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MAMMOTH RESOURCES CORP.

Condensed Interim Consolidated Financial Statements of

Mammoth Resources Corp.

For the three and nine months ended October 31, 2021 and October 31, 2020

(Expressed in Canadian Dollars)

Unaudited condensed interim consolidated financial statements

In accordance with National Instrument 51-102 released by the Canadian Securities administrators, the Company discloses that its auditors have not reviewed these condensed interim consolidated financial statements for the three and nine months ended October 31, 2021 and 2020.

MAMMOTH RESOURCES CORP.

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

As at,	Notes	October 31, 2021	January 31, 2021
ASSETS			
Current			
Cash		$593,022	$321,675
Marketable securities	5	1,250,000	-
Government taxes recoverable	4	19,910	5,467
Subscription receivable		-	181,150
Accounts receivable		3,186	1,508
Prepaid		-	-
		1,866,118	509,800
Non-current			
Government taxes recoverable	4	154,328	114,144
Exploration advances		52,922	49,927
Exploration and evaluation assets	6	3,110,839	2,412,917
		5,184,207	3,086,788
LIABILITIES			
Current			
Trade payables and accrued liabilities	7	61,012	115,425
Due to related party	9	184,282	352,929
Loan from related party	9	35,219	240,990
Interest payable to related party	9	213	-
		280,726	709,344
Non-current			
Deferred income taxes		50,000	50,000
Total liabilities		330,726	759,344
SHAREHOLDERS' EQUITY			
Share capital	7	6,162,566	5,063,150
Warrants	7	1,727,712	-
Contributed surplus	7	409,971	235,141
Accumulated deficit		(3,446,768)	(2,970,847)
		4,853,481	2,327,444
Total liabilities and shareholders' equity		$5,184,207	$3,086,788
Going concern	2		

Approved on behalf of the board on December 21, 2021

(signed) "Tom Atkins"
Director

(signed) "Paul O'Brien"
Director

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

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

	Notes	For the three months ended October 31, 2021	For the three months ended October 31, 2020	For the nine months ended October 31, 2021	For the nine months ended October 31, 2020
Expenses					
General and administrative	10	**$66,321**	$1,019	**$119,036**	$17,205
Management fees	9	**29,500**	32,440	**68,417**	73,440
Professional fees		**(12,974)**	8,000	**36,256**	24,000
Interest expense	9	**213**	7,274	**8,648**	28,678
Share-based compensation		**-**		**180,960**	39,072
Gain on settlement of accounts payable		**-**	(7,325)	**-**	(14,096)
Foreign exchange		**61,857**	53,043	**64,613**	53,971
Net loss		**144,917**	94,451	**477,930**	222,270
Other items					
Interest income	5	**1,430**	-	**2,009**	-
Net loss and comprehensive loss		**$143,487**	$94,451	**$475,921**	$222,270
Net loss per share - basic and diluted	8	**$(0.00)**	$(0.00)	**$(0.01)**	$(0.01)
Weighted average shares outstanding basic and diluted		**67,209,753**	39,874,788	**57,146,583**	35,572,460

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

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

	For the nine months ended October 31,	
	2021	2020
Cash flow used in operating activities		
Loss for the period	**$(475,921)**	$(222,270)
Items not affecting cash:		
Interest expense	**8,648**	28,678
Stock-based compensation	**180,960**	39,072
Foreign exchange	**64,613**	(14,096)
Gain on settlement of accounts payable	**-**	53,971
Net change in non-cash working capital balances:		
Government taxes recoverable	**(54,627)**	19,321
Subscription receivable	**181,150**	-
Accounts receivable	**(1,678)**	-
Prepaid expenses	**(2,995)**	(4,157)
Trade payables and accrued liabilities	**(74,708)**	24,685
Due to related parties	**34,281**	23,939
Cash flow used in operating activities	**(140,277)**	(50,857)
Cash flow provided by financing activities		
Private placement	**2,756,186**	167,475
Exercise of stock options	**6,000**	-
Share issuance costs	**(33,997)**	(3,437)
Repayment of loan from third party	**-**	(11,158)
Repayment of loan from related party	**(300,958)**	(61,982)
Loan received from related party	**95,187**	69,119
Repayment of accrued salaries	**(151,443)**	-
Repayment of interest payable	**(8,435)**	(52,572)
Cash flow provided by financing activities	**2,362,540**	107,445
Cash flow used in investing activities		
Marketable securities	**(1,250,000)**	-
Exploration and evaluation costs	**(700,917)**	(11,841)
Cash flow used in investing activities	**(1,950,917)**	(11,841)
Net change in cash	**271,347**	44,747
Cash at the beginning of the period	**321,675**	2,618
Cash at the end of the period	**$593,022**	$47,365

