



SILVER WOLF EXPLORATION LTD.

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

The condensed consolidated interim financial statements as at March 31, 2024, and for the periods ended March 31, 2024 and 2023, have not been reviewed or audited by the Company's independent auditors.

"David Wolfin"

David Wolfin
Chairman & CEO
May 29, 2024

"Nathan Harte"

Nathan Harte, CPA
Chief Financial Officer
May 29, 2024

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

	Note	March 31, 2024	December 31, 2023
ASSETS			
Current Assets			
Cash		\$ 62,714	\$ 59,221
Account receivables		14,192	15,945
		76,906	75,166
Non-Current Assets			
Investments	4	5,524	5,200
Exploration and evaluation assets	5	2,059,774	1,935,621
Property and equipment	6	16,984	19,828
TOTAL ASSETS		\$ 2,159,188	\$ 2,035,815
LIABILITIES			
Current Liabilities			
Trade and other payables		\$ 183,513	\$ 179,605
Current portion of lease liability	7	9,000	8,772
Due to related parties	9	672,794	552,519
		865,307	740,896
Non-Current Liabilities			
Lease liability	7	786	3,110
		866,093	744,006
EQUITY			
Share capital	8	6,623,015	6,623,015
Contributed surplus		599,571	612,771
Accumulated other comprehensive income		218,837	163,063
Deficit		(6,148,328)	(6,107,040)
		1,293,095	1,291,809
TOTAL LIABILITIES AND EQUITY		\$ 2,159,188	\$ 2,035,815

Note 1 – Nature of Operations and Going Concern

Note 11 – Subsequent events

These Condensed consolidated interim financial statements are authorized for issue by the Board of Directors on May 29, 2024:

“David Wolfen” **Director** “Stephen Williams” **Director**

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

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

		For the three months ended	
	Note	March 31, 2024	March 31, 2023
General and Administrative Expenses			
Administrative benefits and salaries		\$ 11,731	\$ 11,204
Automobile		183	274
Consulting fees		1,828	7,500
Depreciation		2,006	1,136
Foreign exchange loss		166	4,216
Interest and bank charges		5,658	1,206
Listing and filing fees		4,285	6,531
Office and miscellaneous		9,438	2,316
Professional fees		9,352	16,865
Shareholder information		6,564	12,569
Transfer agent fees		3,277	3,393
Net Loss For the Period		(54,488)	(67,210)
Other Comprehensive Income (Loss)			
Items that may be reclassified subsequently to income or loss:			
Unrealized gain on investments		325	-
Currency translation differences		55,449	98,001
Total Comprehensive Income		\$ 1,286	\$ 30,791
Basic and Diluted Loss per Share		\$ (0.00)	\$ (0.00)
Weighted Average Number of Shares Outstanding		35,763,500	35,363,500

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

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

	Note	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance, January 1, 2023		35,263,500	\$ 6,546,765	\$ 641,421	\$ (5,834,486)	\$ 4	\$ 1,353,704
Common shares issued for cash:							
Issuance of shares for Option Agreement	5, 8 (a)	500,000	50,000	-	-	-	50,000
Net loss for the period		-	-	-	(67,210)	-	(67,210)
Other comprehensive income for the year		-	-	-	-	98,001	98,001
Balance, March 31, 2023		35,763,500	\$ 6,596,765	\$ 641,421	\$ (5,901,696)	\$ 98,005	\$ 1,434,495
Balance, January 1, 2024		35,763,500	\$ 6,623,015	\$ 612,771	\$ (6,107,040)	\$ 163,063	\$ 1,291,809
Stock options cancelled or expired	8 (d)	-	-	(13,200)	13,200	-	-
Net loss for the year		-	-	-	(54,488)	-	(54,488)
Other comprehensive income for the year		-	-	-	-	55,774	55,774
Balance, March 31, 2024		35,763,500	\$ 6,623,015	\$ 599,571	\$ (6,148,328)	\$ 218,837	\$ 1,293,095

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

Silver Wolf Exploration Ltd.
Condensed Consolidated Interim Statements of Cash Flow
Expressed in Canadian Dollars

