Golden Arrow Resources Corporation

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2023 AND 2022

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed interim financial statements.

Golden Arrow Resources Corporation
Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2023 $	December 31, 2022 $
ASSETS			
Current assets			
Cash and cash equivalents		734,969	606,710
Investments	5, 6	1,200,000	5,623,720
Amounts receivable	8	537,614	376,874
Prepaid expenses		268,051	166,982
Total current assets		2,740,634	6,774,286
Non-current assets			
Equipment	3	-	4,079
Right-of-use assets	4	326,092	414,936
Mineral property interests	5	4,317,168	4,245,325
Total non-current assets		4,643,260	4,664,340
Total Assets		7,383,894	11,438,626
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	402,919	584,782
Current portion of lease liabilities	4	60,276	106,401
Total current liabilities		463,195	691,183
Lease liabilities	4	288,318	321,058
Total liabilities		751,513	1,012,241
EQUITY			
Share capital	7	38,757,656	38,088,211
Reserves	7	26,983,361	26,691,634
Deficit		(59,108,636)	(54,353,460)
Total equity		6,632,381	10,426,385
Total Equity and Liabilities		7,383,894	11,438,626

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 27, 2023. They are signed on the Company's behalf by:

"Nikolaos Cacos" , Director

"*David Terry*" , Director

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

Golden Arrow Resources Corporation
Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended September 30, 2023 $	Three months ended September 30, 2022 $	Nine months ended September 30, 2023 $	Nine months ended September 30, 2022 $
Expenses					
Administration and management services	8	106,300	106,300	333,000	318,900
Corporate development and investor relations		110,438	167,718	470,978	451,857
Depreciation		29,615	27,398	88,844	82,275
Exploration	5	963,867	538,964	4,454,632	3,379,602
Office and sundry	8	68,987	46,887	159,901	167,852
Professional fees		37,835	38,345	168,341	182,158
Rent, parking and storage		12,935	10,959	22,931	23,834
Salaries and employee benefits	8	236,503	209,820	759,866	641,451
Share-based compensation		284,276	-	284,276	-
Transfer agent and regulatory fees		10,073	15,464	27,729	38,190
Travel and accommodation		168	10,915	26,822	30,606
Loss from operating activities		(1,860,997)	(1,172,770)	(6,797,320)	(5,316,725)
Foreign exchange gain		394,250	134,041	848,552	979,614
Interest expense		(9,655)	(8,751)	(30,746)	(25,918)
Option income	5, 6	1,200,000	-	1,200,000	150,000
Interest income		-	2,475	-	5,162
Dividend income		563	29,010	24,338	87,256
Impairment of exploration and evaluation assets	5	-	(35,252)	-	(562,897)
Loss for the period		(275,839)	(1,051,247)	(4,755,176)	(4,683,508)
Other comprehensive loss					
Items that will not be reclassified to profit or loss					
Change in fair value of marketable securities	6	(5,108)	(387,440)	(118,881)	(197,689)
Other comprehensive loss for the period		(5,108)	(387,440)	(118,881)	(197,689)
Comprehensive loss for the period		(280,946)	(1,438,687)	(4,874,057)	(4,881,197)
Basic and diluted loss per common share ($)	9	(0.00)	(0.01)	(0.04)	(0.04)

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

Golden Arrow Resources Corporation
Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

		Nine months ended September 30,	
		2023	2022
	Note	$	$
Cash flows from operating activities			
Loss for the period		(4,755,176)	(4,683,508)
Adjustments for:			
Depreciation		88,844	82,275
Depreciation of property and equipment included in exploration expenses		4,079	11,024
Interest expense		30,746	25,918
Option income		(1,200,000)	-
Dividend income		(24,338)	(87,256)
Share-based compensation		284,276	-
Impairment of exploration and evaluation assets		-	562,897
		(5,571,569)	(4,088,650)
Change in non-cash working capital items:			
Increase in amounts receivable		(160,740)	(321,224)
Increase in prepaid expenses		(101,069)	(92,059)
Decrease in accounts payable and accrued liabilities		(181,863)	39,121
Net cash used in operating activities		(6,015,241)	(4,462,812)
Cash flows from investing activities			
Expenditures on mineral property interests	5	(71,843)	(4,244,539)
Proceeds of marketable securities	6	5,504,839	8,316,017
Dividend income		24,338	87,256
Net cash generated by investing activities		5,457,334	4,158,734
Cash flows from financing activities			
Issuance of shares and warrants, net of share issue costs		795,777	-
Lease payments		(109,611)	(107,165)
Net cash generated by (used in) financing activities		686,166	(107,165)
Net increase (decrease) in cash and cash equivalents		128,259	(411,243)
Cash and cash equivalents at beginning of period		606,710	903,568
Cash and cash equivalents at end of period		734,969	492,325