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

MAMMOTH RESOURCES CORP.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share Capital		Reserves			
	Number of shares	Amount	Warrants	Contributed surplus	Accumulated deficit	Total
Balance at January 31, 2020	*32,586,788*	$4,126,757	$ -	$172,239	$(2,713,327)	$1,585,669
Private placement	*4,785,000*	167,475	-	-	-	167,475
Common shares issued for debt settlement	*2,503,000*	87,605	-	-	-	87,605
Share issuance costs	-	(3,437)	-	-	-	(3,437)
Share based compensation	-	-	-	39,072	-	39,072
Net loss	-	-	-	-	(183,197)	(183,197)
Balance at October 31, 2020	***39,874,788***	**4,378,400**	**-**	**211,311**	**(2,896,524)**	**1,693,187**
Private placement	*6,885,000*	688,500	-	-	-	688,500
Share issuance costs	-	(3,750)	-	-	-	(3,750)
Share based compensation	-	-	-	23,830	-	23,830
Net loss	-	-	-	-	(74,323)	(74,323)
Balance at January 31, 2021	*46,759,788*	5,063,150	-	235,141	(2,970,847)	2,327,444
Private placement	*20,349,965*	2,848,995	-	-	-	2,848,995
Share issuance costs	-	(33,997)	-	-	-	(33,997)
Common shares issued for stock options	*100,000*	12,130	-	(6,130)	-	6,000
Warrants issued	-	(1,727,712)	1,727,712	-	-	-
Share based compensation	-	-	-	180,960	-	180,960
Net loss	-	-	-	-	(475,921)	(475,921)
Balance at October 31, 2021	***67,209,753***	**$6,162,566**	**$1,727,712**	**$409,971**	**$(3,446,768)**	**$4,853,481**

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

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 October 31, 2021, the Company had recurring net losses and negative cash flows from operations. In addition, the Company has future spending commitments with the Government of Mexico to keep its exploration concessions in good standing.

As at October 31, 2021, the Company had an accumulated deficit of $3,446,768 (January 31, 2021 - $2,970,847) and a working capital surplus of $1,585,392 (January 31, 2021 deficit – ($199,544)). For the nine months ended October 31, 2021, the Company incurred a net loss of $475,921 (October 31, 2020 – $222,270). 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. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by countries to fight the virus. Therefore, 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.

The 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

The Company’s condensed interim consolidated financial statements, including comparatives, have been prepared in accordance 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 consolidated financial statements do not include all financial risk management information and disclosures as required in the audited annual financial statements. The condensed interim consolidated financial statements should be read in conjunction with the audited annual financial statements for the year ended January 31, 2021, 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 the audited financial statements for the year ended January 31, 2021.

(Expressed in Canadian dollars)

There are no new IFRS and/or International Financial Reporting Interpretations Committee ("IFRIC") pronouncements currently in effect that would 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.

4. Government 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.

	October 31, 2021	January 31 2021
Canadian Sales Tax (GST/HST)	$ 19,910	$ 5,467
Mexican Sales Tax (VAT)	154,328	114,144
	$ 174,238	$ 119,611

The Company exercises judgment in presenting the Mexican Sales Tax (VAT) recoverable as 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. Marketable securities

On June 28, 2021 the Company purchased $1,750,000 guaranteed investment certificates ("GICs") which will mature between September 28, 2021 and January 26, 2022. As of October 31, 2021 the Company held $1,250,000 in GIC investments and had recognized $2,009 in actual and accrued interest income.

6. Exploration and evaluation assets

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

Tenoriba Project	**For the nine months ended October 31, 2021**	For the year ended January 31, 2021
Acquisition costs, opening balance	$216,614	$216,614
Additions and deductions	-	-
Total acquisition costs	216,614	216,614
Deferred exploration costs, opening balance	**2,196,303**	2,043,084
Additions for the period		
Drilling and sample analysis	270,043	19,058
Geophysical survey	202,627	-
Geophysical consulting fees	29,566	122,974
Field, equipment and travel	64,720	20,575
Government fees and legal	59,100	47,342
Community relations	71,866	-
	697,922	209,949
Expense recovery	-	(56,730)
	697,922	153,219
Deferred exploration costs	2,894,225	2,196,303
Total exploration and evaluation assets	**$3,110,839**	$2,412,917

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 pertains 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 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 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.

