



# LATIN METALS INC.

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars)**

**For the three and six months ended  
April 30, 2022 and 2021**

**Corporate Head Office**

Suite 890 – 999 West Hastings Street  
Vancouver, British Columbia  
V6C 2W2  
Tel: 604-484-1238

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## **NOTICE TO READER**

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

The condensed consolidated interim financial statements of the Company for the three and six months ended April 30, 2022 have been prepared by and are the responsibility of the Company's management.

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

**LATIN METALS INC.**

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian dollars)

	April 30, 2022	October 31, 2021
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 475,612	\$ 858,197
Receivables	37,246	14,966
Prepaid expenses	50,828	50,753
	<u>563,686</u>	923,916
<b>Equipment</b>	14,794	14,870
<b>Exploration and evaluation assets (note 3)</b>	<u>4,687,551</u>	4,979,753
<b>Total Assets</b>	<u>\$ 5,266,031</u>	<u>\$ 5,918,539</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 130,915	\$ 143,218
	<u>130,915</u>	143,218
<b>Shareholders' Equity</b>		
Share capital (note 4)	13,714,626	13,661,888
Reserves (note 4)	2,271,038	2,271,038
Deficit	<u>(10,850,548)</u>	<u>(10,157,605)</u>
Total Shareholders' Equity	<u>5,135,116</u>	5,775,321
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 5,266,031</u>	<u>\$ 5,918,539</u>

Nature of operations and going concern (note 1)

Subsequent events (note 3)

Approved on behalf of the Board of Directors on June 27, 2022

“Keith Henderson”

Director

“David Cass”

Director

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

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

	Three months ended April 30,		Six months ended April 30,	
	2022	2021	2022	2021
<b>Operating expenses (recoveries)</b>				
Consulting fees (note 5)	\$ 60,388	\$ 50,282	\$ 121,305	\$ 83,087
Depreciation	37	467	76	506
Impairment loss on VAT receivable and other	4,810	4,349	6,335	5,212
Investor relations and promotion	54,718	14,513	71,358	26,257
Office and general	23,648	20,962	55,163	44,583
Professional fees	19,693	38,561	52,791	78,826
Property investigation costs	1,209	11,766	3,399	17,402
Recoveries of exploration and evaluation assets	-	(315,425)	-	(315,425)
Regulatory and transfer agent	8,380	7,727	16,469	14,331
Salaries, benefits, and directors' fees (note 5)	49,562	51,589	97,717	91,082
Share-based compensation (notes 4 and 5)	-	-	-	14,967
<b>Income (loss) from operations</b>	<b>(222,445)</b>	<b>115,209</b>	<b>(424,613)</b>	<b>(60,828)</b>
<b>Other income (expenses)</b>				
Finance costs (note 5)	-	-	-	(20,943)
Foreign exchange	24,425	(11,699)	47,474	(9,649)
Impairment of exploration and evaluation assets (note 3)	(315,804)	-	(315,804)	-
	<b>(291,379)</b>	<b>(11,699)</b>	<b>(268,330)</b>	<b>(30,592)</b>
<b>Loss and comprehensive loss for the period</b>	<b>\$ (513,824)</b>	<b>\$ 103,510</b>	<b>\$ (692,943)</b>	<b>\$ (91,420)</b>
<b>Basic and diluted earnings (loss) per share</b>	<b>\$ (0.01)</b>	<b>\$ 0.00</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>				
– basic and diluted	<b>57,686,297</b>	<b>46,829,859</b>	<b>57,584,856</b>	<b>46,790,328</b>

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



**LATIN METALS INC.**

(An Exploration Stage Company)

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian dollars)

	Share Capital		Reserves	Deficit	Total Shareholders' Equity
	Shares	Amount			
<b>Balance, October 31, 2020</b>	<b>46,710,480</b>	<b>\$ 12,178,756</b>	<b>\$ 2,171,491</b>	<b>\$ (9,694,921)</b>	<b>\$ 4,655,326</b>
Shares issued for non-cash:					
Property acquisition	1,200,000	174,000	-	-	174,000
Property acquisition	92,712	11,125	-	-	11,125
Share-based compensation (note 4)	-	-	14,967	-	14,967
Net loss for the period	-	-	-	(91,420)	(91,420)
<b>Balance, April 30, 2021</b>	<b>48,003,192</b>	<b>\$ 12,363,881</b>	<b>\$ 2,186,458</b>	<b>\$ (9,786,341)</b>	<b>\$ 4,763,998</b>
<b>Balance, October 31, 2021</b>	<b>57,295,641</b>	<b>\$ 13,661,888</b>	<b>\$ 2,271,038</b>	<b>\$ (10,157,605)</b>	<b>\$ 5,775,321</b>
Shares issued for non-cash:					
Property acquisition – finders' fees (note 3)	390,656	52,738	-	-	52,738
Net loss for the period	-	-	-	(692,943)	(692,943)
<b>Balance, April 30, 2022</b>	<b>57,686,297</b>	<b>\$ 13,714,626</b>	<b>\$ 2,271,038</b>	<b>\$ (10,850,548)</b>	<b>\$ 5,135,116</b>

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

**LATIN METALS INC.**

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Expressed in Canadian dollars)

	<b>Six months ended April 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (692,943)	\$ (91,420)
Items not affecting cash:		
Depreciation	76	506
Finance costs – accretion of loans	-	19,778
Impairment of exploration and evaluation assets	315,804	-
Recoveries of exploration and evaluation assets	-	(315,425)
Share-based compensation	-	14,967
Changes in non-cash working capital items:		
Receivables	(22,280)	(1,185)
Prepaid expenses	(75)	(5,730)
Accounts payable and accrued liabilities	(13,108)	(59,873)
Net cash used in operating activities	<u>(412,526)</u>	<u>(438,382)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	-	(3,257)
Option proceeds on exploration and evaluation assets	509,055	315,452
Expenditures on exploration and evaluation assets	(479,114)	(115,122)
Net cash from investing activities	<u>29,941</u>	<u>197,046</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loans from related parties	-	(200,000)
Net cash used in financing activities	<u>-</u>	<u>(200,000)</u>
<b>Change in cash and cash equivalents for the period</b>	<b>(382,585)</b>	<b>(441,336)</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>858,197</b>	<b>1,019,753</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 475,612</b>	<b>\$ 578,417</b>
<b>Composition of cash and cash equivalents</b>		
<b>Cash</b>	<b>417,515</b>	<b>520,320</b>
<b>Cash equivalents</b>	<b>58,097</b>	<b>58,097</b>
	<b>\$ 475,612</b>	<b>\$ 578,417</b>