Golden Arrow Resources Corporation
Consolidated Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves					
	Number of shares	Amount $	Contributed surplus $	Equity settled share-based payments $	Warrants $	Accumulated other comprehensive income $	Deficit $	Total $
Balance at December 31, 2021	115,167,239	38,088,211	16,829,699	2,265,165	1,170,992	6,456,316	(48,306,833)	16,503,550
Stock options expired	-	-	1,181,964	(1,181,964)	-	-	-	-
Warrants and agents' warrants expired	-	-	7,646	-	(7,646)	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(197,689)	(4,683,508)	(4,881,197)
Balance at September 30, 2022	115,167,239	38,088,211	18,019,309	1,083,201	1,163,346	6,258,627	(52,990,341)	11,622,353
Repurchases of common shares	-	-	52,200	(52,200)	-	-	-	-
Share repurchase costs	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-	-	167,151	(1,363,119)	(1,195,968)
Balance at December 31, 2022	115,167,239	38,088,211	18,071,509	1,031,001	1,163,346	6,425,778	(54,353,460)	10,426,385
Private placement	11,709,357	697,505	-	-	122,150	-	-	819,655
Share issue costs	-	(23,878)	-	-	-	-	-	(23,878)
Agent warrants granted	-	(4,182)	-	-	4,182	-	-	-
Share-based compensation	-	-	-	284,276	-	-	-	284,276
Stock options expired	-	-	680,866	(680,866)	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(118,881)	(4,755,176)	(4,874,057)
Balance at September 30, 2023	126,876,596	38,757,656	18,752,375	634,411	1,289,678	6,306,897	(59,108,636)	6,632,381

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

1. NATURE OF OPERATIONS

Golden Arrow Resources Corporation (the "Company" or "We") was incorporated on September 22, 2015, under the Business Corporations Act in the province of British Columbia. The address of the Company's registered office is Suite 312 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6.

The Company is a natural resource company engaged in the acquisition, exploration and development of resource properties in South America. The Company's mineral property interests presently have no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for mineral property interests are dependent upon the existence 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.

The Company has experienced recurring operating losses and has an accumulated operating deficit of $59,108,636, working capital of $2,277,439 and shareholders' equity of $6,632,381 at September 30, 2023. In addition, the Company has negative cash flow from operating activities of $4,815,241 for the nine months ended September 30, 2023. Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Company on November 27, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and note disclosure included in the annual consolidated financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with the Company's December 31, 2022 audited annual consolidated financial statements.

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for marketable securities, which are carried at fair value.

c) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

	Place of Incorporation	Principal Activity
IMPSA Resources Corporation	BC, Canada	Holding company
New Golden Explorations Inc.	BC, Canada	Holding company
New Golden Explorations Atlantida Ltd.	BC, Canada	Holding company
New Golden Explorations Indiana Ltd.	BC, Canada	Holding company
New Golden Explorations Indiana Chile SpA	Chile	Exploration company
New Golden Explorations Chile SpA	Chile	Exploration company
Lucca S.A.	Paraguay	Exploration company
Desarrollo de Recursos S.A.	Argentina	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the financial statements.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Estimation uncertainty and Accounting policy judgments

The Company's management makes judgments in its process of applying the Company's accounting policies in preparations of these consolidated financial statements. In addition, these consolidated financial statements include estimates which, require management to make estimates of future uncertain events on the carrying amount of the Company's assets and liabilities at the end of the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. There are no material areas of estimation uncertainty as at September 30, 2023.