Centerra Option Agreement

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 had granted Centerra the right to acquire an initial 51% interest in the Tenoriba Project by spending US$5,000,000 in exploration expenditures and making payments to Mammoth of US$400,000 and a second tranche ownership option whereby Centerra could earn an additional 19% interest by spending US$4,000,000 in exploration expenditures and making a payment of US$600,000 to Mammoth.

On September 22, 2020, Mammoth announced that Centerra had informed the Company it was ceasing all exploration activities in Mexico, including at Tenoriba and that this decision was "no reflection upon any of the exploration properties it was involved in, including the Tenoriba property". All ownership interests, information, permissions and applications for permissions to explore the Tenoriba property were transferred to Mammoth.

(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, 2019		*30,651,188*	$4,008,974
Common shares issued for debt settlement	(vii)	*1,935,600*	87,102
Expiry of warrants		-	30,681
Balance at January 31, 2020		*32,586,788*	4,126,757
Private placement	(v) (vi)	*11,670,000*	855,975
Share issuance costs	(v) (vi)	-	(7,187)
Common shares issued for debt settlement	(iv)	*2,503,000*	87,605
Balance at January 31, 2021		*46,759,788*	5,063,150
Private placement	(i)	*19,795,000*	2,771,300
Common shares issued for debt settlement	(ii)	*554,965*	77,695
Share issuance costs	(i)	-	(33,997)
Stock options exercised	(iii)	*100,000*	12,130
Issuance of warrants	(i)	-	(1,727,712)
Balance at October 31, 2021		***67,209,753***	**$6,162,566**

Nine months ended October 31, 2021

(i) On June 9, 2021, the Company completed a private placement through the issuance of 19,795,000 units at $0.14 per unit for gross proceeds of $2,771,300. The Company paid $33,997 in share issue costs. Each unit consisted of one common share of the Company and one share purchase warrant ("warrant"). Each warrant entitles the holder to purchase one additional common share for a period of 18 months from the closing of the private placement at an exercise price of $0.21.

(ii) On June 9, 2021, the Company settled $57,400 of debts to officers of the Company and $20,295 in debts to third party vendors of the Company by issuing 554,965 units valued at $0.14 per unit. Each unit consisted of one common share of the Company and one warrant.

(iii) On February 3, 2021, 100,000 stock options were exercised for gross proceeds of $12,130.

Year ended January 31, 2021

(iv) On July 23, 2020, the Company settled $59,993 of debts to officers of the Company and $27,612 in debts to a vendor of the Company by issuing 2,503,000 common shares valued at $87,605. The value of the common shares was based on the share price of common shares on the date of issuance.

(v) On June 15, 2020, the Company completed a private placement through issuance of 4,785,000 common shares at $0.035 per common share for gross proceeds of $167,475. The Company paid $1,400 in share issue costs. Of the total proceeds, $121,975 was applied towards settlement of loan payable and accrued loan interest owed to the CEO of the Company.

(vi) On January 27, 2021, the Company completed a private placement through issuance of 6,885,000 common shares at $0.10 per common share for gross proceeds of $688,500. The Company paid $5,787 in share issue costs. Of the total proceeds, $181,150 was received subsequent to year-end and $60,100 was applied towards settlement of loan payable and accrued loan interest owed to the CEO of the Company.

Year ended January 31, 2020

(vii) On March 29, 2019, the Company settled $77,644 of debts to a third party vendor by the issuance of 1,535,600 common shares of the Company valued at $69,102 and recognized a gain on settlement totaling $8,542.

- 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 totaling $2,000.

(Expressed in Canadian dollars)

Reserve for warrants

The Company has issued warrants as part of the June 9, 2021 equity financing. The fair value of warrants is recognized upon issuance to reserve for warrants, until expiration or exercise.

- On June 9, 2021, the Company issued 20,349,965 warrants, in connection with the June 9, 2021 Offering. The warrants have an exercise price of $0.21 and expire on December 9, 2022. A fair value of $1,727,712 was assigned to the warrants, using the Black-Scholes option pricing model, using the following assumptions: expected dividend yield of 0%; risk-free interest rate of 0.87%; volatility of 160%, and an expected life of 18 months.