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

(An Exploration Stage Company)

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three and six months ended April 30, 2022 and 2021**

(Expressed in Canadian dollars)

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Latin Metals Inc. (the “Company”) was incorporated under the laws of the Province of British Columbia, Canada on January 9, 2006. The Company’s principal business activity is the acquisition, exploration and evaluation of mineral properties located in South America. The Company operates with a Prospect Generator model focusing on the acquisition of prospective exploration properties at a low cost, completing initial evaluation through cost-effective exploration to establish drill targets, and ultimately securing joint venture partners to fund drilling and advanced exploration. Shareholders are exposed to the upside of a significant discovery without the dilution associated with funding the highest-risk drill-based exploration. The Company common shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol “LMS” as well as on the OTCQB Venture Market under the symbol “LMSQF”.

The head office and principal address of the Company is Suite 890 – 999 West Hastings Street, Vancouver, BC, V6C 2W2, Canada. The registered and records offices of the Company are located at Suite 1170 – 1040 West Georgia Street, Vancouver, BC, V6E 4H1, Canada.

As at April 30, 2022, the Company has working capital of \$432,771 (October 31, 2021 – \$780,698) and an accumulated deficit of \$10,850,548 (October 31, 2020 - \$10,157,605). The Company recorded a net loss of \$692,943 for the six months ended April 30, 2022 (April 30, 2021 – net loss of \$91,420).

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or proceeds from the disposition thereof.

These condensed consolidated interim financial statements have been prepared under the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have financial resources to sustain operations in the long term. There is no assurance that future financings will be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements do not reflect the adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

### **2. BASIS OF PREPARATION**

#### **Basis of presentation**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). The Board of Directors approved the condensed consolidated interim financial statements on June 27, 2022.



**2. BASIS OF PREPARATION** *(Cont'd...)***Basis of presentation** *(Cont'd...)*

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the years ended October 31, 2021 and 2020.

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for financial assets and liabilities recorded at fair value, and include the accounts of the Company and its wholly-owned subsidiaries outlined under principles of consolidation. These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Certain comparative period amounts have been reclassified to conform to the current period presentation.

**Principles of consolidation**

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries as follows:

<b>Subsidiary</b>	<b>Proportion of Ownership Interest</b>	<b>Country of Incorporation</b>	<b>Principle Activity</b>
Cardero Argentina S.A.	100%	Argentina	Exploration
Zafiro Mining S.A.C.	100%	Peru	Exploration
1054749 B.C. Ltd.	100%	Canada	Holding

The Company consolidates its subsidiaries on the basis that it controls the subsidiary through its ability to govern its financial and operating activities. All intercompany transactions and balances are eliminated on consolidation.

Management consolidates all subsidiaries and entities which it is determined that the Company controls. Control is evaluated on the ability of the Company to direct the activities of the subsidiary or entity to derive variable returns and management uses judgement in determining whether control exists. Judgement is exercised in the evaluation of the variable returns and in determining the extent to which the Company has the ability to exercise its power to generate variable returns.

**Reporting and functional currency**

The consolidated financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company and its' subsidiaries. All amounts are presented in Canadian dollars, unless otherwise noted.

**Significant accounting policies**

The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's most recent audited consolidated financial statements for the years ended October 31, 2021 and 2020.

**2. BASIS OF PREPARATION** *(Cont'd...)***Significant accounting judgments, estimates and assumptions**

Estimates and judgments are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are continuously evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements for the year ended October 31, 2021.

**3. EXPLORATION AND EVALUATION ASSETS****Title to Mineral Property Interests**

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfer and may be affected by undetected defects.

**Organullo, Ana Maria, and Trigal Properties – Argentina**

Pursuant to an agreement dated October 1, 2004, between the Company and an Argentinean individual, the Company purchased a 100% interest in eight mines in Salta Province, Argentina, the Organullo claims, in consideration of the issuance of 70,000 common shares (issued).

The Ana Maria property was acquired through staking and comprises three separate exploration claims, totaling almost 10,000 hectares and located near and partly contiguous with the Company's Organullo gold project. The Trigal property is a grassroots gold and silver exploration project.

**Binding option agreement with AngloGold Ashanti**

Subsequent to April 30, 2022, on May 27, 2022, the Company entered into a binding option agreement (the "Option Agreement") with AngloGold Argentina Exploraciones S.A. ("AngloGold"), a wholly owned subsidiary of AngloGold Ashanti Ltd. (NYSE: AU, JSE: ANG, ASX: AGG). Subsequently, AngloGold provided notice that all conditions precedent have been satisfied, and as a result the Option Agreement's commencement date (the "Commencement Date") has been established as June 2, 2022. Under the terms of the Option Agreement, the Company granted to AngloGold the option to earn up to an 80% interest in the Company's Organullo, Ana Maria, and Trigal Gold projects (the "Salta Projects") located in Salta Province, northwestern Argentina.

Under the terms of the Option Agreement, AngloGold has been granted the option to earn an initial 75% interest in the Salta Projects (the "Option") by making cash payments to the Company in the aggregate amount of US\$ 2,575,000 and spending an aggregate amount of US\$ 10,000,000 on exploration expenditures related to the Projects within five years of the Commencement Date (the "Option Period").

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three and six months ended April 30, 2022 and 2021**

(Expressed in Canadian dollars)

**3. EXPLORATION AND EVALUATION ASSETS (Cont'd...)**

**Organullo, Ana Maria, and Trigal Properties – Argentina (Cont'd...)**

Binding option agreement with AngloGold Ashanti (Cont'd...)

