Condensed Consolidated Interim Financial Statements of

Mammoth Resources Corp.

For the three and six months ended
July 31, 2020 and July 31, 2019
(Expressed in Canadian Dollars)

Mammoth Resources Corp.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)

	July 31 2020 $	January 31 2020 $
ASSETS		
Current		
Cash	**33,391**	2,618
Government taxes recoverable (note 3)	**12,812**	6,078
Prepaid expenses	**28,067**	32,375
	74,270	41,071
Non-current		
Government taxes recoverable (note 3)	**109,696**	135,671
Exploration and evaluation assets (note 4)	**2,266,037**	2,259,698
	2,450,003	2,436,440
LIABILITIES		
Current		
Trade payables and accrued liabilities (note 6)	**138,631**	185,153
Loan from third party (note 5 and 6)	**-**	11,158
Due to related parties (note 8)	**305,919**	321,912
Interest payable (note 8)	**5,654**	41,469
Loan from related party (note 8)	**201,234**	241,079
	651,438	800,771
Non-current		
Deferred income tax liability	**50,000**	50,000
	701,438	850,771
SHAREHOLDERS' EQUITY		
Share capital, warrants and share-based payment reserves (note 6)	**4,589,711**	4,298,996
Accumulated deficit	**(2,841,146)**	(2,713,327)
	1,748,565	1,585,669
	2,450,003	2,436,440

Nature of operations and going concern (note 1 and 2)
Subsequent events (note 13)

Approved on behalf of the board on September 28, 2020

(signed) “Tom Atkins” — Director

(signed) “Paul O’Brien” — Director

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

Mammoth Resources Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	For the three months ended		For the six months ended	
	July 31 2020 $	July 31 2019 $	**July 31 2020 $**	July 31 2019 $
Expenses				
General and administrative (note 9)	**8,694**	5,243	**16,186**	14,522
Management fees (note 8)	**20,500**	-	**41,000**	13,250
Professional fees	**8,000**	-	**16,000**	-
Interest expense (note 8)	**13,429**	1,300	**21,404**	5,200
Share based compensation	**39,072**	-	**39,072**	-
Gain on settlement of debt (note 6)		-	**-**	(5,543)
Gain on settlement of loan from third party (note 5 and 6)		-	**-**	(2,999)
Gain on settlement of loan from related party (note 6 and 8)		-	**-**	(2,000)
Gain on extinguishment of accounts payable and accrued liabilities	**-**	-	**(6,771)**	-
Foreign exchange	**618**	556	**928**	(13)
Total operating expenses	**90,313**	7,099	**127,819**	22,417
Net loss and comprehensive loss for the period	**90,313**	7,099	**127,819**	22,417
Loss per share - basic and diluted (note 5)	**0.00**	0.00	**0.00**	0.00
Weighted average number of common shares outstanding – basic and diluted	**35,196,940**	32,586,788	**33,025,790**	31,977,234

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

Mammoth Resources Corp.

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)

	For the six months ended July 31 2020 $	July 31 2019 $
Operating activities		
Loss for the period	**(127,819)**	(22,417)
Non-cash items:		
Interest expense	**16,757**	5,200
Share based compensation	**39,072**	-
Gain on settlement of loan from third party	**-**	(2,999)
Gain on settlement of loan from related party	**-**	(2,000)
Gain on settlement of debt	**-**	(5,543)
Net change in non-cash working capital balances:		
Government taxes recoverable	**19,241**	(6,464)
Prepaid expenses	**4,308**	1,860
Trade payables and accrued liabilities	**(28,910)**	14,823
Due to related parties	**54,000**	21,500
Net cash provided by (used in) operating activities	**(23,351)**	3,960
Investing activities		
Exploration and evaluation assets	**(6,339)**	9,368
Net cash provided by (used in) investing activities	**(6,339)**	9,638
Financing activities		
Private placement	**167,475**	-
Share issuance costs	**(3,437)**	-
Repayment of loan from third party	**(11,158)**	-
Loan received from related party	**29,558**	-
Repayment of loan from related party	**(69,403)**	(3,220)
Repayment of interest payable	**(52,572)**	-
Net cash provided by financing activities	**60,463**	(3,220)
Net change in cash	**30,773**	10,108
Cash, beginning of the period	**2,618**	1,790
Cash, end of the period	**33,391**	11,898