	For the three months ended March 31,	
	2024	2023
Cash provided by (used in):		
Operating Activities		
Net Loss	\$ (54,488)	\$ (67,210)
Items not involving cash in the period:		
Interest charges	229	403
Depreciation	2,006	1,136
Foreign exchange movements	(110,407)	4,381
Changes in non-cash working capital items:		
Account receivables	1,753	(17,853)
Trade and other payables	3,907	16,029
Due to related parties	120,275	29,842
	(36,725)	(33,272)
Financing Activities		
Finance lease payments	(2,325)	(2,240)
	(2,325)	(2,240)
Investing Activities		
Additions to machinery and equipment	-	295
Exploration and evaluation expenditures	42,543	(10,907)
	42,543	(10,612)
Change in Cash	3,493	(46,124)
Cash, Beginning of Period	59,221	208,715
Cash, End of Period	\$ 62,714	\$ 162,591
Supplementary Disclosure of Cash Flow Information		
Shares issued for Option Agreement payments	\$ -	\$ 50,000
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

The accompanying notes are an integral part of the Condensed Consolidated Interim financial statements

Silver Wolf Exploration Ltd.
Notes to the Condensed Consolidated Interim financial statements
For the three months ended March 31, 2024 and 2023
Expressed in Canadian Dollars

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2024, the Company has a working capital deficit of \$788,401 and accumulated losses of \$6,148,328. The Company has not yet generated any revenues from its operations and requires financing through the sale of shares or issuance of debt to continue with its operations and to develop its mineral properties. Although management intends to secure additional financing, there is no assurance that management will be successful in its efforts to secure additional financing, or that it will ever develop a self-supporting business. These factors together form a material uncertainty that raises significant doubt about the Company’s ability to continue as a going concern. These Condensed consolidated interim financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application as the most recent annual audited condensed consolidated interim financial statements of the Company. These unaudited condensed consolidated interim financial statements do not contain all of the information required for full annual condensed consolidated interim financial statements. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s December 31, 2023, annual condensed consolidated interim financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Significant Accounting Judgments and Estimates

The preparation of these condensed consolidated interim financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The condensed consolidated interim financial statements include judgements and estimates, which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period, in which the estimate is revised, and may affect both current and future periods.

Silver Wolf Exploration Ltd.
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Functional Currency

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

Foreign Currency Translation

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

Basis of Consolidation

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

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

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

3. RECENT ACCOUNTING PRONOUNCEMENTS

Future Changes in Accounting Policies Not Yet Effective as at March 31, 2024:

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

4. INVESTMENTS

Investments consist of the following:

	Number of Shares	Cost	Accumulated Unrealized Gain/(Loss)	March 31, 2024 Fair Value	December 31, 2023 Fair Value
Garibaldi Resources Corp	65,000	\$ 202,800	\$ (197,275)	\$ 5,524	\$ 5,200

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5. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets consist of the following:

	Ana Maria & El Laberinto Option
Balance, January 1, 2023	\$ 1,461,575
Exploration costs incurred during the year:	
Acquisition cost	50,000
Field expenditures	117,056
Taxes and Licensing	135,471
Foreign exchange	171,519
Balance, December 31, 2023	1,935,621
Exploration costs incurred during the year:	
Field expenditures	5,575
Taxes and Licensing	49,768
Foreign exchange	68,810
Balance, March 31, 2024	\$ 2,059,774

a) Ana Maria & Laberinto Properties

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

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

In order to exercise the Option, the Company will:

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

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

All share issuances will be based on the average volume weighted trading price of the Company's shares on the TSX Venture Exchange for the ten (10) trading days immediately preceding the date of issuance of the shares, and the shares will be subject to resale restrictions under applicable securities legislation for 4 months and a day from their date of issue. All shares issued are subject to a price floor of \$0.20.

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

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

During the year ended December 31, 2023, the Company issued 500,000 common shares to Avino as part of the terms outlined in 1.c. in the Option Agreement. The anniversary payment in 1.d has been agreed to be extended between the two parties, and all other requirements have been fulfilled within the timeline of the Option Agreement outlined above.