The terms of the Option are as follows:

Date	Payments in cash (US\$)	Expenditures commitments (US\$)
On or before June 17, 2022 <sup>(1)</sup>	275,000 (received)	-
On or before June 2, 2023	100,000	-
On or before June 2, 2024	150,000	2,000,000
On or before June 2, 2025	200,000	-
On or before June 2, 2026	850,000	4,000,000
On or before June 2, 2027	1,000,000	4,000,000
<b>Total</b>	<b>US\$ 2,575,000</b>	<b>US\$ 10,000,000</b>

<sup>(1)</sup> US\$ 275,000 was received subsequently to April 30, 2022

Upon the fulfilment of the payment obligations and exploration expenditures set forth above, and the delivery by AngloGold to the Company of a notice of exercise of the Option (the “Option Exercise Date”) and subject to the exercise of Top-Up Right (as defined below), AngloGold and the Company will be deemed to have formed a joint venture (the “Joint Venture”) for the continued exploration, development and, if warranted, commercialization of the Projects, in respect of which the initial participating interests of the parties will be, AngloGold as to 75% and the Company as to 25%.

Upon the exercise of the Option, AngloGold may give notice to the Company of its intention to increase its interest in the Salta Projects to 80% (the “Top-Up Right”). The Top-Up Right may be exercised within 150 days of the Option Exercise Date by AngloGold:

- (i) preparing and delivering to the Company an independent Measured and Indicated Mineral Resource estimate prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) on one or more deposits contained within the Projects; and
- (ii) paying to the Company an amount of USD \$4.65 per gold equivalent ounce contained within the Measured and Indicated Mineral Resource estimate.

Upon the exercise of the Top-Up Right, the parties’ interests in the Joint Venture will be adjusted such that the participating interests of the parties will be AngloGold as to 80% and the Company as to 20%.

If and when the parties form the Joint Venture, the provisions of the agreement governing the Joint Venture will be negotiated and settled by the parties and will provide, among other things, that if the participating interest of either party falls below 10%, the interest of such party shall be converted to a 2% net smelter returns royalty, half of which (being 1%) can be purchased by the other party for US\$ 5,000,000 at any time until the date that is three (3) months after a production decision concerning one or more of the Salta Projects has been made.

**3. EXPLORATION AND EVALUATION ASSETS (Cont'd...)****Mina Angela Property – Argentina**

The Company entered into an acquisition agreement in April 2004, pursuant to which and in consideration of aggregate cash payments to the vendor of US\$ 400,000, the Company acquired a 100% interest in mineral concessions, known as Mina Angela, in Chubut Province, Argentina, subject to a 1% net smelter returns royalty (“NSR Royalty”) to the vendor.

On August 2, 2019, the Company signed an offer letter with Patagonia Gold Corp. (“Patagonia”) to option out the Mina Angela property. On March 12, 2020, the Company and Patagonia agreed to extend, by six months, the date by which Patagonia must enter into the definitive agreement to acquire the Company’s interest in the Mina Angela project. On September 12, 2020, the Company signed a definitive option agreement with Patagonia under the terms of which Patagonia is granted an irrevocable option to acquire a 100 % interest in the Mina Angela property.

On March 12, 2021, the Company received an option exercise notice from Patagonia and on April 7, 2021, the Company received US\$ 250,000 from Patagonia on closing of the Mina Angela property transfer to Patagonia.

Following the exercise of the option by Patagonia, the Company is entitled to receive a 1.25% NSR Royalty on any future production from the Mina Angela property, half of which royalty can be repurchased by Patagonia from the Company at any time for cash consideration of US\$1,000,000. In addition, the Company is entitled to receive US\$500,000 from Patagonia within thirty days of verification, to Patagonia’s satisfaction, that the legal restrictions preventing development of mining activity in the Chubut Province and at the Mina Angela property have been lifted.

**El Quemado – Argentina**

On September 18, 2018, the Company met all of the requirements to exercise the option to acquire 100% interest in El Quemado by issuing an aggregate amount of 625,000 common shares over a period of two years, and has earned a 100% legal and beneficial interest in the El Quemado project, subject to a 2% NSR Royalty to be granted to the vendor. The Company has a right to buy one-half of the NSR Royalty for US\$ 750,000. If the Company abandons the project after exercising the option, the project shall revert back to the vendor, subject to a 1% NSR Royalty to be granted to the Company.

**Esperanza – Argentina**

On July 9, 2018, the Company entered into a definitive property option agreement, as amended on June 15, 2019, to acquire a 100% interest in the Esperanza copper-gold porphyry deposit located in the San Juan Province, Argentina.

Under the definitive property option agreement, the Company has the right to earn a 100% interest in the project through the payment of US\$ 2,306,000 and the issuance of common shares in the Company valued at US\$ 500,000 at the time of issuance to the vendor. The definitive property option agreement was amended on May 13, 2021, whereby all cash and share payments after June 14, 2021 are conditional on the granting of a drill permit by the authorities of the Government of the Province of San Juan. As of April 30, 2022 the total amount of cash payments made pursuant to the option agreement was US\$ 623,000, of which US\$ 250,000 were made during the six-months period ended April 30, 2022. The remaining payments pursuant to the revised payment terms are as follows:

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three and six months ended April 30, 2022 and 2021**

(Expressed in Canadian dollars)

**3. EXPLORATION AND EVALUATION ASSETS (Cont'd...)**

**Esperanza – Argentina (Cont'd...)**

<b>Date</b>	<b>Payments in cash (US\$)</b>	<b>Payments in shares (US\$)</b>
Payments made as of April 30, 2022	623,000	-
30 days after the date of the grant of the Drilling Permit <sup>(1)</sup> (the “Permit grant date”)	200,000	-
6 months after the Permit grant date	250,000	-
12 months after Permit grant date	350,000	-
18 months after Permit grant date	433,000	250,000
24 months after Permit grant date	450,000	250,000
<b>Total</b>	<b>\$ 2,306,000</b>	<b>\$ 500,000</b>

<sup>(1)</sup> “Drilling Permit” means, collectively, the authorizations from the authorities of the government of the Province of San Juan necessary to allow the start of drilling on the Esperanza property.

Upon completion of the option payments and share issuances, the Company will be deemed to have exercised the option and will have earned an undivided 100% legal and beneficial interest in and to the project, subject to a 2% NSR Royalty to be granted to the vendor. The Company will have a right to buy back 0.5% of the NSR Royalty for US\$1,000,000, at which time the NSR Royalty payable to the vendor shall be 1.5%.

A finder's fee in the amount of US\$ 172,800, is payable in common shares of the Company over six years. The total number of common shares issued as of April 30, 2022 for finders fees for Esperanza project is 893,091 fair valued at US\$ 101,980, of which 390,656 common shares fair valued at US\$ 41,260 were issued during the six-month period ended April 30, 2022. The final payment in shares of the finder’s fee increment of US\$ 70,820 is due on December 15, 2022.

