

**MANTRA EXPLORATION INC.**



**MANTRA EXPLORATION INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**SEPTEMBER 30, 2024 AND 2023**  
(Expressed in Canadian dollars)

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## INDEPENDENT AUDITORS' REPORT

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To the Shareholders and Directors of Mantra Exploration Inc.

### Opinion

We have audited the financial statements of Mantra Exploration Inc. (the Company) which comprise:

- the statements of financial position as at September 30, 2024 and September 30, 2023;
- the statements of comprehensive loss for the years then ended;
- the statements of changes in equity (deficiency) for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2024 and 2023 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying Financial Statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended September 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

### Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Artem Valeev.

*Manning Elliott LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia

January 28, 2025

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**MANTRA EXPLORATION INC.****STATEMENTS OF FINANCIAL POSITION****AS AT SEPTEMBER 30, 2024 AND 2023**(Expressed in Canadian Dollars)

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		<b>2024</b>		<b>2023</b>
<b>ASSETS</b>				
Current				
Cash	\$	6,149	\$	64,665
Amounts receivable		6,702		11,012
		12,851		75,677
Exploration and evaluation asset (Note 5)		1		1
	\$	12,852	\$	75,678
<b>LIABILITIES</b>				
Current				
Accounts payable and accrued liabilities (Note 8)	\$	92,586	\$	40,556
<b>EQUITY (DEFICIENCY)</b>				
Share capital (Note 6)		436,771		436,771
Accumulated deficit		(516,505)		(401,649)
		(79,734)		35,122
	\$	12,852	\$	75,678

CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (Note 1)

Approved by the Board on December January 28, 2025:

"Rajinder Chowdhry"  
Director

"Henry Park"  
Director

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

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**MANTRA EXPLORATION INC.****STATEMENTS OF COMPREHENSIVE LOSS****FOR YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

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	<b>2024</b>	<b>2023</b>
<b>EXPENSES</b>		
Exploration expenditures (Note 5)	\$ 24,321	\$ 16,882
Listing expenses	-	2,830
Management fees (Note 8)	42,000	42,000
Professional fees	20,411	60,140
Property investigation (Note 8, 12)	863	8,690
Transfer agent fees	3,134	13,455
Travel	4,468	2,930
Office, administration, and miscellaneous	19,659	17,366
<b>LOSS BEFORE OTHER ITEMS</b>	<b>(114,856)</b>	<b>(164, 293)</b>
<b>OTHER ITEMS</b>		
Impairment of exploration and evaluation asset (Note 5)	-	(1,299)
Interest expense	-	(953)
Other income (Note 5)	-	26,805
	-	24,553
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ (114,856)</b>	<b>\$ (139,740)</b>
<b>LOSS PER SHARE – BASIC AND DILUTED</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<b>48,124,651</b>	<b>47,760,267</b>

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

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**MANTRA EXPLORATION INC.****STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)****FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**(Expressed in Canadian Dollars)

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	Number of Common Shares		Amount		Accumulated Deficit		Total
Balance at October 1, 2022	47,624,651	\$	374,271	\$	(261,909)	\$	112,362
Warrants exercised	500,000		62,500		-		62,500
Net loss and comprehensive loss	-		-		(139,740)		(139,740)
Balance at September 30, 2023	48,124,651	\$	436,771	\$	(401,649)	\$	35,122
Balance at October 1, 2023	48,124,651	\$	436,771	\$	(401,649)	\$	35,122
Net loss and comprehensive loss	-		-		(114,856)		(114,856)
Balance at September 30, 2024	48,124,651	\$	436,771	\$	(516,505)	\$	(79,734)

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

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**MANTRA EXPLORATION INC.****STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**(Expressed in Canadian Dollars)

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	2024	2023
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the year	\$ (114,856)	\$ (139,740)
Impairment of exploration and evaluation asset	-	1,299
Mining tax credit	-	(26,805)
Change in non-cash working capital items		
Amounts receivable	4,310	(2,706)
Accounts payable and accrued liabilities	52,030	6,607
Cash used in operating activities	(58,516)	(161,345)
INVESTING ACTIVITY		
Proceeds from mining tax credits	-	36,733
Cash provided by investing activity	-	36,733
FINANCING ACTIVITIES		
Warrants exercised	-	62,500
Cash provided by financial activities		62,500
CHANGE IN CASH DURING THE YEAR	(58,516)	(62,112)
CASH, BEGINNING OF YEAR	64,665	126,777
CASH, END OF YEAR	\$ 6,149	\$ 64,665
Supplemental Cash Flow Information		
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

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

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**MANTRA EXPLORATION INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

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**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 10<sup>th</sup> 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 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 financial statements. Such adjustments could be material.