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 October 31, 2021 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	1,347,500	0.06
Options outstanding and exercisable at January 31, 2021	3,156,417	0.08
Exercised	(100,000)	(0.06)
Issued	1,160,000	0.17
Options outstanding and exercisable at October 31, 2021	4,216,417	$ 0.11

i) On July 9, 2020, the Company granted a total of 1,047,500 stock options to a consultant of the Company. The options were exercisable at a price of $0.05 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was $39,072 and was determined using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 0.31%; volatility of 167%, and an expected life of 5 years. The options vested immediately following issuance.

ii) On November 5, 2020, the Company granted a total of 100,000 stock options to a consultant of the Company. The options were exercisable at a price of $0.06 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was $6,130 and was determined using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 0.38%; volatility of 168%, and an expected life of 5 years. The options vested immediately following issuance.

iii) On December 22, 2020, the Company granted a total of 200,000 stock options to an officer and a consultant of the Company. The options are exercisable at a price of $0.095 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was $17,720 and was determined using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 0.44%; volatility of 163%, and an expected life of 5 years. The options vested immediately following issuance.

iv) On February 3, 2021, 100,000 options were exercised for cash proceeds of $6,000.

v) On June 9, 2021, the Company granted a total of 1,160,000 stock options to directors, officers and consultants of the Company. The options are exercisable at a price of $0.17 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was $180,960 and was determined using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 0.87%; volatility of 154%, and an expected life of 5 years. The options vested immediately following issuance.

(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	0.4	886,000	$ 0.08
May 25, 2017	0.6	150,000	0.08
December 29, 2017	1.1	772,917	0.12
July 9, 2020	3.7	1,047,500	0.05
December 22, 2020	4.1	200,000	0.09
June 9, 2021	4.6	1,160,000	0.17
Options outstanding and exercisable at October 31, 2021	2.7	4,216,417	$ 0.11

8. Loss per share

The calculation of basic loss per share for the nine months ended October 31, 2021 was based on the loss attributable to common shareholders of $475,921 (October 31, 2020 - $222,270) and on the weighted average number of common shares outstanding of 57,146,583 (October 31, 2020 – 35,572,460).

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 nine months ended October 31, 2021, key management compensation was $172,667 (2020 - $148,250) as well as share-based compensation of $180,960 (October 31, 2020 - $39,072).

The following table summarizes information on related party transactions:

	Nine months ended October 31, 2021	Nine months ended October 31, 2020
Amounts recorded in Exploration and Evaluation assets:		
VP Exploration, CEO consulting fees	$ 104,250	$ 31,000
Amounts recorded in Comprehensive Loss:		
Management fees, CEO and CFO	68,417	73,440
Share based compensation	180,960	39,072
Interest expense	8,648	28,678

As at October 31, 2021, amounts due to related parties were $184,282 (October 31, 2020 - $338,836). The Company repaid related parties $151,443 in cash during the nine months ended October 31, 2021. In addition, 410,000 units valued at $57,400 were issued on June 9, 2021 to further reduce the amounts due to related parties. Each unit consisted of one common share of the Company and one share purchase warrant. On July 23, 2020, $59,993 of the amounts due to related parties were settled by issuance of 1,714,100 common shares of the Company valued at $59,993. Amounts due to related parties represents the compensation accrual due to the CEO and VP Exploration.

As at October 31, 2021, a loan payable to the CEO amounted to $35,219 (October 31, 2020 - $224,110). The loan bears interest at 13%, is unsecured and due on demand. This liability represents the expenses the CEO has paid on behalf of the Company. As of October 31, 2021, accrued interest on the loan amounted to $213 (October 31, 2020 - $17,575). The Company accrued an additional loan of $95,187 and $8,648 of accrued interest during the nine months ended October 31, 2021. The Company repaid $309,393 of the outstanding loan and interest due to the CEO during the nine months ended October 31, 2021.

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) as follows:

(Expressed in Canadian dollars)

Annual Base Compensation	CEO	VP Exploration
Capitalization (Net proceeds of a financing):		
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 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 provision of the services shall continue until April 30, 2022 and shall be extendable by concurrent periods of six months each, 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 VP Exploration and CEO.

10. General and administrative expenses

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

	Three months ended October 31,		Nine months ended October 31,	
	2021	2020	2021	2020
Shareholder and investor relations	$28,172	$(1,782)	$58,051	$275
Office costs	17,945	(4,315)	28,222	-
Regulatory and filing fees	-	-	9,301	7,435
Insurance	1,641	6,230	1,641	8,592
Travel	4,744	886	8,002	903
	$52,502	$1,019	$105,217	$17,205

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 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 cash available to meet annual business requirements. As of October 31, 2021, the Company had cash and cash equivalents of $1,843,022 to settle current liabilities of $280,726. 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.

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 and the US dollar.

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 October 31, 2021, the Company's capital consisted of items in shareholders' equity, in the amount of $4,853,481 (January 31, 2021 - $2,327,444).

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.

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.