*Earn-in agreement with Libero Copper and Gold Corporation*

On January 20, 2021, the Company signed a binding letter agreement with Libero Copper and Gold Corporation (“Libero”), pursuant to which the Company granted Libero an option to acquire a 70% interest in the Esperanza copper -gold project. On May 26, 2021, the Company and Libero amended the letter agreement to align the schedule of payments with the amended option agreement with the underlying owners and modify the timing of exploration expenditure commitments accordingly, whereby all payment after December 15, 2021 are conditional on the granting of a drill permit by the authorities of the Government of the Province of San Juan.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three and six months ended April 30, 2022 and 2021**

(Expressed in Canadian dollars)

**3. EXPLORATION AND EVALUATION ASSETS (Cont'd...)**

**Esperanza – Argentina (Cont'd...)**

The amended agreement terms are outlined below:

<b>Date</b>	<b>Cash payments due pursuant to underlying option agreement (US\$)</b>	<b>Cash payments to the Company (US\$)</b>	<b>Exploration expenditures (US\$)</b>
June 14, 2021 <sup>(1)</sup>	\$ 220,000 (received)	\$ -	\$ -
December 15, 2021	-	250,000(received)	-
30 days after the date of the grant of the Drilling Permit <sup>(2)</sup> (the “Permit grant date”)	200,000	-	-
6 months after the Permit grant date	250,000	-	-
12 months after the Permit grant date	350,000	250,000	1,000,000
18 months after the Permit grant date	433,000	-	-
24 months after the Permit grant date	450,000	-	1,000,000
<b>Total</b>	<b>\$ 1,903,000</b>	<b>\$ 500,000</b>	<b>\$ 2,000,000</b>

<sup>(1)</sup> Under the terms of the underlying option agreement, this payment was made by the Company in Argentinean pesos, thereby the amount paid by Libero to the Company in United States dollars was adjusted accordingly.

<sup>(2)</sup> “Drilling Permit” means, collectively, the authorizations from the authorities of the government of the Province of San Juan necessary to allow the start of drilling on the Esperanza property.

Upon the exercise of the option, Libero and the Company will be deemed to have formed a joint venture for the continued exploration and development of the Esperanza project, in respect of which the initial participating interests of the parties shall be Libero as to 70%, and the Company as to 30%.

During the term of the letter agreement before the exercise of the option, if either Libero or the Company acquires an interest in a property located within or partially within the Esperanza project or a 10 km area of interest extending from the outermost exterior boundaries of the project, the non-acquiring party may elect that such additional property be included in the project, in which case the non-acquiring party would be required to reimburse the acquiring party for 70% (Libero) or 30% (the Company) of the acquisition costs of such additional property, as applicable.

In connection with the agreement with Libero, the Company issued 555,000 common shares at \$0.13 as finder’s fees.

Notice of election to participate – Huachi property

On February 13, 2022, the Company provided Libero with a Notice of Election whereby, pursuant to the letter agreement between the Company and Libero, the Company elects to include any right and interest acquired by Libero in respect to the Huachi property to form part of the Esperanza project for all purposes and be subject to the terms and conditions of the letter agreement between the Company and Libero for Esperanza. The Huachi property is located in the Province of San Juan, Argentina and is contiguous with Esperanza property.



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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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**3. EXPLORATION AND EVALUATION ASSETS (Cont'd...)**

**Esperanza – Argentina (Cont'd...)**

Notice of election to participate – Huachi property (Cont'd...)

Pursuant to an option agreement between Libero and a third party, Libero has been granted the irrevocable right and option to acquire a 75% in the Huachi project by incurring work expenditures in an aggregate amount of US\$ 1,000,000 staggered over four years as follows:

- 1) US\$100,000 within one year of the date of the approval of the environmental permit and is in force to allow all reasonable exploration activities on the property, including drilling (“Commencement Date”)
- 2) US\$150,000 within two years of the Commencement Date
- 3) US\$250,000 within three years of the Commencement Date
- 4) US\$500,000 within four years of the Commencement Date

The Company will be required to reimburse Libero for 30% of its total cost of the acquisition of Huachi property, when same has been incurred by Libero.

**Tres Cerros - Argentina**

On February 7, 2019, the Company entered into three definitive option agreements, as amended, pursuant to which the Company was granted options to acquire a 100 % interest, subject to certain royalty conditions, in eight properties as follows:

- 1) Property group 1: the Cerro Bayo, Cerro Bayo Sur and Flora Este properties;
- 2) Property group 2: the Aylen, Aylen Oeste and Pedro properties; and
- 3) Property group 3: the Fiorentina & Fiorentina Norte properties.

The Company can earn an initial 80% interest (the “First Option”), followed by the remaining 20% interest (the “Second Option”), by making staged cash and common shares payments.

On March 23, 2022, the Company terminated its options regarding Property group 2 and Property group 3. In connection with the termination of these two property groups option agreements, the Company record an impairment loss of \$315,804.

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**3. EXPLORATION AND EVALUATION ASSETS** *(Cont'd...)*

**Tres Cerros – Argentina** *(Cont'd...)*

Details on the consideration the Company is required to pay and issue shares in respect to the Cerro Bayo, Cerro Bayo Sur and Flora Este properties (Property group 1) is as follows:

<b>Date</b>	<b>Payments in cash</b>	<b>Shares</b>	<b>Payments in shares or cash</b>	<b>Cumulative earned interest</b>
	<b>(US\$)</b>		<b>(US\$)</b>	
April 8, 2019	12,500 (paid)	-	\$ -	-
May 1, 2020	7,500 (paid)	175,000 (issued)	-	-
November 1, 2020	8,750 (paid)	175,000 (issued)	-	-
May 5, 2021	58,750 (paid)	450,000 (issued)	-	-
May 1, 2022 <sup>(1)</sup>	75,000 (paid)	-	77,334 (paid)	35%
May 1, 2023	100,000	-	133,577	51%
May 1, 2024	200,000	-	182,789	71%
May 1, 2025	500,000	-	253,032	80%
<b>Total</b>	<b>US\$ 962,500</b>	<b>800,000</b>	<b>US\$ 646,792</b>	<b>80%</b>

<sup>(1)</sup> US\$ 152,334 was paid directly to the underlying owner of the properties by Barrick Gold Corporation pursuant to an earn-in agreement with the Company (see disclosure under section “Earn-in agreement with Barrick Gold Corporation”).

