



SILVER WOLF EXPLORATION LTD.

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed consolidated interim financial statements of Silver Wolf Exploration Ltd. (the "Company") are the responsibility of the Company's management. The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and reflect management's best estimates and judgment based on information currently available.

Management has developed and is maintaining a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities, and reviews the results of the audit and reviews the condensed consolidated interim financial statements prior to their approval.

The condensed consolidated interim financial statements as at March 31, 2023, and for the periods ended March 31, 2023 and 2022, have not been reviewed or audited by the Company's independent auditors.

"David Wolfin"

David Wolfin
Chairman & CEO
May 25, 2023

"Nathan Harte"

Nathan Harte, CPA
Chief Financial Officer
May 25, 2023

Silver Wolf Exploration Ltd.
Condensed Consolidated Interim Statements of Financial Position
Expressed in Canadian Dollars - Unaudited

	Note	March 31, 2023	December 31, 2022
ASSETS			
Current Assets			
Cash		\$ 162,591	\$ 208,715
Sales taxes receivables and other		140,481	122,628
		303,072	331,343
Non-Current Assets			
Investments	4	12,024	13,649
Exploration and evaluation assets	5	1,510,516	1,354,363
Property and equipment	6	29,446	30,877
Reclamation deposit	8	3,000	3,000
TOTAL ASSETS		\$ 1,858,058	\$ 1,733,232
LIABILITIES			
Current Liabilities			
Trade and other payables		\$ 126,453	\$ 110,424
Current portion of lease liability	7	8,088	7,828
Due to related parties	10	276,236	246,394
		410,777	364,646
Non-Current Liabilities			
Lease liability	7	9,786	11,882
Site restoration obligation		3,000	3,000
		423,563	379,528
EQUITY			
Share capital	9	6,596,765	6,546,765
Contributed surplus		641,421	641,421
Accumulated other comprehensive income		98,005	4
Deficit		(5,901,696)	(5,834,486)
		1,434,495	1,353,704
TOTAL LIABILITIES AND EQUITY		\$ 1,858,058	\$ 1,733,232

Note 1 – Nature of Operations and Going Concern

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on May 25, 2023:

“David Wolfin” **Director** “Stephen Williams” **Director**

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

Silver Wolf Exploration Ltd.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
Expressed in Canadian Dollars - Unaudited

	Note	For the three months ended	
		March 31, 2023	March 31, 2022
General and Administrative Expenses			
Administrative benefits and salaries		\$ 11,204	\$ 33,310
Automobile		274	549
Consulting fees		7,500	9,308
Depreciation		1,136	3,896
Foreign exchange (gain) loss		4,216	(1,044)
Interest and bank charges		1,206	2,703
Listing and filing fees		6,531	8,875
Office and miscellaneous		2,316	21,449
Professional fees		16,865	(6,778)
Share-based compensation		-	242,400
Shareholder information		12,569	4,661
Transfer agent fees		3,393	2,630
Net Loss For the Period		(67,210)	(321,959)
Other Comprehensive Income (Loss)			
Items that may be reclassified subsequently to income or loss:			
Unrealized gain on investments		-	28,610
Reclassification of accumulated loss on investment sold		-	(332,920)
Currency translation differences		98,001	(227)
Total Comprehensive Income (Loss)		\$ 30,791	\$ (626,496)
Basic and Diluted Loss per Share		\$ (0.00)	\$ (0.01)
Weighted Average Number of Shares Outstanding		35,363,500	31,012,655

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

Silver Wolf Exploration Ltd.
Condensed Consolidated Interim Statements of Changes in Equity
Expressed in Canadian Dollars - Unaudited

