Consolidated Financial Statements of

Mammoth Resources Corp.

For the years ended January 31, 2024 and 2023

(Expressed in Canadian Dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Mammoth Resources Corp.

Opinion

We have audited the consolidated financial statements of Mammoth Resources Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2024, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at January 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3 to the consolidated financial statements, which explains that certain comparative information for the year ended January 31, 2023 has been restated. Our opinion is not modified in respect of this matter.

Other matter

The consolidated financial statements of the Company for the year ended January 31, 2023, excluding adjustments that were applied to restate comparative information, were audited by another auditor who expressed an unmodified opinion on those financial statements on May 29, 2023.

As part of our audit of the consolidated financial statements for the year ended January 31, 2024, we also audited the adjustments applied to restate certain comparative information presented. In our opinion, such restatement is appropriate and has been properly applied.

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
mcgovernhurley.com
t. 416-496-1234

We were not engaged to audit, review or apply any procedures to the consolidated financial statements (restated) as at January 31, 2023 and February 1, 2022 and for the year ended January 31, 2023 of the Company other than with respect to the restatement described above and accordingly, we do not express an opinion or any other form or assurance on the consolidated financial statements (restated) as at January 31, 2023 and February 1, 2022 and for the year ended January 31, 2023, taken as a whole.

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended January 31, 2024 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is

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necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

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auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
May 31, 2024

MAMMOTH RESOURCES CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at,	Notes	**January 31, 2024**	January 31 2023	February 1 2022
			(Restated - Note 3)	(Restated - Note 3)
ASSETS				
Current				
Cash		$ 10,039	$ 26,256	$ 709,981
Short-term investments	5	21,521	196,218	400,123
Sales taxes recoverable	4	5,886	1,669	61,557
Prepaid		-	18,307	8,354
Total assets		$ 37,446	$ 242,450	$ 1,180,015
LIABILITIES				
Current				
Accounts payable and accrued liabilities	6, 9	$ 360,437	$ 136,292	$ 147,573
Due to related party		-	-	13,488
Loan from related party	9	11,408	14,227	12,067
Total liabilities		371,845	150,519	173,128
SHAREHOLDER'S EQUITY				
Share capital	7	6,100,061	6,100,061	6,100,061
Warrant reserve	7	-	-	1,727,712
Contributed surplus	7	472,936	472,936	404,936
Accumulated deficit		(6,907,396)	(6,481,066)	(7,225,822)
Total shareholders' equity (deficiency)		(334,399)	91,931	1,006,887
Total liabilities and shareholders' equity (deficiency)		$ 37,446	$ 242,450	$ 1,180,015
Going concern	2			
Commitments and contingencies	14			

Approved on behalf of the board on May 31, 2024

(signed) "Tom Atkins"
Director

(signed) "Paul O'Brien"
Director

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

MAMMOTH RESOURCES CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	For the years ended January 31, 2024	2023 (Restated – Note 3)
Expenses			
Exploration and evaluation expenditures	6, 9	**$ 286,080**	$ 809,744
General and administrative	10	**33,047**	48,057
Management fees	9	**53,667**	86,833
Professional fees		**48,353**	26,400
Interest expense	9	**293**	1,113
Share-based compensation	7, 9	**-**	68,000
Foreign exchange		**8,163**	(52,268)
Net loss before other items		**429,603**	987,879
Other items			
Interest income	5	**3,273**	4,923
Net loss and comprehensive loss		**$ 426,330**	$ 982,956
Net loss per share - basic and diluted	8	**$ (0.01)**	$ (0.01)
Weighted average shares outstanding basic and diluted		**67,329,753**	67,329,753

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

MAMMOTH RESOURCES CORP.
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars)

	Share Capital		Reserve			
	Number of shares	**Amount**	**Warrants**	**Contributed surplus**	**Accumulated deficit**	**Total**
					(Restated – Note 3)	
Balance, January 31, 2022	67,329,753	$6,173,601	$1,727,712	$ 404,936	$(3,474,657)	$ 4,831,592
Restatement (Note 3)	-	(73,540)	-	-	(3,751,165)	(3,824,705)
Balance, February 1, 2022, restated	67,329,753	6,100,061	1,727,712	404,936	(7,225,822)	1,006,887
Issuance of stock options (Note 7)	-	-	-	68,000	-	68,000
Warrants expired (Note 7)	-	-	(1,727,712)	-	1,727,712	-
Net loss for the year	-	-	-	-	(982,956)	(982,956)
Balance January 31, 2023, restated	67,329,753	6,100,061	-	472,936	(6,481,066)	91,931
Net loss for the year	-	-	-	-	(426,330)	(426,330)
Balance, January 31, 2024	**67,329,753**	**$6,100,061**	**$ -**	**$ 472,936**	**$(6,907,396)**	**$ (334,399)**