As part of the earn-in commitment, The Company is required to deliver a technical report in accordance with NI 43-101, with the subject property being the more advanced of the properties.

For a period of 120 days after the exercise of the First Option for each property group, the Company will have the Second Option to acquire the remaining 20% (aggregate 100%) interest, by making a payment of US \$400,000 cash and a payment of US \$400,000 payable in common shares of the Company, or in cash (at the Company’s option) to the underlying owners. Acquisition of 100% is subject to a 0.75% NSR Royalty, of which two-thirds of the royalty (0.5%) can be purchased at any time for US \$1,000,000.

*Earn-in agreement with Barrick Gold Corporation*

Effective February 25, 2022, the Company and Barrick Gold Corporation (“Barrick”) entered into an earn-in agreement whereby Barrick has the right to acquire up to an 85% interest in the Company’s group of properties Cerro Bayo, Cerro Bayo Sur and Flora Este. Barrick’s earn-in right consists of an initial option (the “Barrick First Option”) to acquire a 70% interest in the properties and a second option (the “Barrick Second Option”) to acquire an additional 15% (aggregate 85%) interest.

The properties are currently subject to an underlying option agreement dated February 7, 2019, as amended, pursuant to which the Company has the right to acquire an ultimate 100% interest in the properties.



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**3. EXPLORATION AND EVALUATION ASSETS** *(Cont'd...)*

**Tres Cerros – Argentina** *(Cont'd...)*

*Earn-in agreement with Barrick Gold Corporation (Cont'd...)*

The earn-in terms for the Barrick First Option (70% interest) and Barrick Second Option (15%) for an aggregate of 85% interest in Cerro Bayo, Cerro Bayo Sur and Flora Este are as follows:

<b>Date</b>	<b>Payments in cash (US\$)</b>	<b>Exploration expenditures<sup>(1)</sup> (US\$)</b>	<b>Technical report requirement<sup>(2)</sup></b>
<b><u>Barrick First Option</u></b>			
February 25, 2022	150,000 (received)	-	-
On or before February 25, 2023	50,000	-	-
On or before February 25, 2024	50,000	1,000,000	-
On or before February 25, 2025	50,000	-	-
On or before February 25, 2026	75,000	-	-
On or before February 25, 2027	100,000	2,000,000	-
On or before February 25, 2028	125,000	-	-
On or before February 25, 2029	150,000	2,000,000	Preliminary Economic Assessment
	<b>750,000</b>	<b>5,000,000</b>	
<b><u>Barrick Second Option</u></b>			
On or before February 25, 2030	175,000	-	-
On or before February 25, 2031	250,000	-	Prefeasibility Study
	<b>US\$ 1,175,000</b>	<b>US\$ 5,000,000</b>	

(1) US\$1,000,000 is a binding commitment (work or cash in lieu)

(2) Preliminary Economic Assessment and Prefeasibility Study prepared in accordance with NI 43-101

<b>Date</b>	<b>Assumed payments due under underlying option agreement (US\$)</b>
April 20, 2022 <sup>(1)</sup>	152,334 (received)
April 20, 2023	233,577
April 20, 2024	382,789
April 20, 2025	753,093
Upon the exercise of Company's Second Option with the underlying owners	800,000
<b>Total</b>	<b>US\$ 2,321,793</b>

(1) US\$ 152,334 was paid by Barrick directly to the underlying owner of the properties on behalf of the Company.

**3. EXPLORATION AND EVALUATION ASSETS** *(Cont'd...)***Tres Cerros – Argentina** *(Cont'd...)**Earn-in agreement with Barrick Gold Corporation (Cont'd...)*

Barrick may at any time during the term of the earn-in agreement accelerate the timing for payment of any or all cash payments to the Company and the underlying owner of the properties, delivery of technical studies, and incurring exploration expenditures.

Upon the exercise of the Barrick First Option, the Company and Barrick will form a joint venture for the continued exploration, development and, if warranted, mining of Property group 1. The initial participating interests of the parties in the joint venture will be Barrick – 70% and the Company - 30%. If Barrick exercises the Barrick Second Option, the interests of the participants will be Barrick – 85% and the Company - 15%. The party with the majority participating interest will be the operator of Property group 1. Funding of the joint venture's operations will be based on each party's proportionate participating interest, from time to time. Dilution of a party's participating interest will apply in the case of funding shortfalls by either party. If a party's participating interest in the joint venture falls to below 5%, it will be converted into a 1.5% NSR Royalty. The transfer of the NSR Royalty shall be subject to a right of first refusal in favour of the non-diluting party.

**Lacsha Property – Peru**

The Company acquired the Lacsha copper property by staking. The 100% owned property consists of 4,000 hectares and is located in the northern Lima-Ica portion of the Coastal Copper Belt, 110 km from Lima, Peru.

**Auquis Property – Peru**

The Company acquired the Auquis copper property by staking. The 100% owned property consists of 3,600 hectares and is located in the northern Lima-Ica portion of the Coastal Copper Belt, 377 km south of Lima Peru.

**Jacha Property – Peru**

The Company acquired the Jacha copper property by staking. The 100% owned property consists of 2,200 hectares and is located 150 km from Cuzco and is accessible year-round by paved and unpaved road.

**Yanba Property – Peru**

The Company acquired the Yanba copper property by staking. The 100% owned property consists of 4,000 hectares and is located and is located 91 km north of Lima and 20 km north-west from Lacsha property.

**Lolli, Tilo, Para Property group – Peru**

The Company acquired the three copper exploration projects by staking. The 100% owned projects cover 5,000 hectares and are located in the Coastal Copper Belt, Peru. The projects are located approximately 130 km southwest of the Company's Lacsha copper project.

