the initial member and also the managing member. The LLC may issue up to 100 membership units, 50 of which were issued to the Company, all of which were issued at June 30, 2022. The Company contributed its Yellow Band Property described above. Additionally, the Company contributed 4,444,440 warrants as an inducement to investors in a Private Placement Memorandum (described below) distributed by Yellow Band Operating LLC (YBO) with a value of \$27,778. As the Company is the managing member and exercises significant control, Yellow Band Operating LLC is fully consolidated, with intercompany transactions eliminated.

YBO sold membership units consisting of one (1) membership unit at a price of \$124,305.55 and 69,445 common stock purchase warrants from the Company (GEM Warrants) priced at \$0.01 under a Private Placement Memorandum. There minimum offering is 24 membership units, and the maximum offering is 40 membership units ("Maximum Offering Amount"); Each GEM warrant is exercisable for 5 years from the date of issuance at an exercise price of \$0.80 per share. The Offering is scheduled to terminate on December 31, 2021; provided, however, that the Company may extend the term of the Offering for an additional 30 days without further notice. The associated broker fee is a cash commission of thirteen percent of the gross proceeds received and ten-year common stock purchase warrants of GEM, exercisable at \$0.45 per share, on the basis of 41,666 warrants for every membership unit sold, the placement agent will also receive one membership unit for every \$500,000 in gross proceeds closed on. Additionally, the placement agent received a \$20,000 cash retainer upon signing the placement agent agreement.

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All membership units were sold pursuant to the Private Placement Memorandum for a total of \$5,000,000 in cash.

Artillery Peak Property Lease and Option Agreement

On November 11, 2021, the Company signed a Lease and Purchase Option agreement for 22 unpatented mining claims located in Mohave County, Arizona. The term of the lease is on an annual basis. The Company paid \$10,000 plus \$3200 in claim fees at signing. The purchase option may be exercised prior to production. The purchase price is \$750,000. Additionally, there is a 2.5% Net Smelter Royalty agreement, quarterly payment of the Net Smelter Royalty shall commence upon the production and sale of ores from the leased premises. The Company has the further option to purchase the 2.5% Net Smelter Royalty, distinct and separate from the option to purchase the property, by paying the Lessor \$750,000.

Lease

In order to maintain its lease, the Company is required to make lease payments as follows:

Payment Obligations

Date Due	Amount
Nov. 11, 2022	\$ 12,000
Nov. 11, 2023	16,000
Nov. 11, each year until claims are in production	20,000

Copper Cliff

On February 1, 2022, the Company signed a Lease agreement for 3 patented mining claims located in Adams County, ID. The term of the lease is five years. The Company paid a one-time bonus payment of \$10,000 at signing. In order to maintain its lease, the Company is required to make monthly lease payments in the amount of \$1000. The Company pre-paid the first year of the lease by making a payment of \$12,000. The purchase price of the patented claims is \$250,000 which can be exercised at any time upon sixty-days notice to the owner. All of the lease payments apply to the purchase price.

Additionally, there is a 2.0% Net Smelter Return agreement, quarterly payment of the Net Smelter Royalty shall commence upon the production and sale of ores from the leased premises.

The mining lease covers the old Copper Cliff Mine area which was a former open pit producing copper mine which was actively mining last in the early 1980s.

The Company has also acquired an additional 79 unpatented mining claims by staking in proximity to and along the possible ore trend structure of the Copper Cliff Mine.

Pioneer Howard Option to Purchase Agreement

On March 13, 2023, the Company signed an Option to Purchase agreement for 9 state mining leases located in Arizona. The term of the option expires on September 13, 2023. The Company paid \$19,998 at signing. The purchase price is \$400,000, consisting of 600,000 shares of the Company's common stock valued at \$0.45 and \$130,000 in cash.

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Pitchfork Lease

On February 1, 2023, the Company signed a Mining Claim Lease for 29 mining claims and approximately 25 claims to be staked in February 2023, located in San Miguel County, Colorado. The initial term of the lease is 5 years, after the 5 year term the Company has the option to purchase the claims for a total amount of \$650,000. The lease is subject to quarterly lease payments of \$12,500 for the term of the lease, if the Company elects to exercise the purchase option, all lease payments paid to date shall be credited against the purchase price. Additionally, the Company is responsible for all maintenance fees and property taxes. The lease contains a 2.0% net smelter royalty.