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

MAMMOTH RESOURCES CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	For the years ended January 31, 2024	2023 (Restated - Note 3)
Cash flow used in operating activities		
Loss for the year	**$ (426,330)**	$ (982,956)
Items not affecting cash:		
Stock-based compensation	**-**	68,000
Interest expense	**293**	-
Interest income	**(2,803)**	(1,088)
Net change in non-cash working capital balances:		
Sales taxes recoverable	**(4,217)**	59,888
Prepaid expenses	**18,307**	(9,953)
Accounts payables and accrued liabilities	**224,145**	(11,281)
Due to related parties	**-**	(13,488)
Cash flow used in operating activities	**(190,605)**	(890,878)
Cash flow provided by (used in) financing activities		
Loan received from related party	**35,555**	53,778
Repayment of loan from related party	**(38,189)**	(53,042)
Repayment of interest payable	**(478)**	(1,028)
Cash flow provided by (used in) financing activities	**(3,112)**	(292)
Cash flows provided by (used in) investing activities		
Short-term investments	**177,500**	204,993
Cash flow provided by (used in) investing activities	**177,500**	204,993
Effect of exchange rate changes on cash	**-**	2,452
Net change in cash	**(16,217)**	(683,725)
Cash at the beginning of the year	**26,256**	709,981
Cash at the end of the year	**$ 10,039**	$ 26,256

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

1. Nature of operations

Mammoth Resources Corp. (“Mammoth” or the “Company”) was incorporated on January 7, 2011 under the *Canada Business Corporations Act*, and is involved in the acquisition, exploration and evaluation of mining properties in Mexico. Its stock is listed on the TSX Venture Exchange under the symbol MTH. The head office of the Company is located at 410-150 York Street, Toronto, Ontario Canada M5H 3S5.

Mammoth is an exploration stage company and currently has interests in mineral exploration properties in Mexico. Substantially all of the Company’s efforts are devoted to financing and developing these properties and/or acquiring new ones. There has been no determination whether the Company's interests in mineral exploration properties contain mineral reserves, which are economically recoverable.

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

2. Going concern

The financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplate the realization of assets and the discharge of liabilities in the ordinary course of business. As of January 31, 2024, the Company had recurring net losses, negative cash flows from operations and a working capital deficiency. In addition, the Company has future spending commitments with the Government of Mexico to keep its exploration concessions in good standing.

As at January 31, 2024, the Company had an accumulated deficit of $6,907,396 (January 31, 2023 - $6,481,066) and a working capital deficiency of $334,399 (January 31, 2023 – working capital surplus of $91,931). For the year ended January 31, 2024, the Company incurred a net loss of $426,330 (January 31, 2023 – $982,956). The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves and the achievement of profitable operations. The Company also is dependent upon its ability to continue to raise adequate financing and there can be no assurances that the Company will be successful. These circumstances comprise a material uncertainty, which may lend significant doubt as to the ability of the Company to continue as a going concern. Changes in future conditions could require material write-downs of the carrying values.

The consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities, which would be necessary if the Company were unable to continue its operations as a going concern.

3. Basis of preparation and significant accounting policies

Statement of compliance
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) effective for the reporting period.

There are no new IFRS and/or IFRIC pronouncements currently in effect that would have a material effect on the Company.

These consolidated financial statements were approved and authorized for issuance on May 31, 2024, by the Board of Directors of the Company.

Basis of measurement
These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency
These consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company. The functional currency of Mammoth Resources Canada Corp., Mammoth Resources International Corp. and Recursos Mineros Mamut S.A. de C.V. is the Canadian dollar.

Basis of consolidation
These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries.

Name of subsidiary	Principal activity	Country of incorporation	Ownership interest
Mammoth Resources Canada Corp.	Holding company	Canada	100%
Mammoth Resources International Corp.	Holding company	Canada	100%
Recursos Mineros Mamut S.A. de C.V.	Mineral exploration	Mexico	100%

All inter-company balances and transactions, income and expenses have been eliminated upon consolidation.

Changes in accounting policies

Exploration and evaluation expenditures
During the year ended January 31, 2024, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes expensing such costs as incurred provides more reliable and relevant financial information. The cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that a mineral property is commercially viable and technically feasible. Previously, the Company capitalized these amounts and value added taxes. As a result of the change in policy, deferred tax calculations were also updated.