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**3. EXPLORATION AND EVALUATION ASSETS (Cont'd...)**

**Exploration and evaluation assets continuity**

	ARGENTINA	PERU	TOTAL
			\$
<b>Balance, October 31, 2020</b>	<b>\$ 3,823,493</b>	<b>\$ 85,667</b>	<b>3,909,160</b>
<i>Acquisition costs</i>			
Shares issued, fair value	174,000	-	174,000
Shares issued for finder's fees, fair value	93,893	-	93,893
Option payments	516,400	35,889	552,289
Option proceeds	(511,302)	-	(511,302)
Claim maintenance and legal fees	141,945	43,456	185,401
Total acquisition costs (recoveries) for the year	414,936	79,345	494,281
<i>Exploration costs</i>			
Community relations	-	1,122	1,122
Field expenses	-	71,438	71,438
Geological consulting	22,673	147,663	170,336
Geochemical	4,345	22,731	27,076
Share-based compensation	-	35,254	35,254
Total exploration costs for the year	27,018	278,208	305,226
Recovery	271,086	-	271,086
<b>Balance, October 31, 2021</b>	<b>\$ 4,536,533</b>	<b>\$ 443,220</b>	<b>\$4,979,753</b>
<i>Acquisition costs</i>			
Shares issued for finder's fees, fair value	52,738	-	52,738
Option payments	195,414	-	195,414
Option proceeds	(704,469)	-	(704,469)
Claim maintenance and legal fees	168,089	3,001	171,090
Total acquisition costs (recoveries) for the period	(288,228)	3,001	(285,227)
<i>Exploration costs</i>			
Community relations	-	5,115	5,115
Field expenses	-	84,167	84,167
Geological consulting	9,177	124,775	133,952
Geochemical	5,551	31,039	36,590
Geophysical	-	49,005	49,005
Total exploration costs for the period	14,728	294,101	308,829
Impairment	(315,804)	-	(315,804)
<b>Balance, April 30, 2022</b>	<b>\$3,947,229</b>	<b>\$ 740,322</b>	<b>\$4,687,551</b>

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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(Expressed in Canadian dollars)

**3. EXPLORATION AND EVALUATION ASSETS (Cont'd...)**

**Exploration and evaluation assets continuity (Cont'd...)**

ARGENTINIAN EXPLORATION PROPERTIES	Organullo Argentina	Mina Angela Argentina	El Quemado Argentina	Esperanza Argentina	Tres Cerros Argentina	TOTAL Argentina
<b>Balance, October 31, 2020</b>	<b>\$ 16,188</b>	<b>\$ -</b>	<b>\$ 597,275</b>	<b>\$ 3,044,824</b>	<b>\$ 165,206</b>	<b>\$ 3,823,493</b>
<i>Acquisition costs</i>						
Shares issued, fair value	-	-	-	-	174,000	174,000
Shares issued for finder's fees, fair value	-	-	-	93,893	-	93,893
Option payments	-	-	-	294,697	221,703	516,400
Option proceeds	-	(315,425)	-	(195,877)	-	(511,302)
Claim maintenance and legal fees	17,086	44,339	3,648	52,878	23,994	141,945
Total acquisition costs (recoveries) for the year	17,086	(271,086)	3,648	245,591	419,697	414,936
<i>Exploration costs</i>						
Geological consulting	-	-	-	4,580	18,138	22,673
Geochemical	3,035	-	-	1,310	-	4,345
Total exploration costs for the year	3,035	-	-	5,890	18,138	27,018
Recovery	-	271,086	-	-	-	271,086
<b>Balance, October 31, 2021</b>	<b>\$ 36,309</b>	<b>\$ -</b>	<b>\$ 600,923</b>	<b>\$ 3,296,305</b>	<b>\$ 602,996</b>	<b>\$ 4,536,533</b>
<i>Acquisition costs</i>						
Shares issued for finder's fees, fair value	-	-	-	52,738	-	52,738
Option payment	-	-	-	-	195,414	195,414
Option proceeds	-	-	-	(317,850)	(386,619)	(704,469)
Claim maintenance and legal fees	36,601	-	1,631	5,271	124,586	168,089
Total acquisition costs (recoveries) for the period	36,601	-	1,631	(259,841)	(66,619)	(288,228)
<i>Exploration costs</i>						
Geological consulting	-	-	-	-	9,177	9,177
Geochemical	1,589	-	-	10	3,952	5,551
Total exploration costs for the period	1,589	-	-	10	13,129	14,728
Impairment	-	-	-	-	(315,804)	(315,804)
<b>Balance, April 30, 2022</b>	<b>\$ 74,499</b>	<b>\$ -</b>	<b>\$ 602,554</b>	<b>\$ 3,036,474</b>	<b>\$ 233,702</b>	<b>\$ 3,947,229</b>

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**3. EXPLORATION AND EVALUATION ASSETS (Cont'd...)**

**Exploration and evaluation assets continuity (Cont'd...)**

PERUVIAN EXPLORATION PROPERTIES	Lacsha Peru	Auquis Peru	Jacha Peru	Yanba Peru	Lolli, Tilo, Para Peru	Total
<b>Balance, October 31, 2020</b>	<b>\$ 40,769</b>	<b>\$ 30,679</b>	<b>\$ 14,219</b>	<b>\$ -</b>	<b>\$ -</b>	<b>85,667</b>
<i>Acquisition costs</i>						
Cash payments	-	-	-	15,996	19,893	<b>35,889</b>
Claim maintenance and legal fees	17,514	15,182	10,760	-	-	<b>43,456</b>
Total acquisition costs for the year	17,514	15,182	10,760	15,996	19,893	<b>79,345</b>
<i>Exploration costs</i>						
Community relations	1,122	-	-	-	-	<b>1,122</b>
Field expenses	47,298	7,884	16,256	-	-	<b>71,438</b>
Geological consulting	121,823	21,439	4,401	-	-	<b>147,663</b>
Geochemical	22,340	-	391	-	-	<b>22,731</b>
Share-based compensation	35,254	-	-	-	-	<b>35,254</b>
Total exploration costs for the year	227,837	29,323	21,048	-	-	<b>278,208</b>
<b>Balance, October 31, 2021</b>	<b>\$ 286,120</b>	<b>\$ 75,184</b>	<b>\$ 46,027</b>	<b>\$ 15,996</b>	<b>\$ 19,893</b>	<b>\$ 443,220</b>
<i>Acquisition costs</i>						
Claim maintenance and legal fees	2,260	741	-	-	-	<b>3,001</b>
Total acquisition costs for the period	2,260	741	-	-	-	<b>3,001</b>
<i>Exploration costs</i>						
Community relations	5,115	-	-	-	-	<b>5,115</b>
Field expenses	64,200	17,247	2,088	598	34	<b>84,167</b>
Geological consulting	92,690	26,688	5,177	55	165	<b>124,775</b>
Geochemical	21,652	9,387	-	-	-	<b>31,039</b>
Geophysical	49,005	-	-	-	-	<b>49,005</b>
Total exploration costs for the period	232,662	53,322	7,265	653	199	<b>294,101</b>
<b>Balance, April 30, 2022</b>	<b>\$ 521,042</b>	<b>\$ 129,247</b>	<b>\$ 53,292</b>	<b>\$ 16,649</b>	<b>\$ 20,092</b>	<b>\$ 740,322</b>

#### **4. SHARE CAPITAL AND RESERVES**

##### **Authorized share capital**

Unlimited number of voting common shares without nominal or par value.