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

Mammoth Resources Corp.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share capital		Warrants	Share-based compensation reserves	Sub-total	Accumulated deficit	Total
	#	$	$	$	$	$	$
Balance, January 31, 2019	**30,651,188**	**4,008,974**	**30,681**	**211,523**	**4,251,178**	**(2,691,910)**	**1,559,268**
Common shares issued for debt settlement	1,935,600	87,102	-	-	87,102	-	87,102
Expiry of warrants	-	30,681	(30,681)	-	-	-	-
Net loss for the period	-	-	-	-	-	(22,417)	(22,417)
Balance, July 31, 2019	**32,586,788**	**4,126,757**	**-**	**211,523**	**4,338,280**	**(2,714,327)**	**1,623,953**
Expiry of stock options	-	-	-	(39,284)	(39,284)	39,284	-
Net loss for the period	-	-	-	-	-	(38,284)	(38,284)
Balance, January 31, 2020	**32,586,788**	**4,126,757**	**-**	**172,239**	**4,298,996**	**(2,713,327)**	**1,585,669**
Private placement	4,785,000	167,475	-	-	167,475	-	167,475
Common shares issued for debt settlement	2,503,000	87,605	-	-	87,605	-	87,605
Share issuance costs	-	(3,437)	-	-	(3,437)	-	(3,437)
Share based compensation	-	-	-	39,072	39,072	-	39,072
Net loss for the period	-	-	-	-	-	(127,819)	(127,819)
Balance, July 31, 2020	**39,874,788**	**4,378,400**	**-**	**211,311**	**4,589,711**	**(2,841,146)**	**1,748,565**

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

2. Going concern

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these financial statements.

For the six months ended July 31, 2020, the Company incurred a net loss of $127,819 (2019 – $22,417) and used cash from operations of $23,351 (2019 - received cash from operations of $3,960). As at July 31, 2020, the Company had an accumulated deficit of $2,841,146 (January 31, 2020 - $2,713,327) and a working capital deficit of $577,168 (January 31, 2020 – $759,700). 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 recoverability of the carrying value of exploration properties and 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 Company is actively targeting sources of additional financing which may assure continuation of the Company’s operations and exploration programs.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

Statement of compliance
The Company’s condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The condensed interim financial statements do not include all financial risk management information and disclosures as required in the audited annual financial statements. The condensed interim financial statements should be read in conjunction with the audited annual financial statements for the year ended January 31, 2020, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods of computation remain the same as presented in

(Expressed in Canadian dollars)

the audited financial statements for the year ended January 31, 2020.

There are no new IFRS and/or International Financial Reporting Interpretations Committee (“IFRIC”) pronouncements that are effective for the first time for this interim period that would be expected to have a material effect on the Company.

These financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value, as explained in the accounting policies set out in note 3.

3. Government taxes recoverable

The Company’s receivables arise from two main sources: harmonized sales tax (“GST”/”HST”) receivable due from Canadian government taxation authorities and value added tax (“VAT”) due from Mexican government taxation authorities. The receivables balance is broken down as follows:

	July 31 2020 $	January 31 2020 $
GST/HST Recoverable	**12,812**	6,078
Mexican Sales Tax (VAT)	**109,696**	135,671
	122,508	141,749

The Company exercises judgment in presenting the Mexican Sales Tax (VAT) recoverable as current or non-current. It is management’s judgment that the VAT recoverable is a non-current asset as the timing of the receipt cannot be determined.

4. Exploration and evaluation assets

The Company has incurred the following acquisition costs and deferred exploration costs on its exploration and evaluation assets:

For the six months ended July 31, 2020	**Tenoriba Project** $
Acquisition costs, January 31, 2020 and July 31, 2020	**216,614**
Deferred exploration costs, January 31, 2020	**2,043,084**
Additions for the six ended July 31, 2020	
Geological consulting	23,520
Professional fees	3,780
Other	842
	28,142
Expense recovery	(21,803)
	6,339
Deferred exploration costs, July 31, 2020	**2,049,423**
Total exploration and evaluation assets, July 31, 2020	**2,266,037**

(Expressed in Canadian dollars)