Golden Shear Lease and Option Agreement

On May 9, 2022, the Company signed a Lease and Purchase Option agreement for 19 unpatented mining claims located in Clark County, Nevada. The term of the lease is on an annual basis. The Company paid \$12,000 at signing. The purchase option may be exercised prior to production. The purchase price is \$750,000. Additionally, there is a 2.5% Net Smelter Royalty agreement, quarterly payment of the Net Smelter Royalty shall commence upon the production and sale of ores from the leased premises. The Company has the further option to purchase the 2.5% Net Smelter Royalty, distinct and separate from the option to purchase the property, by paying the Lessor \$750,000.

Lease

In order to maintain its lease, the Company is required to make lease payments as follows:

Payment Obligations

Date Due	Amount
May 9, 2023 (paid)	\$ 14,000
May 9, 2024 (paid)	16,000
May 9, each year until claims are in production	20,000

Wetzel Property Lease and Option Agreement

On September 1, 2022, the Company signed a Lease and Purchase Option agreement for 180 unpatented mining claims located in San Bernadino, Inyo and Plumas Counties, California; an additional 78 claims to be staked after signing; and any newly acquired claims within a four-mile area of influence measured from the outside boundary of any of the existing claims becomes part of the lease. The initial term of the lease is five years. The purchase option may be exercised at any time, so long as the Company is not in default of any lease terms. The purchase price is \$300,000, any previous lease payments shall be deducted from the purchase price. Additionally, there is a 1.75% Net Smelter Royalty agreement, quarterly payment of the Net Smelter Royalty shall commence upon the production and sale of ores from the leased premises. At signing, the Company paid \$51,110, including a \$10,000 initial annual lease payment, \$29,700 in annual BLM maintenance fees, \$2,410 in county property taxes and estimated staking fees of \$9,000.

Lease

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In order to maintain its lease, the Company is required to make annual lease payments in the amount of \$10,000 so long as the lease is in effect.

Socorro Property Lease and Option Agreement

On June 12, 2022, the Company signed a Lease and Purchase Option agreement for 22 unpatented mining claims located in La Paz County, Arizona. The term of the lease is on an annual basis. The Company paid \$10,000 at signing. The purchase option may be exercised prior to production. The purchase price is \$750,000. Additionally, there is a 2.5% Net Smelter Royalty agreement, quarterly payment of the Net Smelter Royalty shall commence upon the production and sale of ores from the leased premises. The Company has the further option to purchase the 2.5% Net Smelter Royalty, distinct and separate from the option to purchase the property, by paying the Lessor \$750,000.

Lease

In order to maintain its lease, the Company is required to make lease payments as follows:

Payment Obligations

Date Due	Amount
June 12, 2023	\$ 18,000
June 12, 2024	22,000
June 12, each year until claims are in production	24,000

Amador Mining LLC Property Purchase Agreement

On April 27, 2022, the Company signed a Property Purchase and Sale Agreement to Purchase thirty-one unpatented mining claims in the states of Idaho, Nevada, Arizona, and California. Two projects are located in Idaho, one project is located in Nevada, two projects are located in California, and one project is located in Arizona. The total purchase price of the claims is \$245,000. The Company paid \$75,000 on signing and the remaining \$170,000 on May 2, 2022.

Nine Corp Mining Lease

On April 1, 2022, the Company signed a Lease agreement for 17 patented mining claims located in Shoshone County, ID. The term of the lease is ten years, the Company may extend the lease for up to two successive terms of 10 years, and so long thereafter as ores or minerals are being developed, mined, processed or marketed on a continuing basis, or when exploration activities have advanced far enough that construction activities related to the start of ore production are expected to commence within two to three years. The Company paid a one-time bonus payment of \$12,500 at signing. In order to maintain its lease, the Company is required to make monthly lease payments in the amount of \$1000.

