(Formerly New Tech Minerals Corp.)
Condensed Interim Consolidated Financial Statements

For the three and six months ended January 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards and reviewed by the Audit Committee and Board of Directors of the Company.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

AMERICAN POTASH CORP. (Formerly New Tech Minerals Corp.)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

	Note	January 31, 2023	July 31, 2022
ASSETS		**$**	**$**
Current			
Cash		34,046	91,489
Prepaid expenses		73,355	31,256
Receivables		3,531	29,062
Total current assets		110,932	151,807
Non-current assets			
Exploration and evaluation assets	**4**	25,086	959,595
Total non-current assets		25,086	959,595
Total assets		136,018	1,111,402
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**5**	74,134	67,879
Promissory notes	**6**	121,696	-
Total liabilities		195,830	67,879
SHAREHOLDERS' EQUITY (DEFICIT)			
Equity attributable to shareholders			
Share capital	**7**	10,695,095	10,695,095
Share-based payment reserve	**7**	1,548,701	1,531,176
Warrant reserve	**7**	919,015	919,015
Foreign translation reserve		353,366	314,545
Accumulated deficit		(13,575,989)	(12,416,308)
Total equity (deficit)		(59,812)	1,043,523
Total liabilities and equity		136,018	1,111,402

Nature of operations and going concern – Note 1
Commitments – Note 9
Subsequent events – Note 13

On behalf of the board:

"John A. Greig"	*"Jonathan George"*
John A. Greig	Jonathan George

AMERICAN POTASH CORP. (Formerly New Tech Minerals Corp.)
Condensed Interim Consolidated Statements of Comprehensive Loss
(Unaudited - expressed in Canadian Dollars)

	Note	Three months ended January 31, 2023	Three months ended January 31, 2022	Six months ended January 31, 2023	Six months ended January 31, 2022
		$	$	$	$
General and administrative expenses					
Exploration expenditures	**4**	4,397	43,456	11,707	65,832
Foreign exchange loss		2,829	5,210	1,827	11,011
Interest expense and bank charges	**6**	6,511	1,250	7,257	2,108
Investor relations, website and marketing		2,929	1,493	6,644	1,943
Management fees	**8**	17,500	15,000	32,500	30,000
Office and administration		1,444	839	1,709	1,084
Professional fees		28,754	35,160	58,062	48,178
Share-based payments	**7,8**	17,525	-	17,525	79,878
Transfer agent and filing fees		10,179	8,986	15,819	14,123
		(92,068)	(111,394)	(153,050)	(254,157)
Other income (expenses)					
Other income		-	32,805	11,987	32,805
Impairment of exploration and evaluation assets	**4**	(1,018,618)	-	(1,018,618)	-
Net loss		(1,110,686)	(78,589)	(1,159,681)	(221,352)
Other comprehensive income (loss)					
Foreign currency translation		(23,099)	8,369	38,821	170
Total comprehensive loss		(1,133,785)	(70,220)	(1,120,860)	(221,182)
Loss per share, basic and diluted		(0.02)	(0.00)	(0.02)	(0.00)
Weighted average common shares outstanding - basic and diluted		69,714,449	68,214,449	69,714,449	63,823,145

AMERICAN POTASH CORP. (Formerly New Tech Minerals Corp.)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - expressed in Canadian Dollars)

	Six months ended January 31,	
	2023	**2022**
	$	$
Cash provided by (used in):		
Operating activities:		
Net loss for the period	(1,159,681)	(221,352)
Non-cash items:		
Interest expense	1,696	-
Recovery on reversal of accounts payable	11,987	-
Share-based payments	17,525	79,878
Impairment of exploration and evaluation assets	1,018,618	-
Changes in non-cash working capital:		
GST receivable and accounts receivable	25,531	(60,865)
Prepaid expenses	(42,099)	2,549
Accounts payable and accrued liabilities	(5,732)	16,561
	(132,155)	(183,229)
Investing activities:		
Exploration and evaluation assets	(44,894)	(485,086)
	(44,894)	(485,086)
Financing activities:		
Proceeds from promissory notes	120,000	-
Shares issued for cash (net of share issue costs)	-	917,534
	120,000	917,534
Effect of exchange rate changes	(394)	(9,677)
Net change in cash	(57,443)	239,542
Cash, beginning of period	91,489	83,210
Cash, end of period	34,046	322,752

AMERICAN POTASH CORP. (Formerly New Tech Minerals Corp.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(Unaudited - expressed in Canadian Dollars)

