

MANTRA EXPLORATION INC.



**MANTRA EXPLORATION INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
DECEMBER 31, 2023 AND 2022**

(Expressed in Canadian dollars)

(UNAUDITED – PREPARED BY MANAGEMENT)

MANTRA EXPLORATION INC.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM 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 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 financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by CPA Canada for a review of condensed interim financial statements by an entity's auditors.

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MANTRA EXPLORATION INC.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION****AS AT DECEMBER 31, 2023 AND SEPTEMBER 30, 2023**(Expressed in Canadian Dollars)

	December 31, 2023 (Unaudited)	September 30, 2023 (Audited)
ASSETS		
Current		
Cash	\$ 74,479	\$ 64,665
Amounts receivable	3,820	11,012
	78,299	75,677
Exploration and evaluation asset (Note 5)	1	1
	\$ 78,300	\$ 75,678
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 91,242	\$ 40,556
EQUITY (DEFICIT)		
Share capital (Note 6)	436,771	436,771
Accumulated deficit	(449,713)	(401,649)
	(12,942)	35,122
	\$ 78,300	\$ 75,678

CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (Note 1)
COMMITMENTS (Note 12)

Approved by the Board on February 21, 2024:

"Rajinder Chowdhry"
Director

"Henry Park"
Director

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

MANTRA EXPLORATION INC.**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS****FOR THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

	2023	2022
EXPENSES		
Exploration expenditures (Note 5)	\$ 23,052	\$ -
Management fees (Note 8)	10,500	10,500
Professional fees	5,746	6,467
Property investigation (Note 8, 13)	-	-
Transfer agent fees	180	702
Travel	1,531	-
Office, administration, and miscellaneous	7,055	130
NET LOSS AND COMPREHENSIVE LOSS	\$ (48,064)	\$ (34,681)
LOSS PER SHARE – BASIC AND DILUTED	\$ (0.00)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	48,124,651	47,624,651

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

MANTRA EXPLORATION INC.**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY****FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

	Common Shares (Note 6)		Accumulated Deficit	Total
	Number of Common Shares	Amount		
Balance at October 1, 2022	47,624,651	\$ 374,271	\$ (261,909)	\$ 112,362
Net loss and comprehensive loss	-	-	(34,681)	(34,681)
Balance at December 31, 2022	47,624,651	\$ 374,271	\$ (296,590)	\$ 77,681
Balance at October 1, 2023	48,124,651	\$ 436,771	\$ (401,649)	\$ 35,122
Warrants exercised	-	-	-	-
Net loss and comprehensive loss	-	-	(48,064)	(48,064)
Balance at December 31, 2023	48,124,651	\$ 436,771	\$ (449,713)	\$ (12,942)

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

MANTRA EXPLORATION INC.**CONDENSED INTERIM STATEMENTS OF CASH FLOWS****FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

	2023	2022
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (48,064)	\$ (34,681)
Change in non-cash working capital items		
Amounts receivable	7,192	(4,235)
Accounts payable and accrued liabilities	50,686	4,343
Cash used in operating activities	(9,814)	(34,573)
CHANGE IN CASH DURING THE PERIOD	(9,814)	(34,573)
CASH, BEGINNING OF PERIOD	64,665	126,777
CASH, END OF PERIOD	\$ 74,479	\$ 92,204
Supplemental Cash Flow Information		
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

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

MANTRA EXPLORATION INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Mantra Exploration Inc. (the “Company” or “Mantra Exploration”) was incorporated on July 6, 2020 under the laws of British Columbia. The Company focuses on the exploration and development of base metals. The Company intends to raise additional equity, as needed, in order to pursue future business opportunities. The address of the Company’s corporate office and principal place of business is 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5, Canada.

The Company has incurred operating losses to date and is currently unable to self-finance its future operations. The Company’s ability to continue as a going concern is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. 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.

These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim financial statements. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES**a) Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), including IAS 34 – Interim Financial Reporting. For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The accounting policies applied in these condensed interim financial statements are consistent with those applied in the preparation of, and disclosed in, the Company’s audited annual financial statements for the year ended September 30, 2023.

b) Basis of presentation

These condensed interim financial statements include the assets and operations of the Company, which are incorporated under the British Columbia Business Corporations Act.

The condensed interim financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Going Concern

These condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception and had an accumulated deficit of \$449,713 at December 31, 2023. Management has determined that the Company will be able to continue as a going concern for a reasonable period of time, and realise its assets and discharge its liabilities and commitments in the normal course of business.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed interim financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant accounts that require estimates as the basis for determining the stated amounts include deferred income taxes recoverability. Critical judgments that have the most effect on the amounts recognized in the condensed interim financial statements include the Company's ability to continue as a going concern.

(i) Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

MANTRA EXPLORATION INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Unaudited - Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)**(ii) Going Concern**

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 2(c).

4. NEW ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant effect on the Company's condensed interim financial statements.

5. EXPLORATION AND EVALUATION ASSET**Jean Property**

The Jean Property is an iron ore exploration property consisting of 93 claims located in the Thunder Bay Mining District of Ontario as of December 31, 2023. The Company plans to forfeit 9 additional claims expiring on December 24, 2023. An impairment of \$1,300 is recognized during the year ended September 30, 2023.