Additionally, there is a 2.5% Net Smelter Return agreement, quarterly payment of the Net Smelter Royalty shall commence upon the production and sale of ores from the leased premises.

Silver Trend Mines LLC

On January 1, 2021, the Company signed a Lease Assignment Agreement for 19 unpatented mining claims located in Mineral County, Montana. The term of the lease is ten years and may be extended for

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up to two successive terms of ten years each, and so long thereafter as ores or minerals from the Leased Premises are being developed, mine, processed or marketed on a continuing basis, or when exploration activities have advanced far enough that construction activities related to the startup of ore production are expected to commence within two to three years.

Lease

In order to maintain its lease, the Company is required to make advance royalty payments as follows:

Payment Obligations

Date Due	Amount
December 15, 2022	60,000
December 15, 2023	60,000
December 15, 2024	60,000
December 15, 2025	60,000
December 15, 2026	60,000
December 15, 2027	60,000
December 15, 2028	60,000
December 15, 2029	60,000
	<hr/>
Total	\$ <hr/> 480,000

Purchase

At any time during the term of this lease, and so long as lessee is not in default of any of the lease terms contained herein, Lessee may purchase the Leased Premises for the Purchase Price of \$1,000,000.00 (One Million Dollars). Prior to exercise of purchase, the Purchase Price will be adjusted according to the change in the US Consumer Price Index (CPI) from the date first above written. The Lessee shall give Lessor sixty days notice of its intent to exercise the purchase option and a closing date shall be agreed between the parties. In calculating the amount of the purchase option, any previous Minimum Advance Royalty Payments may be deducted from the Purchase Price to arrive at the balance owed to the Lessor to consummate the purchase.

Royalty

Under the agreement a quarterly Net Smelter Royalty of 2.0% shall be paid on all development and production ores and minerals extracted, milled and sold from the leased premises. The net smelter royalty shall commence upon the production and sale of ores.

Amador Mining LLC Property Purchase Agreement

On October 26, 2020, the Company signed a Property Purchase and Sale Agreement to Purchase thirty-nine unpatented mining claims in the states of Nevada, Arizona, and California. Eight projects are located in Nevada, two projects are located in California, and two projects are located in Arizona totaling twelve separate projects. Since inception of the Amador agreement, the Company has added additional claims at most of the projects greatly expanding the areas encompassing each site. Pursuant to the Purchase Agreement, the Company will make payments over time in the total amount of \$550,000. During the period ended September 30, 2022 and June 30, 2022 the Company paid a total of \$0 and \$125,000 towards the purchase price, respectively. The payment obligations are set forth below:

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Payment Obligations

Date Due	Amount
October 31, 2023	100,000
October 31, 2024	<u>125,000</u>
Total	\$ <u>225,000</u>

In addition to the above payments the Company is responsible for payment of all Bureau of Land Management fees related to the unpatented mining claims.

The Agreement provides that on the final payment date (or on an individual project basis, should mineral production begin at any of the properties prior to the final payment date, then fifteen days prior to the beginning of mineral productions) the Company shall prepare a fully executed royalty deed equal to 2.5% of the net smelter returns derived by the Company on the subject properties or any of the property within one mile of the outside boundary of the subject properties. On the final payment date Amador LLC will transfer by quitclaim deed each of the purchased claims to the Company.

Lexington Mine

On June 30, 2020, the Company signed a Mineral Lease Assignment Agreement which provides for a lease and purchase option for approximately 32 patented mining claims located in Cascade County, Montana. In consideration of the agreement the Company entered into a note payable in the amount of \$180,000 due on June 30, 2021. The note payable bears interest at 0% annum. The note principal and accrued interest was paid in full on November 30, 2021.

Lease

The assigned lease requires monthly payments of \$2,500. The primary term of the lease is ten (10) years, which may be extended for up to two successive terms of ten (10) years each and so long thereafter as ores or minerals are being developed, mined, processed or marketed on a continuing basis or when exploration activities have advanced far enough that construction activities related to the startup of ore production are expected to commence within two to three years.