The consolidated financial statements for the year ended January 31, 2023 and as of February 1, 2022 have been restated to reflect adjustments made as a result of these changes in accounting policy. The accumulated effect of the change of $4,588,412 has been reflected in the ending deficit of the consolidated financial statements as at January 31, 2024.

Private placement financing

The Company has voluntarily changed its accounting policy with respect to the allocation of warrants on private placement financing of units from the residual approach to the relative value proration method, as estimated using the Black-Scholes Pricing model. The Company also redefined its equity reserves such that the share purchase warrant reserve is to reflect the value of outstanding warrants. The value of exercised warrants is transferred to share capital on exercise. The value of expired warrants is transferred to deficit on expiry. As a result, as at January 31, 2023 and February 1, 2022, $73,540 was reclassified from share capital to deficit. Additionally, the value of expired warrants was reclassified to deficit, as at January 31, 2023. A total of $1,727,712 was reclassified from contributed surplus to deficit.

Restatement due to error

The consolidated financial statements have been restated to reflect additional exploration and evaluation expenditures of $82,657 (MXN $1,178,543) for concession fees related to January 31, 2023. The share-based payments were also restated for the 1,516,000 stock options issued to directors, officers and consultants of the Company on December 22, 2022. The grant date fair value assigned for the stock options was calculated at $68,000 and was determined using the Black-Scholes option pricing model, with the following assumptions: share price of $0.03; exercise price of $0.05; expected dividend yield of 0%; risk-free interest rate of 3.34%; expected volatility of 165% based on the Company's historical volatility, and an expected life of 5 years. The options vested immediately following issuance. There were no restatement changes to the February 1, 2022 Consolidated Statement of Financial Position.

(Expressed in Canadian dollars)

The following is a reconciliation of the Company's consolidated financial statements as at February 1, 2022 and January 31, 2023 for the change in accounting policies and restatement due to error.

Consolidated Statement of Financial Position As at January 31, 2023	**As previously reported**	**Adjustment**	**Restated**
Assets			
Current			
Cash	$ 26,256	$ -	$ 26,256
Short-term investments	196,218	-	196,218
Government taxes recoverable	1,669	-	1,669
Prepaid	18,307	-	18,307
Total current assets	242,450	-	242,450
Non-current			
Government taxes recoverable	136,344	(136,344)	-
Exploration and evaluation assets	4,502,068	(4,502,068)	-
Total assets	$ 4,880,862	$ (4,638,412)	$ 242,450
Liabilities			
Current			
Accounts payable and accrued liabilities	$ 52,959	$ 83,333	$ 136,292
Loan from related party	14,227	-	14,227
Total current liabilities	67,186	$ 83,333	150,519
Non-current			
Deferred income taxes	50,000	(50,000)	-
Total liabilities	117,186	33,333	150,519
Shareholders' Equity			
Share capital	6,173,601	(73,540)	6,100,061
Contributed surplus	2,248,080	(1,775,144)	472,936
Accumulated deficit	(3,658,005)	(2,823,061)	(6,481,066)
Total shareholders' equity	4,763,676	(4,671,745)	91,931
Total liabilities and shareholders' equity	$ 4,880,862	$ (4,638,412)	$ 242,450

(Expressed in Canadian dollars)

Consolidated Statement of Financial Position **As at February 1, 2022**	**As previously reported**	**Adjustment**	**Restated**
Assets			
Current			
Cash	$ 709,981	$ -	$ 709,981
Short-term investments	400,123	-	400,123
Government taxes recoverable	61,557	-	61,557
Prepaid	8,354	-	8,354
Total current assets	1,180,015	-	1,180,015
Non-current			
Government taxes recoverable	178,438	(178,438)	-
Exploration and evaluation assets	3,696,267	(3,696,267)	-
Total assets	$ 5,054,720	$ (3,874,705)	$1,180,015
Liabilities			
Current			
Accounts payable and accrued liabilities	$ 147,573	$ -	$ 147,573
Due to related party	13,488	-	13,488
Loan from related party	12,067	-	12,067
Total current liabilities	173,128	-	173,128
Non-current			
Deferred income taxes	50,000	(50,000)	-
Total liabilities	223,128	(50,000)	173,128
Shareholders' Equity			
Share capital	6,173,601	(73,540)	6,100,061
Warrant reserve	1,727,712	-	1,727,712
Contributed surplus	404,936	-	404,936
Accumulated deficit	(3,474,657)	(3,751,165)	(7,225,822)
Total shareholders' equity	4,831,592	(3,824,705)	1,006,887
Total liabilities and shareholders' equity	$ 5,054,720	$ (3,874,705)	$1,180,015

