



MAMMOTH RESOURCES CORP.

**Consolidated Financial Statements of
Mammoth Resources Corp.**

**For the years ended
January 31, 2020 and 2019**
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Mammoth Resources Corp.

Opinion

We have audited the accompanying consolidated financial statements of Mammoth Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company incurred a net loss of \$60,701 during the year ended January 31, 2020, has a working capital deficit of \$759,700 as at that date, and is dependent on its ability to obtain additional financing and generate profitable operations in the future. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 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 to 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 the 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 judgment 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 risk 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

July 15, 2020

Mammoth Resources Corp.

Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	January 31 2020 \$	January 31 2019 \$
ASSETS		
Current		
Cash	2,618	1,790
Government taxes recoverable (note 4)	6,078	4,269
Prepaid expenses	32,375	34,521
	41,071	40,580
Non-current		
Government taxes recoverable (note 4)	135,671	130,008
Exploration and evaluation assets (note 5)	2,259,698	2,289,706
	2,436,440	2,460,294
LIABILITIES		
Current		
Trade payables and accrued liabilities (note 7)	185,153	339,056
Loan from third party (note 6 and 7)	11,158	22,214
Due to related parties (note 9)	321,912	210,769
Interest payable (note 9)	41,469	36,729
Loan from related party (note 9)	241,079	242,258
	800,771	851,026
Non-current		
Deferred income tax liability (note 14)	50,000	50,000
	850,771	901,026
SHAREHOLDERS' EQUITY		
Share capital, warrants and share-based payment reserves (note 7)	4,298,996	4,251,178
Accumulated deficit	(2,713,327)	(2,691,910)
	1,585,669	1,559,268
	2,436,440	2,460,294

Nature of operations and going concern (note 1 and 2)

Subsequent events (note 15)

Approved on behalf of the board on July 15, 2020

(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)

	For the years ended	
	January 31	January 31
	2020	2019
	\$	\$
Expenses		
General and administrative (note 10)	30,372	65,662
Management fees (note 9)	96,000	75,600
Professional fees	29,000	22,500
Interest expense (note 9)	31,490	27,121
Gain on settlement of debt (note 7)	(5,543)	-
Gain on settlement of loan from third party (note 6 and 7)	(2,999)	-
Gain on settlement of loan from related party (note 7 and 9)	(2,000)	(27,217)
Gain on extinguishment of accounts payable and accrued liabilities	(131,796)	-
Foreign exchange	16,177	14,368
Total operating expenses	60,701	178,034
Net loss and comprehensive loss for the year	60,701	178,034
Loss per share - basic and diluted (note 8)	0.00	0.01
Weighted average number of common shares outstanding – basic and diluted	32,284,516	29,364,316

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	January 31
	2020	2019
	\$	\$
Operating activities		
Loss for the year	(60,701)	(178,034)
Non-cash items:		
Interest expense	31,490	27,121
Gain on settlement of loan from third party	(2,999)	-
Gain on settlement of loan from related party	(2,000)	(27,217)
Gain on settlement of debt	(5,543)	-
Gain on extinguishment of accounts payable and accrued liabilities	(131,796)	-
Net change in non-cash working capital balances:		
Government taxes recoverable	(7,472)	(26,605)
Prepaid expenses	2,146	(17,549)
Trade payables and accrued liabilities	65,630	(36,175)
Due to related parties	43,143	104,938
Net cash used in operating activities	(68,102)	(153,521)
Investing activities		
Exploration and evaluation assets	(51,097)	(414,195)
Option payments received	79,410	67,665
Recovery of deferred exploration costs	37,388	-
Net cash provided by (used in) investing activities	65,701	(346,530)
Financing activities		
Share issuance costs	-	(540)
Loan received from third party	13,077	22,214
Repayment of loan from third party	(1,919)	-
Loan received from related party	45,571	262,613
Repayment of loan from related party	(26,750)	(48,000)
Repayment of interest payable	(26,750)	-
Net cash provided by financing activities	3,229	236,287
Net change in cash	828	(263,764)
Cash, beginning of the year	1,790	265,554
Cash, end of the year	2,618	1,790

Supplemental cash-flow information:

Shares issued in lieu of settlement of loan from related party	18,000	63,506
Shares issued in lieu of settlement of loan from third party	19,215	-
Shares issued as mineral property option payment	-	689
Shares issued in lieu of settlement of payables	49,887	-
Mineral property expenditures included in payables	262,817	227,124
Stock options cancelled and expired	39,284	4,807

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

Mammoth Resources Corp.