Purchase

The purchase option allows for the purchase of the claims at any time during the term of the lease in the amount of \$2,000,000. Any prior monthly payments that have not been deducted as royalty advances may be deducted from the purchase price. The lease also includes a 3% net smelter royalty on all development and productions of ores and minerals extracted, milled, and sold from the leased premises. The obligation for quarterly net smelter royalties will commence upon the production and sale of ores from the leased premises.

Royalty

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The assigned lease requires a 3.0% Net Smelter Royalty on all development and production ores and minerals extracted, milled and sold from the Leased Premises, defined as ðactual proceeds paid to and received by the Company from any mint, smelter, refinery or other purchaser. If the Company retains title to gold or silver derived from the property then Net Smelter Returns shall mean the number of ounces of gold or silver derived from the product.

The royalty shall be paid on a quarterly basis within forty-five (45) days after the end of each fiscal quarter in respect of the actual proceeds received in such fiscal quarter.

Diamond Joe Claims

During the year ended June 30, 2022, the Company staked one hundred and fifty-seven claims located in Mohave County, AZ. As of September 1, 2023, the Company elected to drop fifty five of these claims.

Snyder Claims

During the year ended June 30, 2022, the Company staked thirty-eight claims located north/northwest of the historic mining town of Downieville. California.

Sublette Project

On December 2, 2022, the Company entered into 7 uranium mineral leases with the State of Wyoming, each consisting of 640 acres for a total of 4,480 acres in Sublette County, WY. The term of the leases are each ten years, renewable for additional periods of ten years. Prior to the discovery of commercial quantities of leased minerals, the Company is required to make an annual rental payment of \$1.00 per acre or fraction thereof for the first five years of the lease (\$4,480) and \$3.00 per acre for the sixth to the tenth years (\$13,440 per year), provided however that if the leases are not on a commercial mining basis and so operated at the end of two years, such annual rental may be increased at the option of the Lessor. Beginning with the first day of the lease year after the leases become operating leases the rental payment will increase to \$5.00 per acre. The leases have a royalty of 4% of the gross sales consideration received, without any deduction from such sales of consideration for any reason. The minimum annual royalty is equal to \$5.00 per acre.

Chilean Mineral Concession

On December 22, 2022, the Company entered into an Asset Purchase Agreement to acquire mineral concessions consisting of 4,881 hectares (12,601) acres in the Huasco Province of Chile, and related machinery, equipment, drill cores and data sets. The purchase price consisted of \$860,000 in cash and three million shares of the Company's common stock valued at \$750,000, as well as reimbursement of \$139,138 of taxes on the concessions. The assets are held in the Company's wholly owned Chilean subsidiary Gold Express Mines SpA.

Gila County Arizona Claims

The Company acquired two separate projects in Gila County, Arizona southwest of the Town of Payson. The Company acquired by staking the Collum Mine and the House Mine, both located near the Zulu Mine project. The Company elected to drop the House Mine project as of September 1, 2021 and the Collum claims as of September 1, 2023.

Disposed of Properties

Uravan Mineral Option

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On March 6, 2022, the Company signed an Option to Purchase twelve Department of Energy mineral leases located in the Uravan Mineral Belt. The option is exercisable until January 6, 2025. Under the terms of the Option the Company is required to make the following payments.

Payment Obligations

Date Due	Amount
March 6, 2022	\$ 250,000
September 7, 2022	400,000
March 7, 2023	<u>350,000</u>
Total	\$ <u>325,000</u>

Purchase

The purchase option allows for the purchase of the lease at any time during the term of the lease in the amount of \$4,000,000. In the event this Option is exercised, all consideration paid for the Option totaling \$1,000,000 shall be applied against and be deemed to be a payment upon the purchase price.

The Company paid the March 6, 2022 and September 7, 2022 option payments and then elected to let the option expire.

Sale of Claims

On January 3, 2023, the Company signed an Asset Purchase Agreement in which the Company sold 125 unpatented mining claims, the Company had previously staked, for 5,000,000 shares of common stock of the acquiring Company, valued at \$0.20 per share.