		Common Shares						
	Notes	**Number of Shares**	**Amount**	**Share-based Payment Reserve**	**Warrant Reserve**	**Foreign Translation Reserve**	**Accumulated Deficit**	**Total Equity (Deficit)**
			$	$	$	$	$	$
Balance on July 31, 2021		**48,014,449**	**9,767,676**	**1,451,298**	**853,900**	**306,690**	**(12,055,823)**	**323,741**
Shares issued for private placement	**7**	20,200,000	1,010,000	-	-	-	-	1,010,000
Share issue costs		-	(157,581)	-	65,115	-	-	(92,466)
Share-based payments	**7**	-	-	79,878	-	-	-	79,878
Net loss for the period		-	-	-	-	-	(221,352)	(221,352)
Foreign currency translation		-	-	-	-	170	-	170
Balance on January 31, 2022		**68,214,449**	**10,620,095**	**1,531,176**	**919,015**	**306,860**	**(12,277,175)**	**1,099,971**
Shares issued for mineral properties	**4,7**	1,500,000	75,000	-	-	-	-	75,000
Net loss for the period		-	-	-	-	-	(139,133)	(139,133)
Foreign currency translation		-	-	-	-	7,685	-	7,685
Balance on July 31, 2022		**69,714,449**	**10,695,095**	**1,531,176**	**919,015**	**314,545**	**(12,416,308)**	**1,043,523**
Share-based payments	**7**	-	-	17,525	-	-	-	17,525
Net loss for the period		-	-	-	-	-	(1,159,681)	(1,159,681)
Foreign currency translation		-	-	-	-	38,821	-	38,821
Balance on January 31, 2023		**69,714,449**	**10,695,095**	**1,548,701**	**919,015**	**353,366**	**(13,575,989)**	**(59,812)**

1. NATURE OF OPERATIONS AND GOING CONCERN

American Potash Corp. (formerly New Tech Minerals Corp.) (the "Company" or "American Potash") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 5, 2006. The Company's name was changed to American Potash Corp. on August 29, 2022.

The Company's principal activities include the acquisition and development of potash, lithium, cobalt, vanadium and bromine mineral deposits in the United States and Mexico. American Potash is a public company which is listed on the Canadian Securities Exchange ("CSE") under the symbol "KCL".

The Company's head office and registered and records office is Suite 1100 – 1199 West Hastings Street, Vancouver, BC V6E 3T5.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at January 31, 2023, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral properties exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares.

Should the Company be unable to continue as a going concern, asset realization values may be substantially different from their carrying values. These condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to carrying values, and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance and functional currency

These condensed interim consolidated financial statements have been presented 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"), applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting.*

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments classified as at fair value through profit or loss have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These condensed interim consolidated financial statements are presented in Canadian dollars which is the parent company's functional currency. The functional currency of the Company's subsidiaries is US dollars. The currency translation adjustment resulting from the translation of the subsidiaries' US dollar functional currency to the Company's Canadian dollar presentation currency is charged to other comprehensive income or loss and included in the foreign translation reserve within the equity section of the statement of financial position.

The accounts of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated.

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

These condensed interim consolidated financial statements were approved by the board of directors on March 29, 2023.

3. ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared on a basis consistent with the significant accounting policies disclosed in the annual consolidated financial statements for the year ended July 31, 2022. Accordingly, they should be read in conjunction with the annual consolidated financial statements for the year ended July 31, 2022.

(Unaudited - expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

La Escondida Silver-Gold Project

On December 21, 2020, the Company entered into a formal agreement (the "Definitive Agreement") to acquire a 100% interest in the La Escondida Silver-Gold project, Sonora, Mexico (the "La Escondida Project"). A private syndicate comprised of three individuals (the "Syndicate") currently has the right to acquire the La Escondida Project pursuant to the terms of an underlying agreement (the "Underlying Agreement") with the owners of the two concessions which comprise the La Escondida Project. One of the three individuals is a director and officer of the Company. Pursuant to the Definitive Agreement, the Syndicate will assign its rights to the Underlying Agreement to the Company's wholly owned Mexican subsidiary, NTM Minerales SA de CV, in exchange for the issuance of 3,000,000 common shares to the Syndicate (being 1,000,000 common shares each). 1,500,000 common shares were issued following approval of the Canadian Securities Exchange in February 2021 and the remaining 1,500,000 common shares were issued on February 11, 2022. Two members of the Syndicate will retain a 2% Net Smelter Return (NSR) royalty, half of which may be purchased by the Company for USD$1,000,000. The Underlying Agreement requires staged option payments totaling USD$450,000 over a three-year period and assumption of all annual tax obligations.