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

These financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The significant accounting policies used in the preparation of these financial statements are described below.

**b) Basis of presentation**

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

The 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 financial statements have been prepared using the accrual basis of accounting, except for cash flow information.



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**MANTRA EXPLORATION INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

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**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)****c) Going Concern**

These 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 \$516,505 at September 30, 2024. 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.

**d) Cash and cash equivalents**

Cash in the statements of financial position is comprised of cash in banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

**e) Exploration and evaluation assets**

Exploration expenditures are expensed as incurred and direct costs of exploration and evaluation assets, such as property acquisition costs and leases are capitalized. Exploration and evaluation assets are assessed for impairment at the end of each reporting period and if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Ontario mining exploration tax credits for certain exploration expenditures incurred in Ontario are treated as a reduction of the exploration and development expenditure and costs of the respective mineral property.

Development costs incurred on a mineral property are deferred once management has determined, based on a feasibility study, that, a property is capable of economical commercial production as a result of having established proven and probable reserves. Development costs are carried at cost less accumulated depletion and accumulated impairment charges. Exploration expenditures incurred prior to determining that a property has economically recoverable resources are expensed as incurred.

The Company reviews the carrying values of mineral properties and development costs regularly with a view to assessing whether there has been any impairment in value, or whenever events or changes in circumstances that indicate the carrying value may not be recoverable. In the event the estimated discounted cash flows expected from its use or eventual disposition is determined to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

Once a mine has achieved commercial production, mineral properties and development costs are depleted on a units-of-production basis over the life of the mine.

**f) Share Capital**

The Company records proceeds from the issuance of its common shares as equity. Proceeds received on the issuance of units, consisting of common shares and warrants are allocated between the common share and warrant component. The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

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**MANTRA EXPLORATION INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

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**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)****f) Share Capital (continued)**

The fair value of the common shares issued in the private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by any closing quoted price on the issuance date. The remaining proceeds, if any, are allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. Management does not expect to record a value to the warrant in most equity issuances as unit private placements are commonly priced at market or at a permitted discount to market. If the warrants are issued as share issuance costs, the fair value of agent's warrants are measured using the Black-Scholes option pricing model and recognized in equity as a deduction from the proceeds.

**g) Flow-through shares**

The Company finances some exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. At the time flow-through shares are issued, there may be a potential premium paid on the flow-through shares calculated based on the share issuance price and the market price at the time of closing. A liability is recognized for the premium on the flow-through shares and is subsequently reversed and recorded as other income as the Company incurs qualifying Canadian exploration expenses.

**h) Foreign Currency**

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates ("the functional currency"), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

**i) Provisions**

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

At each financial position reporting date presented, the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

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**MANTRA EXPLORATION INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

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**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)****j) Loss per share**

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

**e) Income taxes**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**k) Financial assets**

All financial assets are initially recognized at fair value plus, in the case of a financial asset not measured at fair value through profit and loss ("FVTPL"), transaction costs.

Financial assets are subsequently measured at: (i) FVTPL; (ii) fair value through other comprehensive income ("FVOCI") or (iii) amortized cost. The classification is based on whether the contractual cash flow characteristics represent "solely payments of principal and interest" as well as the business model under which the financial assets are managed. The Company's cash is measured at FVTPL.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

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**MANTRA EXPLORATION INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

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**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)****l) Financial liabilities**

All financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities measured at amortized cost are initially recognized at fair value less directly attributable transaction costs. The Company's accounts payable are measured at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of these 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 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 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.

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**MANTRA EXPLORATION INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**(Expressed in Canadian Dollars)

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**3. CRITICAL 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 financial statements.

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

The Jean Property is an iron ore exploration property consisting of 84 claims located in the Thunder Bay Mining District of Ontario as of September 30, 2024. The Company decided not to renew 9 claims when it was due on December 24, 2023. As a result, the Company recorded an impairment of \$1,299 during the year ended September 30, 2023.

Subsequent to the year ended September 30, 2024, the Company did not renew 39 claims.