Big It Mine

In July, 2022 the Company entered into a sublease of private property and unpatented mining claims located near the Town of Pinehurst, Shoshone County, Idaho. The claims comprise the historic Big It Mine which was a past producer of antimony and gold. The lease payment is \$2,250 per quarter which is comprised of 94 acres of private property and 3 unpatented mining claims. Additionally, the Company has subleased 25 unpatented mining claims in and around the Big It mine area. The lease term is for an initial five years with extensions for up to three additional five-year terms. There is a 2.0% royalty on the property due upon commercial production being initiated at the property. One percent of this royalty can be repurchased from the Lessor for a payment of \$1,000,000.

On August 23, 2022, the Company entered into an agreement to sell 152 unpatented mining claims and assign an existing lease for an additional 54 unpatented mining claims (described below) The Company received 6,000,000 shares of common stock of Key Metals Corp valued at \$0.25 per share, for a total sales price of \$1,500,000. This was a related party transaction.

Soldier Creek Claims

In August, 2022 the Company acquired 79 mining claims by staking, which are located in Tooele County, Utah, \$450,000 of the purchase price was allocated to these claims.

Bell Copper Claims

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In August, 2022 the Company acquired 79 mining claims by staking which are located in Mohave County, Arizona, \$650,000 of the purchase price was allocated to these claims.

Trout Creek

On August 1, 2022 the Company entered into a lease of the Trout Creek copper-silver project located in Sanders County, Montana comprised of 54 unpatented mining claims. Upon entering into the lease, the Company paid reimbursement of \$13,500 for unpatented mining claim fees and staking costs. The annual lease payment for the property due on the property is \$12,000 and is payable each August 1st. The lease period is for five years. The property may be purchased at the end of the five-year lease for \$100,000. There is a 2.0% royalty on the property due upon commercial production being initiated at the property. One percent of this royalty can be repurchased from the Lessor for a payment of \$1,000,000. The Company is required by the terms of the lease to drill a minimum of three exploratory drill holes into the property which are deep enough to penetrate the prospective target in the Revett formation. This drilling has to occur within the first three years of the lease, subject to permitting. \$400,000 of the purchase price was allocated to these claims.

Sale of Mining Claims

On January 13th, 2022, the Company entered into a ninety-day Purchase Option Agreement to sell 20 unpatented mining claims near Payson, Arizona, that the Company staked in March 2021. The Optionee exercised the agreement to by paying \$30,000 in cash and issuing 500,000 shares of its common stock valued at \$165,000 on January 25, 2022. The agreement contains a 2% NSR Royalty, which the Optionee may purchase one half (1%) of the NSR Royalty at any time for \$500,000. The Company has been notified that the Bureau of Land Management has rejected the claim filings on these claims as they assert, they received the claim notices and payment one day late. The Company will contest this interpretation or in the alternative, re-stake the mining claims if they are still available and open for location.

Majestic Claims

On February 1, 2021, the Company signed a Lease and Purchase Option agreement for 13 patented mining claims located in Shoshone County, ID. The Company paid a one-time bonus payment of \$10,000 and is required to pay \$1,000 per month as an advance against royalties. The purchase option may be exercised at any time so long as no terms of the lease are in default with sixty (60) days. The purchase price is \$650,000 minus any previous monthly payment that have not been deducted as royalty advances. The initial lease term is for ten years, which may be extended for up to two successive terms of ten (10) years each and so long thereafter as ores or minerals are being developed, mined, processed or marketed on a continuing basis or when exploration activities have advanced far enough that construction activities related to the startup of ore production are expected to commence within two to three years.

There is a 2.5% Net Smelter Royalty on all development and production ores and minerals extracted, milled and sold from the Leased Premises The quarterly Net Smelter Royalty shall commence upon the production and sale of ores from the Leased Premises.

As of June 30, 2022, the Company decided to cancel this lease.

Ajax Claims

On February 1, 2021, the Company signed a Lease and Purchase Option agreement for approximately 23 patented mining claims located in Shoshone County, ID. The initial lease term is for ten years. The Company paid a one-time bonus payment of \$15,000 and is required to pay a \$1,500 per month advance

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royalty payment as an advance against royalties. The purchase option may be exercised at any time so long as the terms of the lease are not in default. The purchase price is \$950,000 minus any previous monthly payments that have not been deducted as royalty advances.