On September 15, 2022, the Company entered into an amendment agreement for the Definitive Agreement that extended the option payment due on the second anniversary after contract execution to December 15, 2022 for a payment of USD$5,000.

On December 15, 2022, a 90-day extension was granted for an additional payment of USD$15,000, payable in three monthly installments of USD$5,000. As at January 31, 2023, USD$5,000 was paid by the Company.

The purchase price of the La Escondida Project was USD$450,000 outlined in the Option Purchase Agreement with the following payment terms:

Cash (USD)	Date
$50,000	September 15, 2020 (paid)
$100,000	September 14, 2021 (paid)
$150,000	March 15, 2023
$150,000	third anniversary after contract execution

Subsequent to the six months ended January 31, 2023, the Company elected to terminate the option agreement on the La Escondida Project. Therefore, during the six months ended January 31, 2023, the Company wrote off the La Escondida Project from $1,018,618 to $nil.

(Unaudited - expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

La Escondida Silver-Gold Project (continued)

La Escondida Silver-Gold Project Expenditures

	Six months ended January 31, 2023	Year ended July 31, 2022
Mineral acquisition costs:	$	$
Balance, beginning	383,137	182,427
Acquisition of claims	13,393	200,710
Impairment	(396,530)	-
Balance, ending	-	383,137
Exploration and evaluation expenditures:		
Balance, beginning	576,458	84,792
Drilling	-	196,802
General administration	5,110	199,775
Value-added tax receivable	1,224	66,411
Surface duties	-	13,454
Foreign exchange translation	39,296	15,224
Impairment	(622,088)	-
Balance, ending	-	576,458
Total	-	959,595

La Tortuga Silver Project

On January 25, 2021, the Company entered into a non-binding letter of intent ("LOI") to acquire a 100% interest in the La Tortuga mineral concession. The Company is required to issue 2,250,000 common shares to the assignors of the Assignment Agreement. The assignors will retain a 2% Net Smelter Return Royalty, half of which may be purchased by the Company for USD$1,000,000. On July 9, 2021, the Company entered into an Assignment Agreement for the right to acquire 100% interest in the mining concession.

On July 27, 2021, the Company acquired, by staking, an additional 4,000 hectares mineral concession (La Tortuga 2).

During the year ended July 31, 2021, the Company made a payment of $28,024 (USD$22,000), USD$12,000 for the first right of refusal on the property, and USD$10,000 for the first payment outlined in the Assignment Agreement for the right to acquire 100% interest and title to the one La Tortuga mining concession located in the Municipality of Opodepe, State of Sonora, Mexico.

The purchase price of the La Tortuga mineral concession is USD$215,000 outlined in the Assignment Agreement with the following payment terms:

(Unaudited - expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

La Tortuga Silver Project (continued)

Cash (USD)	Date
$10,000	January 25, 2021 (paid)
$30,000	first anniversary after contract execution
$50,000	second anniversary after contract execution
$125,000	third anniversary after contract execution

As at July 31, 2021, the Company was in the process of confirming the validity of the title, and given the uncertainty, decided to write off the property from $28,352 to $nil.

During the year ended July 31, 2022, the Company incurred geological consulting fees of $2,468, which were expensed.

Paradox Basin Potash Permit Project

In May 2009, and amended on November 2, 2010, December 6, 2011, January 28, 2014, February 23, 2015 and November 4, 2015, American Potash entered into an option agreement (the “Sweetwater Option”) to acquire applications to the United States Bureau of Land Management (“BLM”) in respect of certain Utah permits, together with all permits and other rights issued pursuant to the applications, to allow for the exploration of potash prospects in Utah. A director of the Company is a party to the Sweetwater Option.

As at July 31, 2020, the Company assessed the likelihood to receive the prospecting permits was low. Therefore, during the year ended July 31, 2020, the Company wrote off the Paradox Basin Potash Permit Project from $581,940 to $nil.

During the six months ended January 31, 2023, the Company made payments totaling $9,028 (USD$6,741) to renew mineral property licenses and for property fees, which were expensed.