Accounting policy judgments:

- The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or are not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral property interests in the specific area is neither budgeted nor planned, (iii) exploration for and evaluation of mineral property interests in the specific area have not led to the discovery of commercially viable quantities of mineral resources; and (iv) sufficient data exists to indicate that the carrying amount of the mineral property interests is unlikely to be recovered in full from successful development or by sale. If impairment is determined to exist, a formal estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. EQUIPMENT

	Vehicles $	Other $	Total $
Cost			
Balance at December 31, 2021	88,153	152,937	241,090
Additions	(88,153)	-	(88,153)
Balance at December 31, 2022 and September 30, 2023	-	152,937	152,937
Accumulated Depreciation			
Balance at December 31, 2021	27,398	147,257	174,655
Depreciation	10,274	1,601	11,875
Dispositions	(37,672)	-	(37,672)
Balance at December 31, 2022	-	148,858	148,858
Depreciation	-	4,079	4,079
Balance at September 30, 2023	-	152,937	152,937
Carrying Amount			
At December 31, 2022	-	4,079	4,079
At September 30, 2023	-	-	-

4. RIGHT-OF-USE ASSETS

The Company capitalized two office lease arrangements in accordance with IFRS 16. The continuity schedule of right-of-use assets for the nine months ended September 30, 2023 is as follows:

	Total $
Cost	
Balance at December 31, 2021	578,476
Additions	190,452
Balance at December 31, 2022 and September 30, 2023	768,928
Accumulated Depreciation	
Balance at December 31, 2021	244,319
Depreciation	109,673
Balance at December 31, 2022	353,992
Depreciation	88,844
Balance at September 30, 2023	442,836
Carrying Amount	
At December 31, 2022	414,936
At September 30, 2023	326,092

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. RIGHT-OF-USE ASSETS (continued)

The outstanding balances of lease liabilities are calculated using an implied rate of 12% p.a. The following is a schedule of the Company's future minimum lease payments related to the lease obligations:

		Total $
	2023	36,537
	2024-2027	374,232
Total minimum lease payments		410,769
Less: Imputed interest		(62,175)
Total present value of minimum lease payments		348,594
Less: Current portion		(60,276)
Non-current portion		288,318

5. MINERAL PROPERTY INTERESTS

The schedules below summarize the carrying costs of acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company is continuing to explore as at September 30, 2023:

Acquisition Costs

	Chile		Argentina		Paraguay		
	San Pietro $	Rosales $	Espota	Flecha de Oro $	Tierra Dorada $	Other $	Total $
Balance – December 31, 2021	-	74,285	-	113,016	443,427	7,240	637,968
Additions							
Staking costs, land payments and acquisition costs	4,238,085	-	-	-	6,454	-	4,244,539
Impairment of exploration and evaluation assets	-	-	-	(113,016)	(449,881)	-	(562,897)
Balance – September 30, 2022	4,238,085	74,285	-	-	-	7,240	4,319,610
Additions							
Impairment of exploration and evaluation assets	-	(74,285)	-	-	-	-	(74,285)
Balance – December 31, 2022	4,238,085	-	-	-	-	7,240	4,245,325
Additions							
Impairment of exploration and evaluation assets	-	-	71,843	-	-	-	71,843
Balance – September 30, 2023	4,238,085	-	71,843	-	-	7,240	4,317,168