	Note	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance, January 1, 2022		30,998,766	\$ 6,065,144	\$ 591,542	\$ (5,101,144)	\$ (545,831)	\$ 1,009,711
Common shares issued for cash							
Issuance of shares for Option Agreement		250,000	40,000	-	-	-	40,000
Share-based compensation		-	-	242,400	-	-	242,400
Stock options cancelled or expired		-	-	(316,800)	316,800	-	-
Net loss for the period		-	-	-	(321,959)	-	(321,959)
Reclassification of accumulated losses on Investment Sold		-	-	-	(332,920)	332,920	-
Other comprehensive income for the period		-	-	-	-	28,383	28,383
Balance, March 31, 2022		31,248,766	\$ 6,105,144	\$ 517,142	\$ (5,439,223)	\$ (184,528)	\$ 998,535
Balance, January 1, 2023		35,263,500	\$ 6,546,765	\$ 641,421	\$ (5,834,486)	\$ 4	\$ 1,353,704
Issuance of shares for Option Agreement	5, 9	500,000	50,000	-	-	-	50,000
Net loss for the period		-	-	-	(67,210)	-	(67,210)
Other comprehensive income for the period		-	-	-	-	98,001	98,001
Balance, March 31, 2023		35,763,500	\$ 6,596,765	\$ 641,421	\$ (5,901,696)	\$ 98,005	\$ 1,434,495

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

Silver Wolf Exploration Ltd.
Condensed Consolidated Interim Statements of Cash Flows
Expressed in Canadian Dollars - Unaudited

	For the three months ended March 31,	
	2023	2022
Cash provided by (used in):		
Operating Activities		
Net Loss	\$ (67,210)	\$ (321,959)
Items not involving cash in the period		
Share-based compensation	-	242,400
Interest charges	403	2,369
Depreciation	1,136	3,896
Foreign exchange movements	4,381	(10,167)
Changes in non-cash working capital items:		
Sales taxes recoverable and other	(17,853)	(34,998)
Trade and other payables	16,029	(80,257)
Due to related parties	29,842	64,731
	(33,272)	(133,985)
Financing Activities		
Finance lease payments	(2,240)	(7,423)
	(2,240)	(7,423)
Investing Activities		
Proceeds from disposition of investments	-	45,400
Additions to machinery and equipment	295	670
Exploration and evaluation expenditures	(10,907)	(158,713)
	(10,612)	(112,643)
Change in Cash	(46,124)	(254,051)
Cash, Beginning of Period	208,715	364,784
Cash, End of Period	\$ 162,591	\$ 110,733
Supplementary Disclosure of Cash Flow Information		
Shares issued for Option Agreement payments	\$ 50,000	\$ 40,000
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

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

Silver Wolf Exploration Ltd.
Notes to the condensed consolidated interim financial statements
For the three months ended March 31, 2023 and 2022
Expressed in Canadian Dollars

1. NATURE OF OPERATIONS AND GOING CONCERN

Silver Wolf Exploration Ltd. (formerly Gray Rock Resources Ltd.) (“Silver Wolf” or the “Company”) was incorporated under the laws of the Province of British Columbia, Canada. It is in the exploration stage with regards to its business of the exploration and development of mineral properties. The Company has an option on the Ana Maria and Laberinto properties in Durango, Mexico. The Company’s head office and principal place of business is Suite 900, 570 Granville Street, Vancouver, BC, Canada.

Silver Wolf is in the exploration stage and has not yet determined whether the properties contain ore reserves which are economically recoverable. The underlying carrying value of the mineral property interest and related exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, confirmation of Silver Wolf’s interest in the mineral claims, the ability of Silver Wolf to obtain necessary financing to complete the exploration and development, and future profitable production or proceeds from the sale of all or an interest in its mineral claims.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2023, the Company has a working capital deficit of \$107,705 and accumulated losses of \$5,901,696. The Company has not yet generated any revenues from its operations and requires financing through the sale of shares or issuance of debt to continue with its operations and to develop its mineral properties. Although management intends to secure additional financing, there is no assurance that management will be successful in its efforts to secure additional financing, or that it will ever develop a self-supporting business. These factors together form a material uncertainty that raises significant doubt about the Company’s ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application as the most recent annual audited consolidated financial statements of the Company. These unaudited condensed consolidated interim financial statements do not contain all of the information required for full annual consolidated financial statements. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s December 31, 2022, annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Significant Accounting Judgments and Estimates

The preparation of these condensed consolidated interim financial statements requires management to make judgements and estimates 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 judgements and estimates. The condensed consolidated interim financial statements include judgements and estimates, which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the condensed consolidated interim 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 may affect both current and future periods.