(Expressed in Canadian dollars)

Consolidated Statement of Loss and Comprehensive Loss **For the year ended January 31, 2023**	**As previously reported**	**Adjustment**	**Restated**
Expenses			
Exploration and evaluation expenditures	$ -	$ 809,744	$ 809,744
General and administrative	48,057	-	48,057
Management fees	86,833	-	86,833
Professional fees	26,400	-	26,400
Interest expense	1,113	-	1,113
Share-based compensation	115,432	(47,432)	68,000
Foreign exchange	(89,564)	37,296	(52,268)
Net loss	188,271	799,608	987,879
Other items			
Interest income	4,923	-	4,923
Net loss and comprehensive loss	$ 183,348	$ 799,608	$ 982,956
Net loss per share - basic and diluted	$ (0.00)		$ (0.01)
Weighted average shares outstanding - basic and diluted	67,329,753		67,329,753

Consolidated Statement of Cash Flows	**As previously reported**	**Adjustment**	**Restated**
Cash flow used in operating activities			
Loss for the year	$ (183,348)	$ (799,608)	$ (982,956)
Items not affecting cash			
Stock-based compensation	115,432	(47,432)	68,000
Foreign exchange	(89,564)	89,564	-
Government taxes recoverable write-off	136,344	(136,344)	-
Interest income	(1,088)	-	(1,088)
Net change in non-cash working capital balances:			
Government taxes recoverable	(34,362)	94,250	59,888
Prepaid expenses	(9,953)	-	(9,953)
Accounts payable and accrued liabilities	(94,613)	83,332	(11,281)
Due to related parties	(13,488)	-	(13,488)
Cash flow used in operating activities	(174,640)	(716,238)	(890,878)
Cash flow used in financing activities			
Loan received from related party	53,778	-	53,778
Repayment of loan from related party	(53,042)	-	(53,042)
Repayment of interest payable	(1,028)	-	(1,028)
Cash provide used in financing activities	(292)	-	(292)
Cash flow used in investing activities			
Purchase GIC	204,993	-	204,993
Exploration and evaluation costs	(805,801)	805,801	-
Cash flow used in investing activities	(600,808)	805,801	204,993
Effect of exchange rate changes on cash	92,015	(89,563)	2,452
Net change in cash	(683,725)	-	(683,725)
Cash at the beginning of the year	709,981	-	709,981
Cash at the end of the year	$ 26,256	$ -	$ 26,256

Exploration and evaluation assets
Exploration and evaluation expenditures are charged to profit or loss in the period incurred until such time as it has been determined that a mineral property has economically recoverable resources, in which case subsequent costs incurred to develop a mineral property are capitalized. Exploration and evaluation expenditures include acquisition costs of mineral exploration properties, property option payments and exploration and evaluation activity. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

Impairment of non-financial assets
The Company reviews its non-financial assets on an annual basis to determine if events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. It is reasonably possible, based on existing knowledge, that changes in future conditions in the near-term could require a change in the determination of the need for and amount of any write down.

Impairment exists when the carrying amount of the asset, or group of assets, exceeds its recoverable amount. The impairment loss is the amount by which the carrying value exceeds the recoverable amount and such loss is recognized in the statement of loss and comprehensive loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Decommissioning liabilities
A legal or constructive obligation to incur decommissioning liabilities may arise when environmental disturbance is caused by the exploration, development or mining of a mineral property interest. Such costs arising from the decommissioning of plant and other site work discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company had no material decommissioning liabilities as at January 31, 2024 and 2023.

Basic and diluted loss per share
Basic income or loss per share is calculated using the weighted average number of shares outstanding during the period. In order to determine diluted loss per share, any proceeds from the exercise of dilutive stock options or warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The dilutive effect of convertible securities is reflected in diluted loss per share assuming such conversion occurred at the beginning of the period. The diluted loss per share calculation excludes any potential conversion of stock options or warrants that would decrease loss per share.

Income taxes

Current income tax
Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statements of loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits, and unused tax losses, to the extent that it is probable that taxable profit will be available

against which the deductible temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at end of reporting year. Deferred tax relating to items recognized directly in equity is also recognized in equity and not in the statements of loss.

The carrying amount of deferred tax assets is reviewed at the end of the reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Equity-based payments

Where equity-settled share options are awarded to employees and consultants, the fair value of the options at the date of grant is charged to the statements of loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non- vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period based on the Company's estimate of options that will eventually vest. The number of forfeitures likely to occur is estimated on the grant date.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statements of loss and comprehensive loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the transaction is measured at the fair value of the equity instrument granted.