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

<u>Exploration Expenditures</u>

	Chile	Argentina		Paraguay		
	San Pietro $	Yanso $	Espota $	Tierra Dorada $	Other $	Total $
Cumulative exploration expenses December 31, 2022	347,678	1,177,376	-	1,730,631	17,006,269	20,261,954
Expenditures during the year						
Assays	132,171	11,363	37,233	-	34,449	215,216
Drilling	945,328		-	-	-	945,328
Environmental	-	11,898	1,642	-	15,749	29,289
Geophysics	94,165	-	-	-	-	94,165
Office	76,270	24,774	81,243	4,529	5,432	192,248
Property maintenance payments	221,939	20,332	3,284	-	35,923	281,478
Salaries and contractors	656,637	154,893	456,042	-	12,735	1,280,307
Social and community	-	-	-	91,318	-	91,318
Supplies and equipment	287,051	18,982	178,972	-	10,779	495,784
Transportation	119,841	12,801	33,197	-	555	166,394
Value added taxes	557,647	21,170	71,673	3,017	9,598	663,105
	3,091,049	276,213	863,286	98,864	125,220	4,454,632
Cumulative exploration expenses September 30, 2023	3,438,727	1,453,589	863,286	1,829,495	17,131,489	24,716,586

The schedule below summarizes all exploration expenditures incurred to date for each mineral property interest that the Company was continuing to explore as at September 30, 2022:

	Argentina		Chile	Paraguay		
	Flecha de Oro $	Libanesa $	Rosales $	Tierra Dorada $	Other $	Total $
Cumulative exploration expenses December 31, 2021	2,207,214	-	1,064,488	1,282,805	12,208,453	16,762,960
Expenditures during the period						
Assays	9,941	87,628	-	65,466	6,070	169,105
Drilling	-	323,532	-	27,830	-	351,362
Environmental	-	-	-	-	20,639	20,639
Office	120,924	4,103	328,529	67,934	2,925	524,415
Property maintenance payments	2,992	71,530	159,630	8,830	16,538	259,520
Salaries and contractors	318,145	153,394	90,111	155,185	191,936	908,771
Social and community	-	20,388	-	2,985	10,263	33,636
Supplies and equipment	23,260	245,854	-	11,118	76,803	357,035
Transportation	28,302	216,378	-	8,361	21,218	274,259
Value added taxes	67,242	149,931	199,844	17,589	46,254	480,860
	570,806	1,272,738	778,114	365,298	392,646	3,379,602
Cumulative exploration expenses September 30, 2022	2,778,020	1,272,738	1,842,602	1,648,103	12,601,099	20,142,562

5. MINERAL PROPERTY INTERESTS (continued)

(a) San Pietro, Atacama, Chile

On March 17, 2022, the Company purchased a 100% interest in the San Pietro Iron-oxide Copper Gold Project in Chile from Sumitomo Metal Mining Chile Ltda for cash consideration of $4,238,085 (US$3,350,000). The San Pietro Project includes 18,448 hectares of exploration and exploitation concessions in the Atacama region of Chile.

(b) Rosales Copper Project, Chile

The Company owns a 100% interest in the Rosales Copper Project in Region III, Chile. The Company determined that it would not be exploring the Rosales properties further based on the exploration work during the year, and recorded an impairment of $74,285 related to previously capitalized acquisition costs.

(c) Flecha de Oro Project, Rio Negro, Argentina

The Company held an option agreement to acquire up to 100% of the Flecha de Oro Gold Project that included Puzzle, Esperanza and Maquinchao exploration properties. During the year ended December 31, 2022, the Company determined that it would not be exploring the Puzzle, Esperanza, and Maquinchao properties further based on the exploration work during the year and would discontinue option payments. The Company recorded an impairment of $113,016 related to previously capitalized acquisition costs.

The terms of the Puzzle and Esperanza option agreement included staged payments over seven years totaling US$2,090,000 for a 100% interest in both properties with the vendor retaining a 1% net smelter royalty, which could be reduced to 0.25% for an additional US$1,000,000. The Company had paid US$40,000 of the US$2,090,000 commitment when it determined to terminate the option agreement.

The terms of the Maquinchao option agreement included staged payments over four years totaling US$630,000 for a 100% in the property with the vendor retaining a 1% net smelter royalty. The Company had paid US$30,000 of the US$630,000 commitment when it determined to terminate the option agreement.

(d) Libanesa, Santa Cruz, Argentina

During 2021, the Company entered into a definitive agreement to acquire 75% undivided interest in Libanesa silver-gold project in Santa Cruz province, Argentina from Mirasol Resources Ltd. ("Mirasol"). Terms of the option include cash payments totaling US$1,000,000, and exploration expenditure commitments of US$4,000,000 over six years. The Company terminated the option agreement based on the results of exploration programs during the year ended December 31, 2022.