Silver Wolf Exploration Ltd.
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The critical judgments and estimates applied in the preparation of the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2023, are consistent with those applied and disclosed in Note 2 to the Company's audited consolidated financial statements for the year ended December 31, 2022.

Functional Currency

The presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

Foreign Currency Translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the condensed consolidated interim statement of financial position. Non-monetary items that denominated in foreign currencies are translated at historical rates.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries:

- Cortez, a company incorporated on June 21, 2006 in Nevada, USA.
- Compania Minera Mexicana de Gray Rock, S.A. de C.V., a company incorporated under the Mexican United States law on July 21, 2020.

Inter-company balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Future Changes in Accounting Policies Not Yet Effective as at March 31, 2023:

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

4. INVESTMENTS

Investments consist of the following:

	Number of Shares	Cost	Accumulated Unrealized Gain/(Loss)	March 31, 2023 Fair Value	December 31, 2022 Fair Value
Garibaldi Resources Corp	65,000	\$ 202,800	\$ (190,776)	\$ 12,024	\$ 13,650
		\$ 202,800	\$ (190,776)	\$ 12,024	\$ 13,650

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5. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets consist of the following:

	Ana Maria & El Laberinto Option	Total
Balance, January 1, 2022	\$ 784,713	\$ 784,713
Exploration costs incurred during the year:		
Geological consulting	251,355	251,355
Field expenditures	153,773	153,773
Taxes and Licensing	70,753	70,753
Acquisition costs	40,000	40,000
Assays	24,472	24,472
Foreign exchange	29,297	29,297
Balance, December 31, 2022	1,354,363	1,354,363
Exploration costs incurred during the year:		
Acquisition costs	50,000	50,000
Field expenditures	6,728	6,728
Taxes and Licensing	4,180	4,180
Foreign exchange	95,245	95,245
Balance, March 31, 2023	\$ 1,510,516	\$ 1,510,516

a) Ana Maria & Laberinto Properties

During 2020, the Company announced the signing of an option agreement (the "Option Agreement") with Avino Silver & Gold Mines Ltd. ("Avino"), a company with directors and management in common, as optionor. Pursuant to the terms of the Option Agreement, the Company was granted the exclusive right to acquire an 100% interest in the Ana Maria and El Laberinto properties in Mexico (the "Option"), in consideration of the issuance to Avino of share purchase warrants to acquire 300,000 common shares of the Company at an exercise price of \$0.20 per share for a period of 36 months from the date of the TSX Venture Exchange's final approval date of the Option Agreement of March 8, 2021.

During year ended December 31, 2021, the Company received final acceptance from the TSX Venture Exchange and issued to Avino the share purchase warrants to acquire 300,000 common shares and issued 131,718 common shares at an average price of \$0.3796, valued at \$50,000, to satisfy the terms laid out in Item 1 a) of the Option Agreement

In order to exercise the Option, the Company will:

1. Pay or issue to Avino a total of \$600,000 in cash or common shares of the Company as follows:
 - a. \$50,000 in common shares of the Company within 30 days of March 8, 2021;
 - b. A further \$50,000 on or before March 8, 2022;
 - c. A further \$100,000 on or before March 8, 2023;
 - d. A further \$200,000 on or before March 8, 2024; and
 - e. A further \$200,000 on or before March 8, 2025; and

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2. Incur a total of \$750,000 in exploration expenditures on the properties, as follows:
 - a. \$50,000 on or before March 8, 2022;
 - b. A further \$100,000 on or before March 8, 2023; and
 - c. A further \$600,000 on or before March 8, 2025.