##### **Share issuances**

###### Six months ended April 30, 2022

During the six months ended April 30, 2022, the Company issued 390,656 common shares for a finders' fee on a property acquisition, fair-valued at \$0.135 per share for a total of \$52,738 (US\$ 41,260) (Note 3 – Esperanza – Argentina). The fair value per share was based on the listed market price of the Company's common shares at the date of issuance.

###### Six months ended April 30, 2021

During the three months ended January 31, 2021, the Company issued 92,712 common shares for a finders' fee on a property acquisition, fair-valued at \$0.12 per share for a total of \$11,125 (Note 3 – Esperanza – Argentina). The fair value per share was based on the listed market price of the Company's common shares at the last trading date immediately preceding the agreed upon payment date.

In addition, the Company issued 1,200,000 common shares fair-valued at \$0.12 per share for a total of \$174,000 in connection to property acquisition as per Tres Cerros properties option agreements. (Note 3 – Tres Cerros – Argentina). The fair value per share was based on the listed market price of the Company's common shares at the date of issuance of shares.

##### **Stock options**

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may, from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted. Such options will be exercisable for a period of up to five years from the date of grant. Vesting of stock options is at the discretion of the Board of Directors.

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**4. SHARE CAPITAL AND RESERVES (Cont'd...)**

**Stock options (Cont'd...)**

Stock option transactions for the six months ended April 30, 2022 and the year ended October 31, 2021 are summarized as follows:

	<b>April 30, 2022</b>		<b>October 31, 2021</b>	
	Number of options	Weighted average exercise price	Number of options	Weighted Average exercise price
Options outstanding, beginning of the year	5,470,00	\$0.13	4,615,000	\$0.13
Granted	-	-	1,105,000	\$0.15
Expired / Forfeited	-	-	(250,000)	\$0.13
<b>Options outstanding, end of the period</b>	<b>5,470,000</b>	<b>\$0.13</b>	<b>5,470,000</b>	<b>\$0.13</b>

As at April 30, 2022, the Company had stock options outstanding and exercisable enabling the holder to acquire common shares as follows:

Number of shares	Exercise price per option	Expiry Date	Remaining life in years
4,150,000	\$0.13	November 19, 2022	0.6
45,000	\$0.06	June 8, 2023	1.1
70,000	\$0.14	August 31, 2023	1.3
100,000	\$0.14	October 1, 2023	1.4
150,000	\$0.16	January 13, 2024	1.7
955,000	\$0.15	October 20, 2024	2.5
<b>5,470,000</b>	<b>\$0.13</b>		<b>1.0</b>

The weighted average remaining contractual life of options outstanding and exercisable at April 30, 2022 was 1.0 (October 31, 2021 – 1.4) years.

The Company uses the Black-Scholes option pricing model to fair-value stock options granted and compensatory warrants issued. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. The following weighted average assumptions were used:

	<b>Six months ended April 30,</b>	
	<b>2022</b>	<b>2021</b>
Risk-free interest rate	-	0.21%
Expected life of options	-	3
Annualized volatility	-	107%
Dividend rate	-	0%
Forfeiture rate	-	0%

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**4. SHARE CAPITAL AND RESERVES (Cont'd...)**

**Stock options (Cont'd...)**

The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected life of options is the average expected period to exercise. Volatility is based on available historical volatility of the Company's share price.

No stock options were granted during the six months ended April 30, 2022. The Company granted 150,000 stock options during the six months ended April 30, 2021, with each option exercisable at a price of \$0.16 for a period of three years from grant date. The stock options were fair-valued at \$0.10 per stock option using the Black-Scholes option pricing model and assumptions as detailed in the table above. The stock options granted during the six months ended April 30, 2021 vested immediately and \$14,967 in share-based compensation was recognized in the statement of loss for the period.

**Warrants**

The following common share purchase warrants are outstanding as at April 30, 2022 and entitle the holders thereof to purchase one common share for each warrant:

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
4,333,334	\$ 0.25	October 7, 2023
272,346	\$ 0.15	October 7, 2022
<b>4,605,680</b>	<b>\$ 0.24</b>	

The weighted average remaining contractual life of warrants outstanding at April 30, 2022, was 1.4 (October 31, 2021 – 1.9) years.

Warrants transactions for the six months ended April 30, 2022 and year ended October 31, 2021 are summarized as follows:

	<b>April 30, 2022</b>		<b>October 31, 2021</b>	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding, beginning of the year	4,605,680	\$ 0.24	1,452,227	\$ 0.74
Issued	-	-	4,605,680	\$ 0.24
Expired	-	-	(1,452,227)	\$ 0.74
<b>Warrants outstanding, end of the period</b>	<b>4,605,680</b>	<b>\$ 0.24</b>	<b>4,605,680</b>	<b>\$ 0.24</b>



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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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**5. RELATED PARTY TRANSACTIONS**

**Key management personnel compensation**

The Company's key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company's key management personnel comprise officers and directors of the Company. Key management personnel compensation is as follows:

	Three months ended		Six months ended	
	2022	April 30, 2021	2022	April 30, 2021
Directors' fees, salaries and benefits	\$ 41,500	\$ 35,200	\$ 83,000	\$ 68,000
Consulting fees <sup>1</sup>	16,800	12,600	33,600	25,200
Share-based compensation	-	-	-	14,967
	<b>\$ 58,300</b>	<b>\$ 47,800</b>	<b>\$ 116,600</b>	<b>\$ 108,167</b>

<sup>1</sup> Fees paid to a corporation for personnel that is acting as key management of the Company.

As at April 30, 2022 the Company had amounts payable to key management personnel of \$4,862 included in accounts payable (October 31, 2021 - \$Nil).