Consolidated 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, 2018	28,824,205	3,943,136	32,864	216,330	4,192,330	(2,518,683)	1,673,647
Common shares issued for property acquisition	12,525	689	-	-	689	-	689
Common shares issued for debt settlement	1,814,458	63,506	-	-	63,506	-	63,506
Share issuance costs	-	(540)	-	-	(540)	-	(540)
Expiry of warrants	-	2,183	(2,183)	-	-	-	-
Expiry of stock options	-	-	-	(4,807)	(4,807)	4,807	-
Net loss for the year	-	-	-	-	-	(178,034)	(178,034)
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)	-	-	-	-
Stock options cancelled and expired	-	-	-	(39,284)	(39,284)	39,284	-
Net loss for the year	-	-	-	-	-	(60,701)	(60,701)
Balance, January 31, 2020	32,586,788	4,126,757	-	172,239	4,298,996	(2,713,327)	1,585,669

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

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements
January 31, 2020
(Expressed in Canadian dollars)

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 consolidated 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 year ended January 31, 2020, the Company incurred a net loss of \$60,701 (2019 - \$178,034) and used cash from operations of \$68,102 (2019 - used cash from operations of \$153,521). As at January 31, 2020, the Company had an accumulated deficit of \$2,713,327 (2019 - \$2,691,910) and a working capital deficit of \$759,700 (2019 - \$810,446). 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 cast 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.

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 ended January 31, 2020.

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.

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements

January 31, 2020

(Expressed in Canadian dollars)

Basis of consolidation

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

Name of subsidiary	Principal activity	Place of incorporation	Ownership interest January 31 2020	Ownership interest January 31 2019
Mammoth Resources Canada Corp.	Holding company	Canada	100%	100%
Mammoth Resources International Corp.	Holding company	Canada	100%	100%
Recursos Mineros Mamut S.A. de C.V.	Mineral exploration	Mexico	100%	100%

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

Exploration and evaluation assets

Costs related to the acquisition and exploration of exploration and evaluation assets are capitalized until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets following an impairment review and amortized using the unit of production method. If it is determined that capitalized acquisition and exploration costs are not recoverable, or the project is abandoned, these costs are charged to operations in the current period. The Company's management reviews the carrying amounts of assets for impairment on a regular basis, at least annually. Government assistance is applied against deferred exploration expenses.

Where the Company enters into arrangements with a third party to option a working interest in a mineral property held by the Company, in exchange for cash and/or share consideration and/or certain exploration expenditures on the property, the exploration incurred by the third party is not recognized as part of the Company's interest and any cash/share consideration received is offset against the carrying value of the property and property option income is recognized if and when an excess arises.

Impairment of non-financial assets

The Company reviews its exploration and evaluation 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. The recoverability of costs incurred on the exploration and evaluation assets is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production. 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.

Provision for closure and reclamation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its mineral properties and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements
January 31, 2020
(Expressed in Canadian dollars)

capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at January 31, 2020 and 2019.

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

Income tax on profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates substantively enacted at year end.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Share-based payment transactions

The fair value of stock options granted to employees is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each statement of financial position date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value of share-based payments to non-employees and other share-based payments are based on the fair value of the goods or services received. However, if the fair value of goods and services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services. At expiry, the value of expired stock options are transferred into accumulated deficit, while the value of expired warrants are transferred into share capital.

Unit placements

Proceeds from unit placements are allocated between shares and warrants issued using the residual value method to determine the fair value of warrants issued. The proceeds are first attributed to the shares according to the fair market value at the time of issuance and any residual amount is allocated to the warrants.

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements
January 31, 2020
(Expressed in Canadian dollars)

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

Financial assets

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, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL.

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements
January 31, 2020
(Expressed in Canadian dollars)

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

	Classification
Cash	FVTPL
Trade payables	Amortized cost
Loan from third party	Amortized cost
Due to related parties	Amortized cost
Interest payable	Amortized cost
Loan from related party	Amortized cost

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 financial 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 requires 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. whether or not an impairment has occurred in its exploration and evaluation assets.
2. inputs used in the valuation model to determine the fair value of stock options and broker warrants.