There is a 2.5% net smelter royalty on all development and production of ores and minerals extracted, milled and sold from the Leased Premises. The quarterly Net Smelter Royalty shall commence upon the production and sale of ores from the Leased Premises.

As of June 30, 2022, the Company decided to cancel this lease.

Silver Star Mining Lease

On April 1, 2022, the Company signed a Lease agreement for 14 patented mining claims located in Shoshone County, ID. The term of the lease is ten years, the Company may extend the lease for up to two successive terms of 10 years, and so long thereafter as ores or minerals are being developed, mined, processed or marketed on a continuing basis, or when exploration activities have advanced far enough that construction activities related to the start of ore production are expected to commence within two to three years. The Company paid a one-time bonus payment of \$12,500 at signing. In order to maintain its lease, the Company is required to make monthly lease payments in the amount of \$1000.

Additionally, there is a 2.5% Net Smelter Return agreement, quarterly payment of the Net Smelter Royalty shall commence upon the production and sale of ores from the leased premises.

Grand Reef Mining Claims, San Bernardino County, California

On June 17, 2020, the Company signed an Asset Purchase Agreement for 15 unpatented mining claims located in San Bernardino County, CA. In consideration of the mineral claims the Company issued 5,080,000 shares of its common stock valued at \$0.03 per share, or \$152,400, and a note payable of \$50,000. The note payable bears interest at 8% annum, with it increasing to 16% if the full amount is not paid by the maturity date of July 17, 2021. The note principal and accrued interest was paid in full on November 30, 2021. After undertaking exploration through sampling and soil analyses the Company determined to drop the project the fall of 2021.

NOTE 4 – EARN IN AGREEMENT

On June 6, 2023, the Company signed a Memorandum of Understanding for Earn-In Agreement in which Magellan Gold Corp (Magellanö) can earn up to a 50% working interest in the Kris Project, which is part of the Wetzel Property Lease and Option Agreement.

The Company received \$100,000 on March 29, 2023 pursuant to the agreement, which was recorded as other income. Magellan shall spend \$400,000 on the Kris Project in allowable expenditures over the next thirty-six months, assuming permitting for the work is obtained. If permitting delays the exploration and other work programs, the earn-in period shall be extended accordingly. Allowable expenditures are sampling, drilling, assaying, geologic mapping, and mine site improvements made or performed directly on the existing mine site or expanded mine site. Consulting fees for work directly benefiting the Project are also allowed including management of work, preparation of reports, and planning for future work. Claim maintenance fees on the existing claims are also allowable expenditures, as are the costs of future land acquisitions which are deemed to benefit the Kris Project, and which are approved by both parties beforehand.

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As part of the MOU agreement, Magellan shall pay the Bureau of Land Management claim maintenance fees on the existing Kris Project claims by August 15th in the ensuing years during the earn-in period. Magellan shall pay for the annual Plumas County notice of intent to hold recording costs and any other Plumas County fees or taxes which accrue during the earn-in period. These holding costs shall be allowable expenses under the earn-in agreement.

The Company and Magellan have not executed the final Earn-In Agreement which will memorialize the terms of the MOU and describe the operating structure of the joint venture company which will be formed upon completion of the earn-in agreement.

NOTE 5 – INVESTMENTS

We measure all equity investments that do not result in consolidation and are not accounted for under the equity method at fair value with the change in fair value included in net income. We use quoted market prices to determine the fair values of equity securities with readily determinable fair values. For equity securities without readily determinable fair values, we have elected the measurement alternative under which we measure these investments at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Management assesses each of these investments on an individual basis.

The carrying values of our equity securities were included in the following line items in the balance sheets.

Marketable Securities	\$ 69,922
Non-Marketable Securities	350,000
Total at June 30, 2022	<u>419,922</u>
Marketable Securities	96,109
Non-Marketable Securities	762,186
Total at March 31, 2023	\$ <u>858,295</u>

NOTE 6 – DIVIDENDS

On March 3, 2023, the Company's Board of Directors approved a special dividend of 3,054,564 Key Metals Corp common stock shares (Dividend Share) to be distributed to shareholders of record as of March 3, 2023. Each shareholder of record is to receive .05 dividend shares for each one share of Gold Express Mines Inc held. The special dividend was paid on March 13, 2023.