(e) Mogote Project, Argentina

The Company optioned its Mogote Copper-Gold project (the “Project”) in San Juan Province, Argentina to Australian-based Syndicate Minerals Pty (“Syndicate”). The agreement gives Syndicate the option to earn an 85% interest in Mogote. An initial 80% interest can be earned by spending $5 million on exploration at the Project over five years and making cash payments of $1.9 million over five years, including a payment on signing of $150,000. On April 14, 2023, the Company amended its agreement with Syndicate to accept 4,000,000 common shares with a fair value of $0.30 per share in Mogotes Metals Inc. in lieu of staged cash payments of $1,200,000 (see also Note 6). After completion of the option earn-in, Syndicate can complete a feasibility study to earn a further 5% interest. After that, a joint venture company will be incorporated to advance the Project on a pro rata basis, with provisions for dilution.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

(f) Caballos Project, Argentina

The Company entered into a definitive agreement to option its Caballos copper-gold project to Hanaq Argentina S.A. ("Hanaq"). The agreement gives Hanaq the opportunity to earn a 70% interest in the Project by spending a minimum of US$0.5 million in exploration expenditures within two years, followed by US$3.5 million in exploration expenditures within six years of the Agreement date. On completion of the option earn-in, a joint venture company comprised of 70% Hanaq and 30% Desarrollo de Recursos S.A. will advance the Project on a pro rata basis, with provisions for dilution.

(g) Tierra Dorada Project, Paraguay

The Company held an option agreement to acquire a 100% interest in the Tierra Dorada gold project in Paraguay. During the nine months ended September 30, 2022, the Company determined that it would not be exploring the property further based on the exploration work during 2022 and would discontinue option payments. The Company recorded an impairment of $449,881 for previously capitalized acquisition costs.

The terms of the option agreement included staged payments over six years totaling US$2,000,000 and an additional payment of US$2,000,000 thirty working days following the date of commencement of commercial production on the property, for a 100% interest. The Company had paid US$211,000 of the US$4,000,000 commitment when it determined to terminate the option agreement.

6. INVESTMENTS

An analysis of investments including related gains and losses during the period is as follows:

	Nine months ended September 30,	
	2023 **$**	**2022** **$**
Investments, beginning of period	5,623,720	15,126,236
Option income	1,200,000	-
Disposition of marketable securities	(5,504,839)	(8,316,017)
Change in fair value of marketable securities	(118,881)	(197,689)
Investments, end of period	1,200,000	6,612,530

During the nine months ended September 30, 2023, the Company received 4,000,000 common shares of Mogote Metals Inc. with a fair value of $0.30 per common share for option income of $1,200,000 (2022 - $Nil, see also Note 5). The Company held no common shares of SSRM at September 30, 2023 (September 30, 2022 – 325,580 – $20.30 per share). The Company realized a cumulative gain of $483,048 in other comprehensive income (loss) on disposal of marketable securities for the nine months ended September 30, 2023 (September 30, 2022 - $1,680,287). During the nine months ended September 30, 2023, the Company received $24,338 (2022 - $87,256) in dividends from its investment in SSRM.

7. CAPITAL AND RESERVES

Authorized Share Capital

At September 30, 2023, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. CAPITAL AND RESERVES (continued)

Details of Issues of Common Shares in 2023

On September 26, 2023, the Company completed the first and only tranche of the non-brokered private placement announced on September 13, 2023 and subsequently closed on October 27, 2023. The Company issued 11,709,357 units in this tranche at a price of $0.07 per unit for gross proceeds of $819,655. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.15 per share for three years from the date of issue. Finder's fees paid were $23,878 cash and 341,110 non-transferable warrants exercisable into common shares at $0.15 for three years from the date of issue with a fair value of $4,182. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 4.88%; expected stock price volatility – 61.32%; dividend yield – 0%; and expected warrant life – 2.32 years.