Ana Maria Property

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

Laberinto Project

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

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6. PROPERTY AND EQUIPMENT

	Right of Use Asset (Note 7)	Office equipment, furniture, and fixtures	Computer equipment	Machinery and equipment	Total
	\$	\$	\$	\$	\$
COST					
Balance at January 1, 2023	44,425	3,111	9,864	3,097	60,497
Additions / Transfers	-	-	-	-	-
Effect of movements in exchange rates	-	279	621	341	1,241
Balance at December 31, 2023	44,425	3,390	10,485	3,438	61,738
Additions / Transfers	-	-	-	-	-
Effect of movements in exchange rates	-	70	90	110	270
Balance at March 31, 2024	44,425	3,460	10,575	3,548	62,008
ACCUMULATED DEPLETION AND DEPRECIATION					
Balance at January 1, 2023	23,872	795	4,696	257	29,620
Additions / Transfers	8,024	702	3,391	173	12,290
Effect of movements in exchange rates	-	-	-	-	-
Balance at December 31, 2023	31,896	1,497	8,087	430	41,910
Additions / Transfers	2,006	182	881	45	3,114
Effect of movements in exchange rates	-	-	-	-	-
Balance at December 31, 2024	33,902	1,679	8,968	475	45,024
NET BOOK VALUE					
At March 31, 2024	10,523	1,781	1,607	2,983	16,984
At December 31, 2023	12,529	1,893	2,398	3,008	19,828

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7. LEASE LIABILITY & RIGHT-OF-USE ASSET

(a) Right-of-use asset

The Company shares office space with other companies related to it by virtue of certain directors and management in common (Note 9). In 2020 the Company recognized a right-of-use asset in relation to its share of office space lease allocated through Oniva International Services Corp. ("Oniva")

	March 31, 2024	December 31, 2023
Balance, beginning	\$ 12,529	\$ 20,553
Changes to lease terms	-	-
Depreciation	(2,006)	(8,024)
Balance, ending	\$ 10,523	\$ 12,529

(b) Lease liability

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

	March 31, 2024	December 31, 2023
Not later than one year	\$ 9,434	\$ 9,400
Later than one year and not later than five years	786	3,145
Less: future interest charges	(434)	(663)
Present value of lease payments	9,786	11,882
Less: current portion	(9,000)	(8,772)
Non-current portion	\$ 786	\$ 3,110

During the year ended December 31, 2023, the Company and Oniva amended the share of rental expense allocated to Silver Wolf. As a result, the Company recognized a lease modification and adjusted the right-of-use asset and lease liability accordingly as noted above.

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

Payments relating to short-term leases recognized as an expense during the three months ended March 31, 2024, totalled \$Nil (2023 - \$Nil).

Amounts Recognized in Statement of Cash Flows

Cash payments relating to short-term leases during the three months ended March 31, 2024, totalled \$Nil (2023 - \$Nil).

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8. SHARE CAPITAL

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

(b) Issued:

(i) During the year ended December 31, 2023, the Company issued 500,000 common shares at an average price of \$0.10, valued at \$50,000, to satisfy the terms laid out in Item 1 c) of the Option Agreement. For full details of the Option Agreement, see Note 6.

(c) Share purchase warrants

At March 31, 2024, the Company had 4,014,734 (December 31, 2023 – 4,014,734) share purchase warrants outstanding and exercisable. Continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, January 1, 2023	4,389,734	\$0.26
Expired	(375,000)	\$0.35
Outstanding and exercisable, December 31, 2023 and March 31, 2024	4,014,734	\$0.25

At March 31, 2024, weighted average remaining contractual life of warrants outstanding was 0.71 years (December 31, 2023 – 0.96 years).

The following table summarizes information about the Company's warrants outstanding at March 31, 2024:

Expiry Date	Exercise Price	Warrants Outstanding and Exercisable
December 16, 2024	\$0.25	4,014,734
		4,014,734

The Company has received approval to extend the expiry date for the 4,014,734 warrants that were granted by Silver Wolf in June 2022. These warrants would have expired on December 16, 2023, and have an exercise price of \$0.25 per common share. The new expiry date is now December 16, 2024.

(d) Stock option plan

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

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

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Continuity of stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, December 31, 2022	3,345,000	\$0.19
Cancelled	(20,000)	\$0.19
Outstanding, December 31, 2023	3,325,000	\$0.19
Cancelled	(100,000)	\$0.19
Outstanding and exercisable, March 31, 2024	3,225,000	\$0.19

Details of stock options outstanding and exercisable are as follows:

Expiry Date	Exercise Price	Options Outstanding and Exercisable
January 8, 2026	\$0.20	825,000
March 30, 2027	\$0.20	1,735,000
August 8, 2027	\$0.15	665,000
		3,225,000

As at March 31, 2024, the weighted average remaining contractual life of stock options outstanding was 2.66 years (December 31, 2023 – 2.99 years).