All share issuances will be based on the average volume weighted trading price of the Company's shares on the TSX Venture Exchange for the ten (10) trading days immediately preceding the date of issuance of the shares, and the shares will be subject to resale restrictions under applicable securities legislation for 4 months and a day from their date of issue.

Any exploration expenditures in excess of any period stated above will be applied towards the next succeeding period's minimum requirements. During the option period, the Company will also assume liability and be responsible for all required semi-annual property payments required to maintain the properties in good standing.

The Company also granted to Avino a right of first refusal on 60 days' notice to Avino to purchase and process any ore or concentrate extracted from the properties under a custom milling contract at Avino's mine facilities.

During the three months ended March 31, 2022, the Company issued 250,000 common shares to Avino as part of the terms outlined in 1.c. in the Option Agreement, and as of the date of these financial statements, all requirements have been fulfilled within the timeline of the Option Agreement outlined above.

Ana Maria Property

The Ana Maria property is located 21 kilometres (km) northwest of the City of Gómez Palacio and the adjacent City of Torreón, and 1 km north of the town of Dinimita, in the municipality of Gómez Palacio, Durango, Mexico. The claims are located in the Minitas mining district in the Guadalupe Victoria mining region. The property consists of 9 mining concessions encompassing 2,549 hectares ("ha").

Laberinto Project

The Laberinto Project is located in the "Sierra de la Silla" northwest of the town of Francisco I. Madero in the municipality of Panuco de Coronado. It is approximately 60 kilometres northeast of the city of Durango City, México. The property consists of mining concession encompassing 91.7 ha.

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6. PROPERTY AND EQUIPMENT

	Right of Use Asset (Note 7)	Office equipment, furniture, and fixtures	Computer equipment	Machinery and equipment	Total
	\$	\$	\$	\$	\$
COST					
Balance at January 1, 2022	97,534	2,762	8,891	2,741	111,928
Additions / Transfers	(53,109)	-	-	-	(53,109)
Effect of movements in exchange rates	-	349	973	356	1,678
Balance at December 31, 2022	44,425	3,111	9,864	3,097	60,497
Additions / Transfers	-	-	-	-	-
Effect of movements in exchange rates	-	163	363	200	726
Balance at March 31, 2023	44,425	3,274	10,227	3,297	61,223
ACCUMULATED DEPLETION AND DEPRECIATION					
Balance at January 1, 2022	16,566	169	1,670	101	18,506
Additions / Transfers	7,306	627	3,027	156	11,114
Effect of movements in exchange rates	-	-	-	-	-
Balance at December 31, 2022	23,872	796	4,697	257	29,622
Additions / Transfers	1,136	169	810	42	2,156
Effect of movements in exchange rates	-	-	-	-	-
Balance at March 31, 2023	25,008	965	5,507	299	31,776
NET BOOK VALUE					
At March 31, 2023	19,417	2,310	4,721	2,998	29,446
At December 31, 2022	20,553	2,316	5,168	2,840	30,877
At January 1, 2022	80,968	2,593	7,221	2,640	93,422

7. LEASE LIABILITY & RIGHT-OF-USE ASSET

(a) Right-of-use asset

The Company shares office space with other companies related to it by virtue of certain directors and management in common (Note 10). In 2020 the Company recognized a right-of-use asset in relation to its share of office space lease allocated through Oniva International Services Corp. ("Oniva")

	March 31 2023	December 31 2022
Balance, beginning	\$ 20,553	\$ 80,968
Changes to lease terms	-	(53,109)
Depreciation	(1,136)	(7,306)
Balance, ending	\$ 19,417	\$ 20,553

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(b) Lease liability

The contractual maturities and interest charges in respect of the Company's lease obligations in connection with its share of the office lease are as follows:

	March 31, 2023	December 31, 2022
Not later than one year	\$ 9,271	\$ 9,186
Later than one year and not later than five years	10,220	12,545
Less: future interest charges	(1,617)	(2,021)
Present value of lease payments	17,874	19,710
Less: current portion	(8,088)	(7,828)
Non-current portion	\$ 9,786	\$ 11,882

During the year ended December 31, 2022, the Company and Oniva amended the share of rental expense allocated to Silver Wolf. As a result, the Company recognized a lease modification and adjusted the right-of-use asset and lease liability accordingly as noted above.