For the year ended January 31, 2020	Tenoriba Project $
Acquisition costs, January 31, 2019	**177,376**
Additions	39,238
Acquisition costs, January 31, 2020	**216,614**
Deferred exploration costs, January 31, 2019	**2,112,330**
Additions for the year ended January 31, 2020	
Geological consulting	41,378
Professional fees	2,413
Other	2,189
Travel and accommodation	1,572
	47,552
Expense recovery	(37,388)
	10,164
Option payment	(79,410)
	(69,246)
Deferred exploration costs, January 31, 2020	**2,043,084**
Total exploration and evaluation assets, January 31, 2020	**2,259,698**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many 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 Project
On July 3, 2012, the Company signed a definitive agreement with two private Mexican citizens to option the Tenoriba gold and silver project located in southwestern Chihuahua State, Mexico (the "Agreement"). The Tenoriba project is comprised of four concessions, Mapy, Mapy2, Mapy3 (collectively the “Mapy Concessions”) and Fernanda.

On October 3, 2012, the Company, through its Mexican subsidiary, registered the Mapy3 concession comprising 1,849.6 hectares and located directly east of 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 and is now part of the Tenoriba Project.

The terms of the original Agreement permit the Company to acquire a 100% interest in the Tenoriba project by issuing a total of 225,000 common shares and making total cash payments of US$160,000 to the vendors over the four-year option period and spending US$1,000,000 in exploration expenditures on or before June 30, 2016. The Agreement also allows for a 2% 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.

(Expressed in Canadian dollars)

On March 12, 2015, the Agreement was amended (the "Amended Agreement"), and on September 28, 2016, the Agreement was further amended (the "Second Amended Agreement") to provide for the following payments:

'Fernanda' Concession Option Details
Pursuant to the Agreement, the Company has issued 50,000 common shares and made cash payments of US$35,000 as follows:

1. 12,500 common shares and US$5,000 on or before December 30, 2012 (issued and paid);
2. 12,500 common shares and US$5,000 on or before June 30, 2013 (issued and paid);
3. 12,500 common shares and US$12,500 on or before December 30, 2013 (issued and paid); and
4. 12,500 common shares and US$12,500 on or before June 30, 2014 (issued and paid).

Pursuant to the Amended Agreement, the Company would issue 91,394 common shares and make cash payments of US$62,500 as follows:

1. 35,144 common shares on or before December 30, 2015 (issued);
2. 12,500 common shares (issued) and US$12,500 on or before June 30, 2016;
3. 12,500 common shares (issued) and US$12,500 on or before December 30, 2016;
4. 15,625 common shares (issued) and US$18,750 on or before June 30, 2017; and
5. 15,625 common shares (issued) and US$18,750 on or before December 30, 2017.

Pursuant to the Second Amended Agreement, which supersedes the cash payments outlined in the Amended Agreement, the Company made cash payments of US$64,000 as follows:

Date of payment	Amount US$
December 30, 2016 (paid)	5,500
June 30, 2017 (paid)	5,500
December 30, 2017 (paid)	10,000
June 30, 2018 (paid)	10,000
December 31, 2018 (paid)	10,000
June 30, 2019 (paid)	10,000
December 31, 2019 (paid)	13,000
	64,000

The Company has earned a 100% interest in the Fernanda concession upon the completion of the obligations above.

'Mapy' Concessions Option Details
Pursuant to the Agreement, the Company issued 37,500 common shares as follows:

1. 18,750 common shares on or before December 30, 2013 (issued); and
2. 18,750 common shares on or before June 30, 2014 (issued).

Pursuant to the Amended Agreement, the Company would issue 116,394 common shares and make cash payments of US$62,500 as follows:

1. 35,144 common shares on or before December 30, 2015 (issued);
2. 18,750 common shares (issued) and US$12,500 on or before June 30, 2016;
3. 18,750 common shares (issued) and US$12,500 on or before December 30, 2016;
4. 21,875 common shares (issued) and US$18,750 on or before June 30, 2017; and

(Expressed in Canadian dollars)

5. 21,875 common shares (issued) and US$18,750 on or before December 30, 2017.