Details of Issues of Common Shares in 2022

There were no share issuances during the nine months ended September 30, 2022.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on a rolling 10% stock option plan, which replaced the Company's prior 20% fixed stock option plan on August 12, 2022. The number of common shares reserved for issuance under the Plan shall not exceed 10% of the issued and outstanding common shares of the Company as at the date of each granted stock option.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX Venture Exchange. Share purchase options granted generally vest immediately, are subject to a four-month hold period and are generally exercisable for a period of five years.

The continuity of share purchase options for the nine months ended September 30, 2023 is as follows:

Expiry date	Exercise Price	December 31, 2022	Granted	Cancelled/ Expired	September 30, 2023	Options exercisable
January 9, 2023	$0.70	1,800,000	-	(1,800,000)	-	-
January 19, 2026	$0.25	4,455,000	-	(150,000)	4,305,000	4,305,000
July 13, 2028	$0.10	-	6,950,000	-	6,950,000	6,950,000
		6,255,000	6,950,000	(1,950,000)	11,255,000	11,255,000
Weighted average exercise price $		0.38	0.10	0.67	0.16	0.16
Weighted average contractual remaining life (years)		2.18	5.00	-	3.84	3.84

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the nine months ended September 30, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2021	Granted	Cancelled/ Expired	September 30, 2022	Options exercisable
June 22, 2022	$0.62	3,250,000	-	(3,250,000)	-	-
January 9, 2023	$0.70	1,900,000	-	-	1,900,000	1,900,000
January 19, 2026	$0.25	4,655,000	-	-	4,655,000	4,655,000
		9,805,000	-	(3,250,000)	6,555,000	6,555,000
Weighted average exercise price $		0.46	-	0.62	0.38	0.38
Weighted average contractual remaining life (years)		2.28	-	-	2.43	2.43

The weighted average fair value of share purchase options granted during the nine months ended September 30, 2023 is $0.041 (2022 - $ Nil).

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Nine months ended September 30,	
	2023	2022
Risk-free interest rate	4.53%	-
Expected option life in years	3.59	-
Expected share price volatility(1)	61.34%	-
Grant date share price	$0.10	-
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

(1) Expected volatility was estimated based on historical trading price.

Warrants

The continuity of warrants for the nine months ended September 30, 2023 is as follows:

Expiry date	Exercise Price	December 31, 2022	Granted	September 30, 2023
February 25, 2024	$0.40	11,051,611	-	11,051,611
March 5, 2024	$0.40	1,290,367	-	1,290,367
March 21, 2024	$0.40	3,462,034	-	3,462,034
June 19, 2024	$0.30	4,062,500	-	4,062,500
June 20, 2024	$0.30	1,950,000	-	1,950,000
September 26, 2026	$0.15	-	12,050,467	12,050,467
		21,816,512	12,050,467	33,866,979
Weighted average exercise price $		0.37	0.15	0.29

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. CAPITAL AND RESERVES (continued)

The continuity of warrants for the nine months ended September 30, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2021	Expired	September 30, 2022
June 19, 2024	$0.30	4,213,000	(150,500)	4,062,500
June 20, 2024	$0.30	1,992,000	(42,000)	1,950,000
February 25, 2023	$0.40	11,051,611	-	11,051,611
March 5, 2023	$0.40	1,290,367	-	1,290,367
March 21, 2023	$0.40	3,462,034	-	3,462,034
		22,009,012	(192,500)	21,816,512
Weighted average exercise price $		0.37	0.30	0.37

8. RELATED PARTY BALANCES AND TRANSACTIONS

On June 1, 2017, the Company entered into a Management Services Agreement with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by an officer and director of the Company and also has another director in common with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current monthly fee is $28,100 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

The Management Services Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of $750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of $1,000,000. The agreement expires on December 31, 2023 and is automatically renewed for additional terms of two years unless otherwise terminated pursuant to the terms of the agreement. The Company's commitment under this agreement is as follows:

	Year 1 $	Year 2 $	Year 3 $
Management Services Agreement	84,300	-	-

	Nine months ended September 30,	
Transactions	**2023** **$**	**2022** **$**
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	267,000	252,900
Office & sundry	42,300	42,300
Total for services rendered	309,300	295,200