All equity-settled share-based payments are reflected in option payment reserve, until exercised. Upon exercise, the shares are issued from treasury and the amount reflected in option reserve is credited to share capital for any consideration paid. If options expire, the grant date value is reclassified to deficit.

Unit placements
Proceeds from unit placements are allocated between shares and warrants issued using a relative value proration method to determine the fair value of warrants issued.

Share issuance costs
Share issuance costs incurred on the issue of the Company's shares are charged directly to share capital.

Foreign exchange
Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and each of its subsidiaries is the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates.

Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Financial instruments
<u>Financial assets</u>
Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortized cost. The Company determines the classification of financial assets at initial recognition.

Financial assets at fair-value through profit or loss ("FVTPL")
Financial instruments classified as FVTPL are reported at fair value at each reporting date, and any change in fair value is recognized in the statement of loss and comprehensive loss in the period during which the change occurs. Realized and unrealized gains or losses from assets held at FVTPL are included in gains or losses in the period in which they arise.

Financial assets at fair-value through other comprehensive income ("FVTOCI")
Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument bases) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not reclassified to profit or loss.

Financial assets at amortized cost
Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. A provision is recorded based on the expected credit losses for the financial asset and reflects changes in the expected credit losses at each reporting period.

Financial liabilities
Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, FVTOCI when the change in fair value is attributable to changes in the Company's credit risk and FVTPL if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives)..

The Company's financial assets and liabilities are classified as follows:

	Classification
Cash	Amortized cost
Short-term investment	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Loan from related party	Amortized cost

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership of the asset. Where substantially all the risks and rewards of ownership of the financial asset are neither retained nor transferred, the Company derecognizes the transferred asset only if it no longer controls the asset. Control is represented by the practical ability to sell the transferred asset without the need to impose additional restrictions. If the Company retains control over the asset, it will continue to recognize the asset to the extent of its continuing involvement. When a financial asset is derecognized in full, a gain or loss is recognized in net loss for an amount equal to the difference between the carrying amount of the asset and the value of the consideration received, including any new assets and/or liabilities recognized.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires with any associated gain or loss recognized in other income or expense in the consolidated statement of loss.
Impairment
The Company follows an 'expected credit loss' model which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

Fair value
Financial instruments measured at fair value are summarized into the following fair value hierarchy as follows:

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 assets or liabilities that are not based on observable market data.

Cash is measured at level 1 inputs of the fair value hierarchy.

The carrying values of current financial assets and liabilities approximate their fair values due to the short-term nature of these instruments.

Critical accounting estimates and judgments
The preparation of these consolidated financial statements require management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates
Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

1. Valuation of share-based payments
   The Company values share-based payments granted using market-based generally accepted valuation techniques at the date of grant. Assumptions made for the valuation include volatility of the share price, risk free interest rate and the life of the stock options granted. Such assumptions are highly subjective and changes in these assumptions materially affect the calculated fair value. Assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7.
2. Income, value added, withholding and other taxes
   The Company is subject to income, value added, withholding and other taxes. Judgment is used in determining provisions for taxes as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations, which may not coincide with the interpretation of the tax authorities. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. All tax related filings are subject to government audit and potential reassessment subsequent to the consolidated financial statement reporting period. In case the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.
3. Existence of decommissioning and restoration costs and timing of expenditure
   Decommissioning, restoration, and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration, or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations with regulatory authorities.
4. Provisions and contingencies
   Provisions and contingencies arising in the course of operations, including provisions for income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary and may cause significant adjustments to the Company's assets when the amounts are determined or additional information is required.

Critical accounting judgments
The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

1. Going concern
   The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.
2. Valuation of deferred income tax assets
   Each year, the Company evaluates the likelihood of whether some portion of deferred tax assets, if any, will be realized. This evaluation is based on historic and future expected levels of taxable income, the timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, tax planning initiative, and deferred tax rates.
3. Title to mineral property interests
   Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company titles. Such properties may be subject to prior agreement or transfers and titles may be affected by undetected defects.

New standards adopted in the year

During the year ended August 31, 2023, the Company adopted the following amendment. This change did not have any material impact on the Company's financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument.