NOTE 7 – STOCKHOLDERS' EQUITY

Upon formation the authorized capital of the Company was 120,000,000 shares consisting of 100,000,000 shares of common stock, par value \$0.001 and 20,000,000 shares of preferred stock, par value \$0.001. On June 30, 2021 the Company filed its First Amended and Restated Articles of Incorporation with the Nevada Secretary of State increasing the authorized capital stock of the Company to 480,000,000 shares of common stock, par value \$0.001 and 20,000,000 shares of preferred stock, par value \$0.001.

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Preferred Stock

The Preferred stock may be issued in one or more series as determined by the Board of Directors. The designations, voting rights, amounts of preference upon distribution of assets, rates of dividends, premiums of redemption, conversion rights and other variations, if any, the qualifications, limitations or restrictions thereof, if any, of the Preferred Stock, and of each series thereof, are fixed by the Board of Directors in a resolution or resolutions adopted by the Board of Directors providing for the issue of such series of Preferred Stock.

At March 31, 2023 and March 31, 2022, there have been no series of Preferred Stock designated.

Common Stock

During the period ended March 31, 2023, the Company issued 2,636,115 units for cash in the amount of \$768,206 in cash; 3,000,000 shares of stock for mineral properties valued at \$750,000; and 91,666 units for services valued at \$41,250.

During the period ended March 31, 2022, the Company issued 555,222, units for cash at \$0.45 per unit for cash of \$249,850, additionally the Company issued 333,334 shares for shares previously recorded as to be issued

Warrants

The following is a summary of the warrants issued and outstanding in connection with common stock:

June 30, 2020	-	-	-
Granted	1,003,330	\$ 0.80	3.25
Exercised	-		
Forfeited	-		
June 30, 2021	1,003,330	\$ 0.80	
Granted	31,407,951	\$ 0.75	4.66
Exercised	-		
Forfeited	-		
June 30, 2022	32,411,281		
Granted	4,464,949	0.80	4.51
Exercised	-		
Forfeited	-		
March 31, 2023	36,876,230	\$ 0.75	4.61

During the period ended March 31, 2023 4,464,949 warrants were issued in connection with the multiple closing of the GEM PPM. The warrants were allocated \$443,127 of the proceeds from the closing using a Black-Scholes pricing model using stock prices at the grant date of \$0.15; an exercise price of \$0.80; life expectancy of 5 years and volatility of 300%.

During 2022, warrants were issued in connection with the multiple closings of the two GEM PPMs. The warrants were allocated \$6,634,302 of the proceeds from the closing using a Black-Scholes pricing model

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using stock prices at the grant date of \$0.15; an exercise price of \$0.80; life expectancy of 5 years and volatility of 300%. Additionally, warrants were issued in connection with the multiple closings of the YBO PPM, valued at \$27,778.

Stock Options

During the year ended June 30, 2023, the Company issued 465,000 options for services with a fair value of \$112,938, all options vested immediately and the total of \$78,093 was recognized.

The fair value of the options was determined using the Black Scholes model with a unit price of \$0.25, exercise price of \$0.80 and 0.85, a term of three and four years, volatility of three hundred percent and a risk free interest rate of 4.03% and 3.64%.

The following is a summary of stock option activity:

	Issued	Weighted Avg Price	Weighted Avg Life (in years)
Outstanding June 30, 2022	-	\$ -	-
Granted	465,000	\$.83	3.06
Exercised	0		
Forfeited or expired	0		
Outstanding March 31, 2023	<u>465,000</u>	.83	3.06
Vested and exercisable at March 31, 2023	<u>465,000</u>	\$.83	3.06

The options have no intrinsic value as of March 31, 2023.

NOTE 7 – NOTES PAYABLE

On June 18, 2020, the Company signed a note payable for mineral resources in the amount of \$50,000, See Note 3. This note was paid off in full on November 30, 2021.