(c) Amounts Recognized in Statement of Operations and Comprehensive Loss

Payments relating to short-term leases recognized as an expense during the three months ended March 31, 2023, totalled \$Nil (2022 - \$Nil).

Amounts Recognized in Statement of Cash Flows

Cash payments relating to short-term leases during the three months ended March 31, 2023, totalled \$Nil (2022 - \$Nil).

8. RECLAMATION DEPOSIT

As at March 31, 2023 and December 31, 2022, the Company has hypothecated a term deposit in the amount of \$3,000 as security to the Province of British Columbia for future mineral claims site reclamation costs.

Silver Wolf Exploration Ltd.
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9. SHARE CAPITAL

(a) Authorized: Unlimited common shares without par value.

(b) Issued:

(i) During the three months ended March 31, 2023, the Company issued 500,000 common shares at an average price of \$0.10, valued at \$50,000, to satisfy the terms laid out in Item 1 b) of the Option Agreement. For full details of the Option Agreement

(ii) During the year ended December 31, 2022, the Company closed a non-brokered private placement of 4,014,734 shares at a price of \$0.15 per unit for gross proceeds of \$602,160.

(c) Share purchase warrants

At March 31, 2023, the Company had 4,389,734 (December 31, 2022 – 4,389,734) share purchase warrants outstanding and exercisable. Continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, January 1, 2022	695,250	\$0.47
Issued	4,014,734	\$0.25
Expired	(320,250)	\$0.60
Outstanding and exercisable, December 31, 2022	4,389,734	\$0.26
Outstanding and exercisable, March 31, 2023	4,389,734	\$0.26

At March 31, 2023, weighted average remaining contractual life of warrants outstanding was 0.67 years (December 31, 2022 – 0.92 years).

The following table summarizes information about the Company's warrants outstanding at March 31, 2023:

Expiry Date	Exercise Price	Warrants Outstanding and Exercisable
June 20, 2023	\$0.35	375,000
December 16, 2023	\$0.25	4,014,734
		4,389,734

(d) Stock option plan

The Company established a stock option plan, under which it may grant stock options totalling in aggregate up to 10% of the Company's total number of shares issued and outstanding on a non-diluted basis, and to any one optionee in a 12 month period not to exceed 5% of the total number of shares issued and outstanding on a non-diluted basis. The stock option plan limits the options issuable within a one-year period to regular employees and persons providing investor-relation or consulting services to 5% and 2% respectively of the Company's total number of issued and outstanding shares on a non-diluted basis on the date of grant.

The stock options are fully vested on the date of grant. The option price must be greater or equal to the discounted market price on the grant date, and the option expiry date can not exceed five years after the grant date.

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Continuity of stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, December 31, 2021	2,155,000	\$0.31
Granted	2,520,000	\$0.19
Forfeited	(1,330,000)	\$0.38
Outstanding, December 31, 2022	3,345,000	\$0.19
Outstanding and exercisable, March 31, 2023	3,345,000	\$0.19

Details of stock options outstanding and exercisable are as follows:

Expiry Date	Exercise Price	Options Outstanding and Exercisable
January 8, 2026	\$0.20	845,000
March 30, 2027	\$0.20	1,810,000
August 8, 2027	\$0.15	690,000
		3,345,000

As at March 31, 2023, the weighted average remaining contractual life of stock options outstanding was 3.77 years (December 31, 2022 – 4.01 years).

Option pricing requires the use of highly subjective estimates and assumptions including the expected stock price volatility. The expected volatility used in valuing stock options is based on volatility observed in historical periods. Changes in the underlying assumptions can materially affect the fair value estimates.

10. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management compensation

The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel are as follows:

	Three months ended March 31,	
	2023	2022
Consulting fees, wages and benefits	\$ 2,454	\$ 11,695
Share-based payments	-	149,500
	\$ 2,454	\$ 161,159

(b) Amounts due to related parties

In the normal course of operations the Company transacts with companies related to its directors or officers. All amounts payable are non-interest bearing, unsecured, and due on demand. As at March 31, 2023 and December 31, 2022, the following amounts were due to related parties:

	March 31, 2023	December 31, 2022
Oniva International Services Corp.	\$ 145,846	\$ 128,909
Avino Silver and Gold Mines Ltd.	130,390	117,485
	\$ 276,236	\$ 246,394

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(c) Related party transactions

During the three months ended March 31, 2023, \$15,737 (2022 - \$50,909) was charged for office, occupancy, miscellaneous costs and salaries, and administrative services paid on behalf of the Company by Oniva. Further, the Company paid \$393 of administrative fees during the three months ended March 31, 2023 (2022 - \$1,273) to Oniva.

The Company takes part in a cost-sharing arrangement to reimburse Oniva for a variable percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses. The arrangement may be terminated with one-month notice by either party.

11. FINANCIAL INSTRUMENTS

The fair values of the Company's cash, trade and other payables, and amounts due to related party approximate their carrying values because of the short-term nature of these instruments. The fair value of the Company's investments is detailed in Note 4.

The Company's financial instruments are exposed to certain financial risks comprising credit risk, liquidity risk and market risk.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company manages credit risk, in respect of cash, by maintaining the majority of cash at high credit rated Canadian financial institutions. Concentration of credit risk exists with respect to the Company's cash, as the majority of the amounts are held with a single Canadian financial institution.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At March 31, 2023, the Company had cash in the amount of \$162,591 (December 31, 2022 - \$208,715) in order to meet short-term business requirements. At March 31, 2023, the Company had current liabilities of \$410,777 (December 31, 2022 - \$364,646). Accounts payable have contractual maturities of approximately 30 to 90 days, or are due on demand and are subject to normal trade terms.

The maturity profiles of the Company's contractual obligations and commitments as at March 31, 2023, are summarized as follows:

	Total	Less Than 1 Year	1-5 years	More Than 5 Years
Trade and other payable	\$ 126,453	\$ 126,453	\$ -	\$ -
Finance lease obligations	17,874	8,088	9,786	-
Due to related parties	276,236	276,236	-	-
Total	\$ 420,563	\$ 410,777	\$ 9,786	\$ -

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(c) Market Risk

Market risk consists of interest rate risk, foreign currency risk, and other price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash is currently held in highly liquid short-term investments and therefore management considers the interest rate risk to be minimal.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in Mexican pesos and US dollars:

	March 31, 2023		December 31, 2022	
	MXN	USD	MXN	USD
Cash and cash equivalents	\$ 7,352	\$ 17,534	\$ 201,936	\$ 3,552
Amounts receivable	1,601,780	-	1,596,057	-
Accounts payable and accrued liabilities	(1,818,824)	-	(2,026,316)	-
Net exposure	(209,692)	17,534	(228,323)	3,552
Canadian dollar equivalent	\$ 15,866	\$ 23,989	\$ 21,616	\$ 4,810

Based on the net Canadian dollar denominated asset and liability exposures as at March 31, 2023, a 10% fluctuation in the Canadian/Mexican and Canadian/US exchange rates would impact the Company's earnings for the year ended March 31, 2023 by approximately \$2,558 (year ended December 31, 2022 - \$640). The Company has not entered into any foreign currency contracts to mitigate this risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is exposed to other price risk with respect to its investment in marketable securities, as they are carried at fair value based on quoted market prices.

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For the three months ended March 31, 2023 and 2022
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(d) Classification of Financial instruments

IFRS 7 *Financial Instruments: Disclosures* establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as at March 31, 2023:

		Level 1	Level 2	Level 3
Cash	\$	162,591	\$ -	\$ -
Investments		12,024	-	-
	\$	174,615	\$ -	\$ -