Paradox Basin Brine and Potash Project

On August 23, 2016, 157 placer claims on BLM land covering 3,140 acres, were acquired in Grand County Utah, which overlay a large portion of the Federal Potash Permit Applications area.

Subsequent to the year ended July 31, 2020, the Company elected to allow Federal placer mineral claims to lapse due to escalating annual fees levied by the Bureau of Land Management (BLM). Therefore, during the year ended July 31, 2020, the Company wrote off the Paradox Basin Brine and Potash Project from $272,318 to $nil.

During the year ended July 31, 2021, the Company made a payment of $85,722 (USD$67,296) to renew mineral property licenses which were expensed. During the year ended July 31, 2022, the Company reinstated the mineral claims and $135,562 (USD$106,809) in mineral property claims was capitalized to the project.

(Unaudited - expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Paradox Basin Brine and Potash Project (continued)

On December 23, 2021, the Company's wholly owned subsidiary, American Potash LLC (the "Subsidiary"), entered into an option agreement (the "Option Agreement") with LiK Resources, LLC (the "Optionee") pursuant to which the Optionee was granted the right to earn up to a 100% interest in its Utah state leases for potash and mineral salts minerals along with 128 federal placer claims recently acquired by the Subsidiary (the "Project").

Under the terms of the Option Agreement, to earn a 70% interest in the Project, the Optionee must make a cash payment of USD$150,000 within five days of the Option Agreement (paid) and complete a pre-feasibility study demonstrating the economic viability of the Project within 24 months of the date of the Option Agreement (the "Initial Option"). In the event the Optionee is a publicly traded company with a market capitalization of over USD$100 million at the time of delivering the pre-feasibility study, the Optionee must issue USD$1 million worth of its common shares to the Subsidiary within 45 days of completing the pre-feasibility.

Within 90 days of completion of the pre-feasibility study, the Optionee must commission and deliver a valuation on the Project performed by an independent third party (the "Valuation") to the Subsidiary. At anytime following exercise of the Initial Option and within 90 days from the delivery of the Valuation, the Optionee shall have the right to acquire the remaining 30% interest in the Project by making a cash payment to the Subsidiary based on the valuation of remaining interest (the "Final Option"). In the event the Initial Option is exercised but the Final Option is not exercised, the parties will enter into a joint venture agreement to operate the Project.

In connection with the Option Agreement, a cash finder's fee equal to 6% of all cash and shares of the Optionee received by the Company and 3% of the expenditures on the Project paid by the Optionee and any cash payment received by the Company upon exercise of the Final Option, will be payable to an arm's length party.

The USD$150,000 option payment received during the year ended July 31, 2022 net of finders' fees of USD$9,000 has been included as a credit to the exploration and evaluation asset. The net option payment received exceeded lease and placer claims by $43,396, which has been reported as other income in the income statement.

Paradox Basin Brine and Potash Project Expenditures

	Six months ended January 31, 2023	Year ended July 31, 2022
Exploration and evaluation expenditures:	$	$
Balance, beginning	-	-
Federal permit	25,167	-
Mineral claim fees	-	135,562
Option Agreement payment applied to claim fees	-	(135,562)
Foreign exchange translation	(81)	-
Balance, ending	25,086	-

(Unaudited - expressed in Canadian Dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2023	July 31, 2022
	$	$
Accounts payable	39,289	32,305
Accrued liabilities	34,845	35,574
	74,134	67,879

6. PROMISSORY NOTES

	$
Balance, July 31, 2021 and 2022	-
Additions	120,000
Accrued Interest	1,696
Balance, January 31, 2023	121,696

On December 19, 2022, the Company entered into unsecured promissory note agreements with a company owned by a director and two shareholders of the Company for gross proceeds of $120,000, maturing on June 30, 2023. The promissory notes bear interest at 12% per annum and the accrued interest is payable on the maturity date. The loan can be repaid in full by the Company at a date earlier than the maturity date at the option of the Company. The note and interest can be paid in cash or in common shares of the Company or a combination of cash and shares.

During the six months ended January 31, 2023, the Company paid cash finders' fees of $4,000 and recorded interest expense of $1,696 included in interest expense and bank charges on the condensed interim consolidated statements of comprehensive loss.

7. SHARE CAPITAL

a) Authorized

Unlimited common shares with no par value.

b) Issued and outstanding

At January 31, 2023, there were 69,714,449 (July 31, 2022 – 69,714,449) issued and fully paid common shares.

c) Common shares

Period ended January 31, 2023

There were no capital transactions in the six-month period ended January 31, 2023.