On June 30, 2020, the Company signed a note payable for mineral resources in the amount of \$180,000, See Note 3. This note was paid off in full on November 30, 2021.

On January 6, 2021, the Company signed a note payable for a 25% ownership interest in a database of mineral property information in the amount of \$15,000. The note bears interest of 5% with a maturity date of July 17, 2021. If the note is not paid at maturity, the ownership interest reduces to 15%.

NOTE 8 – INCOME TAXES

Income taxes are provided based upon the liability method of accounting pursuant to ASC 740-10-25 *Income Taxes – Recognition*. Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax

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assets if management does not believe the Company has met the more likely than not standard imposed by ASC 740-10-25-5.

Topic 740 in the Accounting Standards Codification (ASC 740) prescribes recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. At June 30, 2021 and 2020, the Company had taken no tax positions that would require disclosure under ASC 740.

The Company files income tax returns in the U.S. federal jurisdiction.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for income tax purposes.

Significant components of the deferred tax assets at an anticipated tax rate of 21% for the period of December 31, 2021 to June 30, 2022 are as follows:

	March 31, 2023	June 30, 2022
Net operating loss carryforwards	8,584,641	6,061,354
Deferred tax asset	1,802,775	1,272,884
Valuation allowance for deferred asset	(1,802,775)	(1,272,884)
Net deferred tax asset	<u>-</u>	<u>-</u>

As of March 31, 2023, the Company has net operating loss carryforwards of approximately \$8,584,641. The change in the allowance account from June 30, 2022 to March 31, 2023 was \$529,891.

NOTE 9 – RELATED PARTY TRANSACTIONS

At March 31, 2023, the Company paid \$243,000 in officers' fees, \$120,000 in directors' fees to officers and directors, at March 31, 2022 the Company paid \$108,000 in officers' fees, \$108,000 in directors' fees.

On October 7, 2022, the Company purchased 100,000 shares of common stock of Lightning Creek Resources. The two companies have directors in common.

At March 31, 2023 there was \$8,140 due to related parties.

NOTE 10 – SUBSEQUENT EVENTS

New Departure

On April 1, 2023, the Company signed a Mining Lease for eight patented mining claims located in Beaverhead County, MT. The initial term of the lease is ten years, which may be extended for up to two consecutive ten-year terms. The lease is subject to monthly payments of \$2,500 and included a 2.5% Net Smelter Royalty.

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On April 28, 2023, Gold Express Mines sold to Cerro Blanco Titanium all of the outstanding shares of Gold Express Mines, SpA (GEM Chile) for one thousand shares of CBT valued at \$2,252 per share, for a total of \$2,251,950, by which, GEM Chile became a wholly owned subsidiary of CBT and CBT became a wholly owned subsidiary of GEM. This was considered a common control transaction and as such, the purchase was recorded at book value with no goodwill or gain/loss on the transaction.

On May 1, 2023, the Company sold all the outstanding shares of Cerro Blanco Titanium, Inc, (CBT) a Delaware corporation, for 17,500,000 shares of the common stock with a fair value of \$0.139 per share or \$2,432,500 in total. CBT's assets included its 100% ownership of Gold Express SpA (GEM Chile), a Chilean company. The Company sold CBT to Key Mining Corp. with which the Company has board directors in common. Directors of the Company collectively own approximately 4% of the outstanding shares of Key Metals Corp. on the date of the transaction. A loss of \$152,770 was recognized on the sale.

On May 12, 2023 the Company signed an amendment which the lease was renewed for 2023. Under the terms of the lease 22,222 shares of common stock were issued valued at \$10,000 and a cash payment was made in the amount of \$7,500 and agreed to pay the maintenance fees due August 31, 2023. Additionally, the Parties agreed that should the lease be renewed for 2024, the original lease terms would be adhered to for that year and future years.

On June 7, 2023, the Company's Board of Directors approved a special dividend of 10,405,087 Key Metals Corp common stock shares (Dividend Share) to be distributed to shareholders of record as of June 5, 2023. Each shareholder of record is to receive 0.17 dividend shares for each one share of Gold Express Mines Inc held. The special dividend was paid on June 22, 2023.