New and amended IFRS standards not yet effective

A number of new standards are not yet effective for the year ended January 31, 2024, and have not been applied in preparing these financial statements. Many are not applicable to, or do not have a significant impact on the Company and have therefore been excluded. The following have not been adopted and are being evaluated to determine their impact on the Company's consolidated financial statements:

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

4. Sales taxes recoverable

The Company's government taxes recoverable arise from two main sources: The Canadian harmonized sales tax ("GST"/"HST") receivable due from the Canadian government taxation authorities and the value added tax ("VAT") receivable due from Mexican government taxation authorities.

It is management's judgment that the VAT recoverable is not collectible at this time. As a result, these amounts have been included as expenses within exploration and evaluation expenditures in the period they were incurred.

5. Short-term investments

As of January 31, 2024 the Company held $21,521of GIC investments. The $195,007 in GIC investments held at January 31, 2023 matured during the reporting period and were then partially re-invested.

(Expressed in Canadian dollars)

6. Exploration and evaluation projects

The Company has incurred the following acquisition costs and exploration costs since inception on its exploration and evaluation projects:

Tenoriba Project	**For the year ended January 31, 2024**	For the year ended January 31, 2023
Acquisition costs, opening balance	$ 216,614	$ 216,614
Additions	-	-
Total acquisition costs	216,614	216,614
Exploration costs, opening balance	4,289,397	3,479,653
Additions for the year	286,080	809,744
Total exploration costs	4,575,477	4,289,397
Total exploration and evaluation expenditures	**$ 4,792,091**	**$ 4,506,011**

Title to exploration and evaluation assets involve certain inherent risks due to the difficulty of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, except as described below, are properly registered and in good standing. However, there can be no guarantee of title and the exploration and evaluation assets may otherwise be subject to prior claims, agreements, or transfers and rights of ownership may be affected by undetected defects. The properties in which the Company has earned or committed to earn an interest are located in Mexico.

Tenoriba Area

Mammoth signed an agreement (the "Agreement") with two private Mexican citizens on July 3, 2012 to option the Tenoriba project in southwestern Chihuahua State, Mexico. The Agreement pertained to three concessions, Mapy, Mapy2 and Fernanda, collectively referred to as the Tenoriba Project. The terms of the Agreement permitted the Company to acquire a 100% interest in the Tenoriba Project, subject to a 2.0% Net Smelter Return ("NSR") royalty payable to the vendors upon commercial production (the royalty can be purchased by the Company at any time within a two-year period from commencement of commercial production for US$1,500,000). The Company has met the terms of the agreement and has earned a 100% interest in the Tenoriba Project, subject to the 2.0% NSR.

On October 3, 2012, the Company, through its Mexican subsidiary, registered the Mapy3 concession, located near the Mapy and Mapy2 concessions. On February 18, 2018, the Company received confirmation of title from the Direccion General de Minas (mining department of the Mexican government) acknowledging title to the Mapy3 concession. The Company is 100% holder of this concession which is now part of the Tenoriba Area.

The Tenoriba Area is thus comprised of four concessions, Mapy, Mapy2, Mapy3 (collectively the "Mapy Concessions") and Fernanda.

As at January 31, 2024 the Company has $240,442 (MXN$3,080,374) in unpaid concession fees (2023 - $83,333 (MXN$1,178,543)). In conducting operations in Mexico, the Company is subject to certain considerations and risks. These include risks such as the political, economic, and legal environments. As a result of these risks, the Company's results may be adversely affected by changes in the political and social conditions and by changes in governmental policies with respect to mining laws and regulations and rates and methods of taxation. The Company is aware of recent legislative changes in Mexico applicable to the mining industry. The full impact of these legislative changes have not been completely determined as the industry awaits further clarifications from the government on these proposed changes. The Company believes it has taken action to preserve its interests in its mineral concessions. The Company will continue to monitor the legislative changes and will best respond as these laws, regulations, or the Company's status becomes more clear. Should the Company decide not to pay these unpaid concession fees, this could result in loss of title to property.

(Expressed in Canadian dollars)

7. Share capital and reserves

Share capital

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

	Ref	Number	Amount
Balance at January 31, 2022, 2023, and 2024		67,329,753	$ 6,100,061

Reserve for warrants

The Company issued warrants as part of the June 9, 2021 private placement equity financing. The grant date fair value of warrants is recognized upon issuance to reserve for warrants, until expiration or exercise. As of January 31, 2023 and 2024, all outstanding warrants had expired.

Stock options

The Company's stock option plan (the "Plan") is a 10% rolling Plan, whereby the maximum number of common shares that may be reserved for issuance under it shall not exceed 10% of the then outstanding common shares at the time of grant. The terms upon which any options are issued under the Plan are subject to vesting provisions determined by the board of directors. The term of any options granted may not exceed five years and their exercise price and vesting conditions will be determined by the board of directors pursuant to the policies of the TSX Venture Exchange.