7. SHARE CAPITAL (continued)

c) Common shares (continued)

Year ended July 31, 2022

On September 9, 2021, the Company issued 20,200,000 units (the “Units”) at a price of $0.05 per Unit for total gross proceeds of $1,010,000 in a non-brokered private placement (the “Private Placement”). Each Unit consists of one common share (a “Common Share”) and one non-transferable Common Share purchase warrant (each whole warrant, a “Warrant”). Each Warrant is exercisable for one additional Common Share at an exercise price of $0.075 until September 9, 2024.

The Company paid an 8% finder’s fee to Haywood Securities Inc. (“Haywood”) and Canaccord Genuity Corp. (“Canaccord”) in connection with proceeds raised by the Company from investors introduced to the Company by each of Haywood and Canaccord, consisting of cash amounts of $56,000 and $11,200, respectively, and broker warrants (each a "Broker's Warrant") in the amounts of 1,120,000 and 224,000, respectively. Each Broker’s Warrant has the same terms as the Warrants.

On February 11, 2022, the Company issued 1,500,000 shares with a fair value of $75,000 in relation to the acquisition of the La Escondida Project (Note 4).

d) Basic and diluted loss per share

Diluted loss per share for the six months ended January 31, 2023 did not include the effect of 3,100,000 (2022 – 3,350,000) stock options and 40,270,666 (2022 – 43,370,666) warrants as the effect would be anti-dilutive.

e) Stock options

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

On September 29, 2021, the Company issued stock options that will be exercisable to acquire 1,650,000 common shares at $0.075 per share for a period of five years, vesting immediately, with a fair value of $79,878. Of the stock options issued, 1,400,000 stock options were granted to directors and officers of the Company, and 250,000 stock options were granted to consultants. The weighted average fair value per option was $0.048. The fair value was determined by the Black-Scholes Option Pricing Model using the following assumptions: expected life – 5 years, average risk-free interest rate – 0.98%, expected dividend yield – 0%, and average expected stock price volatility – 145%.

(Unaudited - expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

e) Stock options (continued)

On January 10, 2023, the Company issued stock options to a consultant that will be exercisable to acquire 250,000 common shares at $0.075 per share for a period of five years, vesting immediately, with a fair value of $17,525. The weighted average fair value per option was $0.070. The fair value was determined by the Black-Scholes Option Pricing Model using the following assumptions: expected life – 5 years, average risk-free interest rate – 3.28%, expected dividend yield – 0%, and average expected stock price volatility – 132%.

During the three and six months ended January 31, 2023, the Company has recorded $17,525 and $17,525 (2022 - $nil and $79,878) of share-based payments with respect to the grant of stock options.

The continuity of exercisable stock options for the year ended July 31, 2022 and the six months ended January 31, 2023 is as follows:

	Number of Options Outstanding	Weighted Average Exercise Price ($)
Balance, July 31, 2021	1,700,000	0.12
Options expired	(350,000)	0.20
Options granted	1,650,000	0.075
Balance, July 31, 2022	3,000,000	0.09
Options forfeited	(150,000)	0.09
Options granted	250,000	0.075
Balance, January 31, 2023	3,100,000	0.09

Details of options outstanding and exercisable at January 31, 2023 are as follows:

Number of Options Outstanding	Exercise Price ($)	Remaining Contractual Life (Years)
800,000	0.10	0.52
500,000	0.10	0.94
1,550,000	0.075	3.66
250,000	0.075	4.95
3,100,000		

The weighted average life of share options outstanding at January 31, 2023 was 2.51 years.

(Unaudited - expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

f) Share purchase warrants

The continuity of warrants for the year ended July 31, 2022 and the six months ended January 31, 2023 is as follows:

	Number of Warrants Outstanding	Weighted Average Exercise Price ($)
Balance, July 31, 2021	22,546,999	0.09
Warrants issued	21,544,000	0.075
Warrants expired	(720,333)	0.20
Balance, July 31, 2022	43,370,666	0.08
Warrants expired	(3,100,000)	0.10
Balance, January 31, 2023	40,270,666	0.08

On September 9, 2021, the Company issued 1,344,000 Broker's Warrants, with a fair value of $65,115. Each Broker's Warrant entitles the holder to acquire one common share at a price of $0.075 per share until September 9, 2024. The weighted average fair value per warrant was $0.048. The fair value was determined by the Black-Scholes Option Pricing Model using the following assumptions: expected dividend yield of 0%, expected volatility of 136%, risk free rate of return of 0.38% and an expected life of 3 years. During the three and six months ended January 31, 2023, the Company has recorded $nil and $nil (2022 - $nil and $65,115) as non-cash share issue costs with respect to the Broker's Warrants.