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements
January 31, 2020
(Expressed in Canadian dollars)

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 of operations;
2. the accounting policy for exploration and evaluation assets;
3. determining the provisions for income taxes and the recognition of deferred income taxes; and
4. the determination of categories of financial assets and financial liabilities.

New accounting standards

Accounting standards adopted

IFRS 16 Leases

IFRS 16 specifies how to recognize, measure, present and disclose leases. The new standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Consistent with its predecessor, IAS 17, the new lease standard continues to require lessors to classify leases as operating or finance. Adoption of IFRS 16 is required for annual periods beginning on or after January 1, 2019. The most significant effect of the new standard is the lessee's recognition of the initial present value of unavoidable future lease payments as right-of-use assets and lease liabilities on the statement of financial position, including for most leases that would formerly have been accounted for as operating leases.

There was no impact to the Company's financial statements as a result of adopting this new standard as the Company does not have any leases.

New interpretation IFRIC 23 – Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23, Uncertainty over Income Tax Treatments. IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments.

There was no impact to the Company's financial statements as a result of adopting this new standard.

Accounting standards issued but not yet effective

IAS 1 Presentation of Financial Statements

IAS 1 sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. IAS 1 has been revised to incorporate a new definition of "material" and IAS 8 has been revised to refer to this new definition in IAS 1. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted. Management does not expect any material impact from the adoption of the standard.

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements
January 31, 2020
(Expressed in Canadian dollars)

4. 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:

	January 31 2020	January 31 2019
	\$	\$
GST/HST Recoverable	6,078	4,269
Mexican Sales Tax (VAT)	135,671	130,008
	141,749	134,277

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.

5. Exploration and evaluation assets

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

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

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements
January 31, 2020
(Expressed in Canadian dollars)

For the year ended January 31, 2019	Tenoriba Project \$
Acquisition costs, January 31, 2018	115,777
Additions	61,599
Acquisition costs, January 31, 2019	177,376
Deferred exploration costs, January 31, 2018	1,810,641
Additions for the year ended January 31, 2019	
Drilling	127,445
Geological consulting	156,464
Professional fees	5,745
Property taxes	43,006
Travel and accommodation	36,694
	369,354
Option payment	(67,665)
	301,689
Deferred exploration costs, January 31, 2019	2,112,330
Total exploration and evaluation assets, January 31, 2019	2,289,706

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 million 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 three-month period from commencement of commercial production for US\$1,500,000.

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:

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements

January 31, 2020

(Expressed in Canadian dollars)

'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
	<hr/> 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
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:

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements

January 31, 2020

(Expressed in Canadian dollars)

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.

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 4 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 million 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.

6. Loan from third party

During the year ended January 31, 2019, in connection with the settlement of the Company's property option payments, the Company borrowed \$22,214 from the vendor. The loan was non-interest bearing and due on

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements
January 31, 2020
(Expressed in Canadian dollars)

demand. On March 29, 2019, this loan was settled by the issuance of 427,000 common shares of the Company and recognized a gain on settlement of \$2,999.

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% per month, is unsecured and due on demand.

7. 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.

Year ended January 31, 2020

- 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.

Year ended January 31, 2019

- On October 16, 2018, the Company settled \$90,723 of payables to the CEO by issuing 1,814,458 common shares of the Company valued at \$63,506 and recognized a gain on settlement totalling \$27,217. The value of common shares issued was based on the fair value of the shares at 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.

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

	Number of options	Weighted average exercise price \$
Options outstanding and exercisable at January 31, 2018	2,342,667	0.10
Expired	(28,750)	0.24
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

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements
January 31, 2020
(Expressed in Canadian dollars)

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	2.16	886,000	0.08
May 25, 2017	2.32	150,000	0.08
December 29, 2017	2.92	772,917	0.12
		1,808,917	

Warrants and brokers warrants

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

	Number of warrants	Weighted average exercise price \$
Outstanding, January 31, 2018	15,106,535	0.15
Expired	(6,901,250)	0.17
Outstanding, January 31, 2019	8,205,285	0.13
Expired	(8,205,285)	0.13
Outstanding, January 31, 2020	-	-

8. Loss per share

The calculation of basic loss per share for the year ended January 31, 2020 was based on the loss attributable to common shareholders of \$60,701 (January 31, 2019 - \$178,034) and a weighted average number of common shares outstanding of 32,284,516 (January 31, 2019 - 29,364,316).