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

9. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management compensation

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

	Three months ended March 31,			
		2024		2023
Consulting fees, wages and benefits	\$	2,455	\$	2,454
Share-based payments		-		-
	\$	2,455	\$	2,454

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(b) Amounts due to related parties

In the normal course of operations, the Company transacts with companies related to its directors or officers. All amounts payable are non-interest bearing, unsecured, and due on demand. As at March 31, 2024 and December 31, 2023, the following amounts were due to related parties:

	March 31, 2024	December 31, 2023
Oniva International Services Corp.	\$ 214,561	\$ 195,608
Avino Silver and Gold Mines Ltd.	458,233	356,911
	\$ 672,794	\$ 552,519

(c) Related party transactions

During the three months ended March 31, 2024, \$17,610 (2023 - \$15,737) was charged for office, occupancy, miscellaneous costs and salaries, and administrative services paid on behalf of the Company by Oniva. Further, the Company paid \$440 of administrative fees during the three months ended March 31, 2024 (2023 - \$393) to Oniva.

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

10. FINANCIAL INSTRUMENTS

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

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

(a) Credit Risk

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

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At March 31, 2024, the Company had cash in the amount of \$62,714 (December 31, 2023 - \$59,221) in order to meet short-term business requirements. At March 31, 2024, the Company had current liabilities of 865,307 (December 31, 2023 - \$740,896). Accounts payable have contractual maturities of approximately 30 to 90 days, or are due on demand and are subject to normal trade terms. The company requires additional financing to fund its current obligations.

The maturity profiles of the Company's contractual obligations and commitments as at March 31, 2024, are summarized as follows:

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	Total	Less Than 1 Year	1-5 years	More Than 5 Years
Trade and other payable	\$ 183,513	\$ 183,513	\$ -	\$ -
Finance lease obligations	9,786	9,000	786	-
Due to related parties	672,794	672,794	-	-
Total	\$ 866,093	\$ 865,307	\$ 786	\$ -

(c) Market Risk

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

Interest Rate Risk

Interest rate risk consists of two components:

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

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

Foreign Currency Risk

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

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

	<u>March 31, 2024</u>		<u>December 31, 2023</u>	
	MXN	USD	MXN	USD
Cash and cash equivalents	\$ 27,952	\$ 10,480	\$ 83,385	\$ 1,732
Amounts receivable	-	-	46,000	-
Accounts payable and accrued liabilities	(6,271,525)	-	(5,385,955)	-
Net exposure	(6,243,573)	10,480	(5,256,570)	1,732
Canadian dollar equivalent	\$ (506,756)	\$ 14,901	\$ (411,579)	\$2,291

Based on the net Canadian dollar denominated asset and liability exposures as at March 31, 2024, a 10% fluctuation in the Canadian/Mexican and Canadian/US exchange rates would impact the Company's earnings for the three months ended March 31, 2024 by approximately \$52,096 (year ended December 31, 2023 - \$41,387). The Company has not entered into any foreign currency contracts to mitigate this risk.

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Other Price Risk

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

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

(d) Classification of Financial instruments

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as at March 31, 2024:

	Level 1	Level 2	Level 3
Cash	\$ 62,714	\$ -	\$ -
Investments	5,525	-	-
	\$ 68,239	\$ -	\$ -

11.SUBSEQUENT EVENTS

Subsequent to March 31, 2024, the Company announced a non-brokered Listed Issuer Financing Exemption ("LIFE") offering of up to 6,666,667 million units at a purchase price of \$0.15 per unit for aggregate gross proceeds of up to \$1,000,000, subject to a minimum of 4,000,000 units for gross proceeds of not less than \$600,000. Each unit will be comprised of one (1) common share of the company and one half (1/2) of a non-transferable share purchase warrant at an exercise price of \$0.25. The offering has not closed as of the release date of these financial statements.

Subsequent to March 31, 2024, the Company announced that it has entered into debt settlement agreements to settle an aggregate of \$673,000 in indebtedness with two of its principal creditors; Oniva International Services Corp., a private company which provides administrative services to the Company and is controlled by David Wolfen, the Company's CEO, and Avino Silver & Gold Mines Ltd. for administrative expenses and exploration and evaluation services, which share common management and directors. The Company has agreed to issue 3,365,000 common shares at a deemed price of \$0.20 per share and the proposed debt settlements are subject to the acceptance of the TSX Venture Exchange.

The Company has also received TSX Venture Exchange approval to settle an aggregate of \$30,000 in indebtedness for the provision of accrued consulting fees for the period from January 2023 to December 2023, in exchange for the issuance of a total of 150,000 common shares at a deemed price of \$0.20 per share.