Pursuant to the Second Amended Agreement, which supersedes the cash payments outlined in the Amended Agreement, the Company made cash payments of US$20,838 as follows:

Date of payment	Amount US$
December 31, 2016 (paid)	2,000
June 30, 2017 (paid)	2,000
December 30, 2017 (paid)	3,838
June 30, 2018 (paid)	3,000
December 31, 2018 (paid)	3,000
June 30, 2019 (paid)	3,000
December 31, 2019 (paid)	4,000
	20,838

In addition, the Company issued 175,090 common shares to the vendors as part of the Second Amended Agreement and issued 12,525 common shares to a vendor in final satisfaction of its 66 2/3% interest in the Mapy Concessions subject to the transfer of title. The balance of the interest (33 1/3%) was earned upon completion of the obligations above.

The Company has earned a 100% interest in the Tenoriba Project, subject to the 2% NSR mentioned above.

Centerra Option Details
On December 17, 2018, the Company signed an option agreement with Minera Centerra S.A. de C.V. (“Centerra”) (a subsidiary of Centerra Gold Inc. (“Centerra Gold”)) whereby the Company has granted Centerra the right to acquire an initial 51% interest in the Tenoriba Project by completing the following:

Making annual rental payments to the Company to cover its annual cash payments as noted above:

Date	Amount US$
December 17, 2018 (received)	50,000
December 17, 2019 (received)	60,000
December 17, 2020	70,000
December 17, 2021	80,000
December 17, 2022	90,000

And incurring exploration expenditures on the Project totalling US$5,000,000 over four years:

Cumulative expenditures by	Amount US$
December 17, 2019	500,000
December 17, 2020	1,500,000
December 17, 2021	3,000,000
December 17, 2022	5,000,000

Centerra will have the right to earn an additional 19% (total 70%) after the fourth year and any time before the end of the seventh year, by incurring an additional US$4,000,000 in exploration expenditures, completing a preliminary economic assessment on the Tenoriba Project, including a mineral resource estimate, and making a payment to the Company of US$550,000 in either cash or common shares of Centerra Gold at the option of Centerra, wherein the number of common shares to be issued is based on the five-day volume weight trading price of a common share of Centerra Gold on the Toronto Stock Exchange immediately prior to the date of issuance.

On September 22, 2020, the Company announced that Tenoriba option partner Centerra notified the Company that it intended to cease exploration activities in Mexico, including at the Tenoriba project. As a result of this announcement, effective 60 days following this notice, 100% ownership of Tenoriba will be returned to the Company.

5. Loan from third party

During the year ended January 31, 2020, the Company borrowed $13,109 from the vendor and made repayments of $1,951. The loan bears interest at 2.0% per month, is unsecured and due on demand. During the six months ended July 31, 2020, the Company repaid the loan plus interest.

6. Shareholders' equity

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.

<u>Six Months ended July 31, 2020</u>

- On June 15, 2020, the Company completed a private placement of 4,785,000 common shares for cash.
- On July 23, 2020, the Company settled $59,993 of debts to officers of the Company and $27,612 in debts to vendor of the Company by issuing 2,503,000 common shares.

<u>Year ended January 31, 2020</u>

- On March 29, 2019, the Company settled $55,430 of debts to a third party vendor by the issuance of 1,108,600 common shares of the Company valued at $49,887 and recognized a gain on settlement totalling $5,543.
- On March 29, 2019, the Company settled $20,000 of loan from a related party by the issuance of 400,000 common shares of the Company valued at $18,000 and recognized a gain on settlement totalling $2,000.
- On March 29, 2019, the Company settled $22,214 of loan from a third party by the issuance of 427,000 common shares of the Company valued at $19,215 and recognized a gain on settlement totalling $2,999.

The value of the common shares issued above was based on the fair value of shares on the date of issuance.

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 10 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.

(Expressed in Canadian dollars)

A summary of the Company's stock options at July 31, 2020 is presented below:

	Number of options	Weighted average exercise price $
Options outstanding and exercisable at January 31, 2019	**2,313,917**	**0.09**
Cancelled and expired	(505,000)	0.08
Options outstanding and exercisable at January 31, 2020	**1,808,917**	**0.09**
Issued	1,047,500	0.05
Options outstanding and exercisable at July 31, 2020	**2,856,417**	**0.08**

The following table sets out the details of the stock options outstanding and exercisable:

Date of grant	Remaining life (years)	Number of options	Exercise Price $
March 28, 2017	1.66	886,000	0.08
May 25, 2017	1.82	150,000	0.08
December 29, 2017	2.42	772,917	0.12
July 6, 2020	4.95	1,047,500	0.05
		2,857,417	0.08