Expenditures for the period ended December 31, 2023 are as follows:

	October 1, 2023	Additions	Impairment	Exploration credit program	December 31, 2023
Jean Iron Ore	\$ 1	\$ -	\$ -	\$ -	\$ 1

	October 1, 2022	Additions	Impairment	Exploration credit program	September 30, 2023
Jean Iron Ore	\$ 11,228	\$ -	\$ (1,299)	\$ (9,928)	\$ 1

The Company incurred exploration and evaluation expenditures of \$23,052 (2022 - \$16,882) for the period ended December 31, 2023. The Company also received \$36,733 relating to an exploration credit program received from the Province of Ontario of which \$26,805 recorded as other income during the year ended September 30, 2023 and \$9,928 was recorded against exploration and evaluation assets.

MANTRA EXPLORATION INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

6. SHARE CAPITAL

- a) Authorized: The Company is authorized to issue an unlimited number of common shares without par value.
- b) Issued and outstanding as at December 31, 2023: 48,124,651 (September 30, 2023 – 48,124,651) common shares.

There were no share transactions for the three months period ended December 31, 2023.

On January 23, 2023, 500,000 warrants were exercised for total proceeds of \$62,500.

7. STOCK OPTION PLAN, SHARE-BASED PAYMENTS AND WARRANTS

The Company adopted a rolling stock option plan (the “Plan”) to grant options to directors, senior officers, employees, independent contractors and consultants of the Company. The Plan reserves for issuance up to 10% of the issued and outstanding share capital of the Company from time to time, and provides that it is solely within the discretion of the Board or, if the Board so elects, by a committee consisting of not less than two of its members appointed by the Board, to determine who should receive options and in what amounts. There were no stock options granted during the year.

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance at September 30, 2022	4,400,000	\$ 0.10
Exercised	(500,000)	\$ 0.125
Expired	(325,000)	\$ 0.10
Balance at September 30, 2023	3,575,000	\$ 0.10
Exercised	-	\$ -
Expired	-	\$ -
Balance at December 31, 2023	3,575,000	\$ 0.10

MANTRA EXPLORATION INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Unaudited - Expressed in Canadian Dollars)

7. STOCK OPTION PLAN, SHARE-BASED PAYMENTS AND WARRANTS (CONTINUED)

The warrants outstanding as at December 31, 2023, are as follows:

Outstanding	Exercise price	Expiry date
2,050,000	\$ 0.125	October 5, 2026
1,525,000	\$ 0.05	December 30, 2026

The average remaining life of the warrants is 2.86 years.

8. RELATED PARTY TRANSACTIONS

During the three months ended December 31, 2023, the Company incurred \$10,500 (2022 - \$10,500) for management to a company controlled by the Chief Executive Officer ("CEO").

As at December 31, 2023, the following balances were due to officers and directors and/or related companies:

- i) Included in accounts payable is \$16,001 (September 30, 2023 – \$7,132) due to the CEO of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.
- ii) Included in accounts payable and accrued liabilities is \$11,025 (September 30, 2023 – \$nil) due to a company controlled by the CEO of the Company. The remaining amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

On September 20, 2021, the Company entered into an agreement with a company controlled by a director to provide CEO services at a rate of \$3,500 per month (\$42,000 per year) for an indefinite term.

Key management personnel include the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and directors of the Company. The remuneration of directors and officers of the Company is as follows:

Key management personnel compensation:

	Three months ended December 31,	
	2023	2022
Management fees	\$ 10,500	\$ 10,500
Total remuneration	\$ 10,500	\$ 10,500

MANTRA EXPLORATION INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Unaudited - Expressed in Canadian Dollars)

9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral property. The Company does not have any externally imposed capital requirements to which it is subject to.

The Company considers the aggregate of its equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from operations.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK*Financial Instruments and Fair Value Measurements*

IFRS 13 – Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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).

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at December 31, 2023 as follows:

	Fair Value Measurements Using				Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Financial assets					
Cash	\$ 74,479	\$ –	\$ –	\$ –	\$ 74,479

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at December 31, 2023 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Unaudited - Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Financial Risk

(i) Credit Risk

Credit risk arises from non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is primarily attributable to its cash. The Company limits its exposure to credit loss for cash by placing such instruments with financial institutions.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at December 31, 2023, the Company had a working capital deficit of \$12,943. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(iii) Interest Rate Risk

In management's opinion, the Company's interest rate risk is minimal as the Company does not have any bank indebtedness that bears interest at fixed or variable rates.

11. COMMITMENTS

The Company is committed to carry out \$76,250 in eligible exploration and evaluation work, related to the flow-through financing completed in 2022. As at September 30, 2023, the Company has fully incurred its eligible expenditures of \$76,250 in respect of this financing.

There is no guarantee that the funds spent by the Company in the future will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities could have negative tax consequences for investors. In such event, the Company will indemnify each flow-through share subscriber for the additional taxes payable by such subscriber as a result of the Company's failure to renounce the qualifying expenditures as agreed.