9. 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 year ended January 31, 2020, key management compensation, and interest expense accrued to the CEO, totaled \$151,633 (2019 - \$227,053) including share-based payments of \$nil (2019 - \$nil).

The following table summarizes information on related party transactions:

	Years ended January 31	
	2020	2019
	\$	\$
Geological consulting fees recorded in exploration and evaluation assets	24,143	124,332
Management fees	96,000	75,600
Interest expense	31,490	27,121

As at January 31, 2020, amounts due to related parties were \$321,912 (January 31, 2019 - \$210,769) in connection with various services provided to the Company, including professional, management and geological consulting fees.

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements
January 31, 2020
(Expressed in Canadian dollars)

As at January 31, 2020, loan payable to the CEO amounted to \$241,079 (January 31, 2019 - \$242,258). The loan bears interest at 13%, is unsecured and due on demand. As at January 31, 2020, accrued interest on the loan amounted to \$41,469 (January 31, 2019 - \$36,729).

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, CFO 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	CFO	VP Exploration
Financing with net proceeds:			
Between \$0 to \$500,000	\$66,000	\$20,000	\$42,000
Between \$500,000 to \$1,000,000	\$90,000	\$30,000	\$72,000
Greater than \$1,000,000	\$170,000	\$50,000	\$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 and discretionary bonus equal to 12 months, 24 months and 36 months for the CFO, VP Exploration and CEO, respectively, at the rates equivalent to financing with net proceeds of greater than \$1,000,000.

10. General and administrative expenses

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

	Year ended January 31	
	2020	2019
	\$	\$
Shareholder and investor relations	7,151	17,956
Office costs	5,846	1,352
Communications	700	2,832
Regulatory and filing fees	9,443	10,211
Insurance	5,552	5,711
Travel	1,680	27,600
	30,372	65,662

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.

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements
January 31, 2020
(Expressed in Canadian dollars)

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 January 31, 2020, the Company had cash of \$2,618 to settle current liabilities of \$800,771. 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.

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 January 31, 2020, the Company's capital consists of items in shareholders' equity, in the amount of \$1,585,669 (January 31, 2019 - \$1,559,268).

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.

Mammoth Resources Corp.
Notes to the Consolidated Financial Statements

January 31, 2020

(Expressed in Canadian dollars)

13. 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.

14. Income taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year ended January 31	
	2020	2019
	\$	\$
Loss for the year	(60,701)	(174,034)
Expected income tax expense (recovery)	(16,000)	(48,000)
Effect of change in statutory and foreign tax rates and other	9,000	(1,000)
Permanent differences	2,000	-
Change in unrecognized deductible temporary differences and other	5,000	49,000
Total income tax expense (recovery)	-	-

The Company's deferred income tax liability relates to the Mexican mining royalty at the rate of 7.5%, which was enacted in Mexico from January 1, 2014 on a prospective basis and applies to earnings before the deduction of interest, taxes, depreciation and amortization as follows:

	Year ended January 31	
	2020	2019
	\$	\$
Deferred tax liabilities:		
Exploration and evaluation assets	50,000	50,000

The significant components of the Company's temporary differences and unused tax losses are as follows:

	2020	Expiry date	Year ended January 31	Expiry date
	\$	range	2019	range
	\$		\$	
Exploration and evaluation assets	42,000	No expiry date	42,000	No expiry date
Share issue costs	10,000	2037 - 2039	16,000	2035 - 2039
Non-capital losses	2,045,000	2021 - 2040	1,984,000	2031 - 2039
Equipment	42,000	No expiry date	42,000	No expiry date
	2,139,000		2,084,000	

15. Subsequent events

On June 15, 2020, the Company completed a non-brokered private placement resulting in the issuance of 4,785,000 common shares issued at a price of \$0.035 per common share for total gross proceeds of \$167,475.