Expenditures for the year ended September 30, 2024 are as follows:

	October 1, 2023	Additions	Impairment	Exploration credit program	September 30, 2024
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

During the year ended September 30, 2023, the Company received \$36,733 relating to an exploration credit program from the Province of Ontario and incurred expenses of \$9,928. The net amount of \$26,805 was recorded as other income.

The Company incurred exploration and evaluation expenditures of \$24,321 (2023 - \$16,882) for the year ended September 30, 2024.

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**MANTRA EXPLORATION INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

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**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 September 30, 2024: 48,124,651 (2023 – 48,124,651) common shares.

There were no share transactions for the year ended September 30, 2024.

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 September 30, 2024	3,575,000	\$ 0.10

**MANTRA EXPLORATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

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

The warrants outstanding as at September 30, 2024, are as follows:

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

The average remaining life of the warrants is 2.11 years.

**8. RELATED PARTY TRANSACTIONS**

During the year ended September 30, 2024, the Company incurred \$42,000 (2023 - \$42,000) for management and bonus to a company controlled by the Chief Executive Officer ("CEO").

As at September 30, 2024, the following balances were due to officers and directors and/or related companies:

- i) Included in accounts payable is \$40,425 (2023 – \$nil) due to a company controlled by 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 \$196 (2023 - \$7,132) due to the CEO of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	<b>Year ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Management fees	\$ 42,000	\$ 42,000
Property investigation	-	7,500
<b>Total remuneration</b>	<b>\$ 42,000</b>	<b>\$ 49,500</b>

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.

**9. INCOME TAXES**

The following table reconciles the amount of income tax expense on application of the combined statutory Canadian federal and provincial income tax rates:

	<b>2024</b>	<b>2023</b>
Combined statutory tax rate	27.00%	27.00%
Income tax recovery at combined statutory rate	31,011	\$ 37,730
Permanent and other differences	(1,116)	7,810
Tax benefits not recognized	(29,895)	(45,540)
Provision for income tax expense	\$ -	\$ -

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**MANTRA EXPLORATION INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**(Expressed in Canadian Dollars)

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**9. INCOME TAXES (CONTINUED)**

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets at September 30, 2024 and 2023 are presented below:

	<b>2024</b>		<b>2023</b>
Non-capital loss carry-forwards	110,265	\$	86,883
Exploration and evaluation assets	9,836		-
Share issuance costs and others	54		3,377
Unrecognized deferred tax assets	(120,155)		(90,260)
	\$ -	\$	-

The Company has losses carried forward of approximately \$408,300 available to reduce income taxes in future years. The losses will expire as per the schedule below:

<b>Year of expiry</b>	<b>Amount</b>
2040	\$ 9,200
2041	87,500
2042	107,000
2043	118,100
2044	86,500
	\$ 408,300

**10. 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.

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

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, 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).



**MANTRA EXPLORATION INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

**11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)**

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at September 30, 2024 and 2023 as follows:

		Fair Value Measurements Using					
		Quoted Prices in Active Markets For Identical Instruments (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	Total
<b>Financial assets</b>							
Cash, September 30, 2023	\$	64,665	\$	—	\$	—	\$ 64,665
<b>Financial assets</b>							
Cash, September 30, 2024	\$	6,149	\$	—	\$	—	\$ 6,149

**Fair value**

The fair value of the Company's financial instruments approximates their carrying value as at September 30, 2024 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.

**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 September 30, 2024, the Company had a working capital deficiency of \$79,735. 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.

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**MANTRA EXPLORATION INC.****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

(Expressed in Canadian Dollars)

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**12. NON-EXCLUSIVE RIGHT AGREEMENT**

Futura Capital Limited ("Futura"), a company controlled by the CEO of the Company, and XLR Enterprises (Cyprus) Limited ("XLR") entered into a letter agreement dated April 18, 2023 which set forth the material terms and the mutual understanding and agreement of Futura and XLR with regard to the acquisition and financing of Ethiopotash BV, a corporation that is intended to be listed on a Canadian stock exchange by way of an initial public offering or reverse takeover of a publicly traded company. On June 30, 2023, the Company entered into an agreement with Futura, pursuant to which Futura provided the Company with the non-exclusive right to receive and review information regarding Ethiopotash BV. In consideration for this provision, the Company incurred a project investigation cost of \$7,500.