Warrants and brokers warrants

The following table summarizes information on outstanding warrants and brokers warrants as at July 31, 2020:

	Number of warrants	Weighted average exercise price $
Outstanding, January 31, 2019	**8,205,285**	**0.13**
Expired	(8,205,285)	**0.13**
Outstanding, January 31, 2020 and July 31, 2020	**-**	**-**

7. Loss per share

The calculation of basic loss per share for the three and six months ended July 31, 2020 was based on the loss attributable to common shareholders of $90,313 and $127,819 respectively (July 31, 2019 - $7,099 and $22,417) and a weighted average number of common shares outstanding of 35,196,040 and 33,025,790 respectively (July 31, 2019 – 32,586,788 and 31,977,234).

8. Related party transactions and key management compensation

The Company defines its key management as directors, Chief Executive Officer, Chief Financial Officer and VP Exploration. For the six months ended July 31, 2020, key management compensation, and interest expense accrued to the CEO, totalled $117,828 (2019 - $39,241) including share-based payments of $39,072 (2019 - $nil).

(Expressed in Canadian dollars)

The following table summarizes information on related party transactions:

	Three months ended July 31		Six months ended July 31	
	2020	2019	**2020**	2019
	$	$	**$**	$
Geological consulting fees recorded in exploration and evaluation assets	**10,500**	-	**21,000**	20,791
Management fees	**20,500**	-	**41,000**	13,250
Interest expense	**8,781**	1,300	**16,756**	5,200
Share based compensation	**39,072**	-	**39,072**	-

As at July 31, 2020, amounts due to related parties were $305,919 (January 31, 2020 - $321,912) in connection with various services provided to the Company, including professional, management and geological consulting fees.

As at July 31, 2020, loan payable to the CEO amounted to $201,234 (January 31, 2020 - $241,079). The loan bears interest at 13%, is unsecured and due on demand. As at July 31, 2020, accrued interest on the loan amounted to $5,654 (January 31, 2020 - $41,469).

On March 29, 2019, $20,000 of the loan was settled by the issuance of 400,000 common shares of the Company valued at $18,000, which resulted in a gain on settlement of $2,000 (note 7).

On May 1, 2017, the Company entered into revised 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) as follows:

	CEO	VP Exploration
Financing with net proceeds:		
Between $0 to $500,000	$66,000	$42,000
Between $500,000 to $1,000,000	$90,000	$72,000
Greater than $1,000,000	$170,000	$126,000

In addition to base fees noted above, the officers are 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 agreements are effective until April 30, 2019 and are subject to renewal upon approval by the Compensation Committee. The Company must provide six to twelve months written notice for termination but reserves the right to waive such notice upon paying the fees which would have accrued during the six-month period. Should the Company be subject to a change of control and the agreements terminated, the agreements will terminate immediately, and the Company will be required to pay the base fees equal to 24 months for the VP Exploration and 36 months for the CEO, plus an amount equal to any discretionary bonus paid or accrued in the preceding 12 month period, at the rates equivalent to financing with net proceeds of greater than $1,000,000.

9. General and administrative expenses

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

	Three months ended July 31		Six months ended July 31	
	2020	2019	**2020**	2019
	$	$	**$**	$
Shareholder and investor relations	**1,316**	1,141	**2,057**	5,315
Office costs	**2,370**	14	**2,942**	426
Communications	**883**	-	**1,372**	700
Regulatory and filing fees	**2,235**	2,759	**7,435**	3,743
Insurance	**1,890**	1,329	**2,362**	2,658
Travel	**-**	-	**18**	1,680
	8,694	5,243	**16,186**	14,522

10. 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 and third party, which bear 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 capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash. As of July 31, 2020, the Company had cash of $33,391 to settle current liabilities of $651,438. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing to meet its capital requirements.

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.

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.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

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.

11. 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 July 31, 2020, the Company's capital consists of items in shareholders' equity, in the amount of $1,748,565 (January 31, 2020 - $1,585,669).

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.

12. Segmented information

The Company has one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets in Mexico. All of the Company's exploration and evaluation assets are located in Mexico.

13. Subsequent events

On September 22, 2020, the Company announced the termination, by Centerra, of its option agreement (see note 4 above).