Details of warrants outstanding as at January 31, 2023 are as follows:

Number of Warrants Outstanding	Exercise Price ($)	Remaining Contractual Life (Years)
5,446,666	$0.10	0.85
13,280,000	$0.075	0.60
21,544,000	$0.075	1.61
40,270,666		

The weighted average life of warrants outstanding at January 31, 2023 was 1.17 years.

g) Share-based payment reserve

The share-based payment reserve records items recognized as share-based payment expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

h) Warrant reserve

The warrant reserve records the fair value of warrants issued until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

(Unaudited - expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

i) Foreign currency translation reserve

The translation reserve records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency.

8. RELATED PARTY TRANSACTIONS

The Company incurred the following transactions with directors, officers and companies that are controlled by directors of the Company:

	Three months ended	January 31,	Six months ended	January 31,
	2023	**2022**	**2023**	**2022**
	$	$	$	$
Management fees	17,500	15,000	32,500	30,000
Share-based payments	-	67,775	-	67,775
	17,500	82,775	32,500	97,775

A director of the Company is a party to the Sweetwater Option Agreement (Note 4).

Management fees were paid directly to the President and CEO and to a company owned by the President and CEO for management services.

Key management includes directors and executive officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

9. COMMITMENTS

On June 7, 2018, the Company entered into an agreement with the President and CEO, Jon George, to provide management/consulting services to the Company at a rate of $5,000 per month for a period of six months, automatically renewing at the end of each period. On December 14, 2022, the Company entered a new agreement, at a rate of $7,500 per month for a period of twelve months, automatically renewing at the end of each period. The agreement has a termination and change of control clause whereby he is entitled to the equivalent of 12 months his monthly management fee within 30 days.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The risk is assessed as low.

b) Foreign Exchange Rate Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company operates in Canada, US, and Mexico and a portion of the Company's expenses are incurred in Canadian dollars ("CAD"), US dollars ("USD"), and Mexican Pesos ("MXN"). A significant change in the currency exchange rates between the Canadian, US and Mexican currencies, could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into financial instruments to hedge against this risk.

The following is an analysis of Canadian Dollar equivalent of financial assets and liabilities that are denominated in USD and MXN:

	January 31, 2023	**July 31, 2022**
	$	$
Cash	16,003	1,521
Accounts receivable and prepaids	64,667	26,006
Accounts payable and accrued liabilities	(21,881)	(36,626)
	58,789	(9,099)

Based on the above net exposures, as at January 31, 2023, a 10% change against the Canadian Dollar would impact the Company's net income by $5,879 (July 31, 2022 - $910).

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. All of the Company's financial liabilities have contractual maturities of less than three months. Liquidity risk is assessed as high.

d) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

e) Interest Rate Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest bearing assets in relation to cash at banks carried at floating interest rates with reference to the market. The Company does not hold any financial liabilities with variable interest rates. The promissory notes bear interest at 12% per annum. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered immaterial.

f) Fair Values

Financial instruments recognized at fair value on the consolidated statement of financial position must be classified in one of the following three fair value hierarchy levels:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash and marketable securities are measured using level 1 inputs.

11. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. 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 has not generated any significant revenues since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period.

(Unaudited - expressed in Canadian Dollars)

12. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the acquisition, exploration and retention of mineral property assets. Geographic segment information of the Company's non-current assets as at January 31, 2023 and July 31, 2022 is as follows:

Non-current assets	January 31, 2023	July 31, 2022
	$	$
Mexico	-	959,595
United States	25,086	-
	25,086	959,595

13. SUBSEQUENT EVENTS

On February 15, 2023, the Company granted 1,600,000 options to directors and officers of the Company, which vest immediately upon grant and are exercisable at $0.10 for a five-year term.

On March 16, 2023, the Company elected to terminate the option agreement on the La Escondida Project. Therefore, during the six months ended January 31, 2023, the Company wrote off the La Escondida Project from $1,018,618 to $nil. In addition, the Company elected to terminate the Assignment Agreement for the La Tortuga mineral concession as the Company could not confirm validity of the title.