A summary of the Company's stock options at January 31, 2024 is presented below:

	Number of options	Weighted average exercise price
Options outstanding and exercisable at January 31, 2022	4,000,417	0.11
Issued (i)	1,516,000	0.05
Expired	(1,712,917)	0.08
Options outstanding and exercisable at January 31, 2023	3,803,500	0.09
Options outstanding and exercisable at January 31, 2024	**3,803,500**	**$ 0.09**

i) On December 22, 2022, the Company granted a total of 1,516,000 stock options to directors, officers and consultants of the Company. The options are exercisable at a price of $0.05 per share, for a period of five years from the date of grant. The grant date fair value assigned for the stock options was $68,000 and was determined using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 3.34%; expected volatility of 165% based on the Company's historical volatility, and an expected life of 5 years. The options vested immediately following issuance.

The following tables sets out the details of the stock options outstanding and exercisable for the year ended January 31, 2024:

Date of grant	Date of expiry	Remaining life (years)	Number of options outstanding and exercisable	Exercise Price
July 10, 2020	July 10, 2025	1.4	927,500	$ 0.05
December 22, 2020	December 22, 2025	1.9	200,000	0.09
June 9, 2021	June 9, 2025	2.3	1,160,000	0.17
December 22, 2022	December 22, 2027	3.9	1,516,000	0.05
Options outstanding and exercisable at January 31, 2024		**2.7**	**3,803,500**	**$ 0.09**

(Expressed in Canadian dollars)

8. Loss per share

The calculation of basic loss per share for the year ended January 31, 2024 was based on the loss attributable to common shareholders of $426,330 (January 31, 2023 - $982,956) and on the weighted average number of common shares outstanding of 67,329,753 (January 31, 2023 – 67,329,753).

9. Related party transactions and key management compensation

The following expenses were incurred with key management personnel of the Company. Key management personnel are persons responsible for planning, directing, and controlling the activities of the Company including any directors and officers of the Company. For the year ended January 31, 2024, key management compensation was $139,250 (January 31, 2023 - $229,250).

The following table summarizes information on related party transactions:

	Years ended January 31,	
	2024	**2023**
Exploration and evaluation	87,250	138,000
Management fees	52,000	91,250
Share based compensation	-	56,786
Interest expense	293	1,113

As at January 31, 2024, included in accounts payable and accrued liabilities was $43,250 due to officers and directors of the Company (January 31, 2023 - Nil). The amounts are unsecured, non-interest bearing and due on demand.

As at January 31, 2024, a loan due to an officer amounted to $11,328 (January 31, 2023 - $13,962). The interest due on the loan is calculated at 13%, unsecured and due on demand. As at January 31, 2024, interest due to a related party was $80 (January 31, 2023 - $265).

The Company entered into consulting agreements with the CEO and VP Exploration for the provision of consulting services subject to the capitalization of the Company (funds available from a financing, other financing related activities, including project funding, and free of any accruals and debt). The amounts are fixed until such time it exceeds the capitalization stage. The capitalization stages are as follows:

Annual Base Cash Compensation	CEO	VP Exploration
Capitalization (as described above):		
Between $0 to $500,000	$66,000	$42,000
Between $500,000 to $1,000,000	$98,000	$75,500
Greater than $1,000,000	$178,000	$130,000

In addition to base cash fees noted above the officers can accrue the difference between lower and the next highest compensation level if Capitalization falls below the next highest level, amounts having accrued to be paid in cash or shares at the discretion of the officer once Capitalization reaches the next highest compensation level. Officers are also eligible for a discretionary bonus up to 100% of base fees as recommended by the Compensation Committee and approval by the Board of Directors.

The provision of these consulting services commenced on November 1, 2023, and extend for five-years from this date, unless renegotiated, and then will automatically renew every six months thereafter, unless otherwise terminated. The Company must provide six and 12 months written notice of termination for the VP Exploration and CEO, respectively, but reserves the right to waive such notice upon paying the fees, which would have accrued during these periods. Should the Company be subject to a change of control and the agreements terminate, the agreements will terminate immediately, and the Company will be required to pay the base fees equal to 24 and 36 months for the VP Exploration and CEO, respectively, at the rates equivalent to Capitalization greater than $1,000,000, plus an amount equal to any discretionary bonus paid or accrued in the preceding 12 month period, payable in cash, common shares or combination of both at the discretion of the officers.