No post-employment benefits, termination benefits, or other long-term benefits were paid to or recorded for key management personnel during the three and six months ended April 30, 2022 and 2021.

**Loans from related parties**

During the year ended October 31, 2018, the Company secured loans in the amount of \$100,000 from each of the CEO and a director of the Company totalling \$200,000 (the "Loans"). The Loans had a three-year term and bear interest at the rate of 5% per annum compounded annually, payable on the maturity date. In connection with the Loans, the Company issued 178,571 common share purchase warrants to each of the lenders. Each warrant entitles the holder to purchase one common share of the Company for a period of three years at an exercise price of \$0.56 per share.

On inception, the Company allocated the total proceeds received between the liability and equity components (warrants) using the residual method, based on a discount rate of 17%, which is the estimated cost at which the Company could borrow similar debt without any equity instruments attached. The liability component is measured at amortized cost and is accrued over the term to maturity using the effective interest method. The equity component is presented as a component of shareholders' equity.

The continuity of the Loans is as follows:

	April 30, 2022	October 31, 2021
Opening balance, principal	\$ -	\$ 180,222
Accretion to face value of the Loans – finance costs	-	19,778
Repayment	-	(200,000)
Ending balance	\$ -	\$ -

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**5. RELATED PARTY TRANSACTIONS (Cont'd...)**

On November 6, 2020, the Company repaid in full the principal amount of \$200,000 of Loans from related parties plus accrued interest of \$25,286, for an aggregate amount of \$225,286. The accrued interest expense is presented as part of finance costs and was included in accounts payable and accrued liabilities.

During the six months ended April 30, 2021 the Company accrued interest expense in connection with the Loans in the amount of \$1,166, which was presented as part of finance costs. There were no Loans outstanding as at April 30, 2022 and October 31, 2021.

**6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

	<b>Six months ended April 30,</b>	
	<b>2022</b>	<b>2021</b>
Net change in accounts payable and accrued liabilities included in exploration and evaluation assets	\$ (805)	\$ 4,103
Shares issued for finder' fees - mineral exploration properties, fair value	52,738	185,125

**7. FINANCIAL RISK MANAGEMENT AND MANAGEMENT OF CAPITAL**

**Fair value**

The fair values of the Company's receivables, net of input tax credits, and accounts payable and accrued liabilities approximate their carrying amounts due to their short-term nature.

**Fair value hierarchy**

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities which include cash and cash equivalents;

-Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash and cash equivalents have been fair valued using Level 1 of the fair value hierarchy.

**7. FINANCIAL RISK MANAGEMENT AND MANAGEMENT OF CAPITAL** *(Cont'd...)***Financial risk management**

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

*Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and receivables. Cash and cash equivalents are maintained with financial institutions of reputable credit and are redeemable on demand.

The carrying amount of receivables, represents the maximum credit exposure.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is engaged in ongoing evaluation of opportunities to improve its financial position which includes, but is not limited to, additional equity financings, obtaining exploration partners and/or the sale of assets. At April 30, 2022, the Company has working capital of \$432,771 (October 31, 2021 –\$780,698). At April 30, 2022, the Company had accounts payable and accrued liabilities of \$130,915 (October 31, 2021 - \$143,218) due within 30 days.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

*Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no outstanding debt subject to variable interest. Accordingly, the Company does not believe it is exposed to significant interest rate risk on its cash balances which are held in accounts subject to variable rates.

*Foreign exchange risk*

The Company is exposed to foreign currency risk to the extent that monetary financial instruments are denominated in United States, Argentinean and Peruvian currencies. The Company's operating expenses are incurred primarily in Canadian dollars; its exploration programs are primarily in Argentina and are denominated in either United States dollars or Argentine pesos. The fluctuation of the Canadian dollar will, consequently, have an impact upon the reported profit or loss of the Company and may also affect the value of the Company's assets and liabilities. The Company continuously monitors this exposure to determine if any mitigation strategies become necessary.

*Price risk*

The Company is exposed to price risk with respect to commodity prices, particularly those included in its exploration and evaluation asset portfolio. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Three and six months ended April 30, 2022 and 2021**

(Expressed in Canadian dollars)

**7. FINANCIAL RISK MANAGEMENT AND MANAGEMENT OF CAPITAL** *(Cont'd...)*

**Management of capital**

The Company's objectives in managing its capital (items included in shareholders' equity) are to fund acquisition, exploration and development of its exploration and evaluation assets and to meet its administrative and corporate activities to ensure that the Company continues as a going concern.

The Company is an exploration stage company and is currently unable to self-finance its operations. The Company has historically relied on equity financings to raise sufficient funds to carry out its exploration and acquisition activities and pay its administrative costs. Therefore, the Company intends to raise additional funds as required to carry out its planned activities.

The Company manages the capital structure and makes appropriate adjustments to it based upon 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, issue debt and acquire or dispose of assets. In order to manage its capital requirements management has put into place a planning and budgeting process.

The Company is not subject to any externally imposed capital requirements or restrictions, and there were no changes to the Company's approach to managing capital during the six months ended April 30, 2022 and year ended October 31, 2021.

**8. SEGMENTED INFORMATION**

The Company operates in one industry segment, the mineral resources industry, and in three geographical segments, Canada, Argentina and Peru. The significant long-term asset categories identifiable with these geographical areas are as follows:

	<b>April 30, 2022</b>			
	<b>Canada</b>	<b>Argentina</b>	<b>Peru</b>	<b>Total</b>
Exploration and evaluation assets	\$ -	\$ 3,947,229	\$ 740,322	\$ 4,687,551
Equipment	5,465	5,818	3,511	14,794
<b>Total long-term assets</b>	<b>\$ 5,465</b>	<b>\$ 3,953,047</b>	<b>\$ 743,833</b>	<b>\$ 4,702,345</b>

	<b>October 31, 2021</b>			
	<b>Canada</b>	<b>Argentina</b>	<b>Peru</b>	<b>Total</b>
Exploration and evaluation assets	\$ -	\$ 4,536,533	\$ 443,220	\$ 4,979,753
Equipment	5,545	5,823	3,502	14,870
<b>Total long-term assets</b>	<b>\$ 5,545</b>	<b>\$ 4,542,356</b>	<b>\$ 446,722</b>	<b>\$ 4,994,623</b>