(Expressed in Canadian dollars)

10. General and administrative expenses

The following table illustrates spending activity related to general and administrative expenses:

	Years ended January 31, 2024	2023
Office costs	$ 5,746	$ 15,885
Regulatory and filing fees	19,827	21,737
Insurance	7,442	6,870
Travel	32	3,565
	$ 33,047	$ 48,057

11. Financial instrument risk management

Credit risk
The Company's credit risk is primarily attributable to its cash. The risk exposure is limited to their carrying values at the statement of financial position date. Cash is held as cash deposits with counterparties that carry investment grade ratings as assessed by external rating agencies. The Company does not invest in asset-backed deposits or investments.

Interest rate risk
The Company is not exposed to significant interest rate risk since it has no interest-bearing debt except loans from related party, which bears a fixed rate of interest. Cash is held in accounts of financial institutions that do not bear significant interest.

Liquidity risk
The Company's objective is to ensure that there is sufficient cash available to meet annual business requirements. As of the date of this report, the Company had cash of $10,039 (2023 - $26,256) to settle current liabilities of $371,845 (2023 - $150,519).

As the Company does not have operating cash flow, the Company has and will continue to rely primarily on loans from an Officer and equity financing to meet its capital requirements.

The following are the contractual maturities of financial liabilities as at January 31, 2024:

	Carrying amount	**Within 1 year**	**1-3 years**	**4+ years**
Accounts payable and accrued liabilities	$ 360,437	$ 360,437	$ -	$ -
Loan from related party	11,408	11,408	-	-
	$ 371,845	$ 371,845	$ -	$ -

The following are the contractual maturities of financial liabilities as at January 31, 2023:

	Carrying amount	**Within 1 year**	**1-3 years**	**4+ years**
Accounts payable and accrued liabilities	$ 136,292	$ 136,292	$ -	$ -
Loan from related party	14,227	14,227	-	-
	$ 150,519	$ 150,519	$ -	$ -

Price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Currency risk
The Company operates in Canada and Mexico, and is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency which are primarily the Mexican Peso ("MXN") and the US dollar ("USD").

The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will consequently have an impact upon the reporting results of the Company and may also affect the value of the Company's assets and liabilities.

As at January 31, 2024 and 2023, the Company held the following Mexican monetary assets and liabilities:

	2024		2023	
Cash	USD	230	USD	283,870
Accounts payable and accrued liabilities	USD	(22,583)	USD	(10,654)

As at January 31, 2024 and 2023, the Company held the following United States monetary assets and liabilities:

	2024		2023	
Cash	MXN	244	MXN	304
Accounts payable and accrued liabilities	MXN	(3,102,957)	MXN	(1,189,197)

A 10% increase (decrease) in the value of the Canadian dollar against all foreign currencies in which the Company held financial instruments as at January 31, 2024 would result in an estimated increase (decrease) of approximately $27,400 (2023 - $6,300). The Company does not currently hedge its foreign currency exposure.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by interest rate risk, currency risk or credit risk.

12. Capital risk management

The Company's objective when managing capital is to raise sufficient funds to execute its exploration plan and to meet its ongoing administrative costs. At the date of this report, the Company's capital consisted of items in shareholders' equity, in the amount of $(334,399) (January 31, 2023 - $91,931).

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company does not have any externally imposed capital requirements or covenants.

(Expressed in Canadian dollars)

13. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2023 – 26.5%) to the effective tax rate is as follows:

	2024 $	2023 $
Loss before income taxes	(426,330)	(982,956)
Expected income tax recovery based on statutory rate	(113,000)	(260,000)
Adjustment to expected income tax recovery:		
Share-based compensation	-	18,000
Other	(34,000)	-
Change in unrecorded deferred tax asset	147,000	242,000
Deferred income tax provision (recovery)	-	-

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

	2024 $	2023 $
Unrecognized deferred tax assets		
Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:		
Non-capital loss carry-forwards (Canada)	3,583,000	3,231,000
Share issue costs	14,000	27,000
Total	3,597,000	3,258,000

The tax losses expire from 2030 to 2044. The other temporary differences do not expire under current legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

The Company also has available losses incurred in foreign jurisdictions which can be deducted from taxable income of future years in those jurisdictions. These losses have not been recognized in these financial statements as their realization is uncertain.

14. Commitments and contingencies

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

From time to time, the Company may be named as a party to claims or involved in proceedings, including legal and regulatory, in the ordinary course of its business. While the outcome of these matters may not be estimable at period end, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to net income (loss) in that period.

See additional commitments and contingencies in Note 9.