Key management personnel compensation

Key management personnel of the company are members of the Board of Directors, as well as the Executive Chairman, President and CEO, CFO, Vice President of Corporate Development and Corporate Secretary.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

8. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

		Nine months ended September 30,	
Transactions	**Position**	**2023 $**	**2022 $**
Consulting, salaries, and professional fees:			
Joseph Grosso	Chairman/President/CEO	251,647	206,250
Darren Urquhart	CFO	54,654	45,000
Nikolaos Cacos	Director/VP – Corp. Development	109,758	93,510
Brian McEwen	VP Exploration	173,071	142,500
Connie Norman	Corporate Secretary	58,786	54,000
David Terry	Director	66,000	3,500
John Gammon	Director	9,000	66,000
Alfred Hills	Director	5,750	9,000
Louis Salley	Former Director	-	9,000
Total for services rendered		728,666	628,760

As at September 30, 2023, there was $506,802 (2022 – $337,201) of costs owed from related corporations for shared services paid by the Company. At September 30, 2023, there was $2,946 (2022 - $33,078) in accounts payable and accrued liabilities that was due to related corporations.

9. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the nine months ended September 30, 2023 and 2022 was based on the following:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Loss attributable to common shareholders ($)	(275,839)	(1,015,995)	(4,755,176)	(4,648,256)
Weighted average number of common shares outstanding	115,803,617	115,167,239	115,381,696	115,167,239

The Company incurred a loss attributable to common shareholders for the nine months ended September 30, 2023 and 2022, therefore the impact of derivative securities is anti-dilutive.

10. SEGMENTED INFORMATION

The Company's operations are limited to a single reportable segment, being mineral exploration and development. The Company's total non-current assets are segmented geographically as follows:

	September 30, 2023			
	Canada $	**Argentina $**	**Chile $**	**Total $**
Right-of-use assets	326,092	-	-	326,092
Mineral property interests	-	79,083	4,238,085	4,317,168
	326,092	79,083	4,238,085	4,643,260

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

10. SEGMENTED INFORMATION (continued)

	December 31, 2022				
	Canada $	**Argentina** $	**Chile** $	**Paraguay** $	**Total** $
Equipment	-	-	-	4,079	4,079
Right-of-use assets	414,936	-	-	-	414,936
Mineral property interests	-	7,240	4,238,085	-	4,245,325
	414,936	7,240	4,238,085	4,079	4,664,340

11. FINANCIAL INSTRUMENTS

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's financial assets consist of cash and cash equivalents, amounts receivable and investments. Investments are carried at fair value and measured using Level 1 inputs. Fair value is determined using closing prices at the balance sheet date with any gains or losses recognized in other comprehensive income. The carrying values of cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(b) Financial Instrument Risk Exposure

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 amounts receivable.

Overall the credit risk of the financial assets held by the Company has not changed significantly from the prior period. The Company places its cash and cash equivalents and short-term investments with financial institutions with high credit ratings. Accordingly, the credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

11. FINANCIAL INSTRUMENTS (continued)

The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future.

As of September 30, 2023, the Company had working capital of $1,077,439 (December 31, 2022 - $6,083,103). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. The Company believes it has adequate working capital to maintain operations for the next 12 months.

	1 Year $	2 Years and more $
Accounts payable and accrued liabilities	402,919	-

Market risk

(i) ***Currency risk***

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include cash accounts, amounts receivable and accounts payable in: US dollars, Argentine Pesos, Chilean Pesos and Paraguayan Guarani. The sensitivity of the Company's net earnings to changes in the exchange rate between the Canadian dollar and the United States dollar, Argentine Peso, Chilean Peso and Paraguayan Guarani at September 30, 2023 is summarized as follows:

- A 10% change in the Argentine peso exchange rate relative to the Canadian dollar would change the Company's net loss by $24,500.

- A 10% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $12,000.

The Company may acquire and transfer marketable securities from time to time, to facilitate intragroup funding transfers between the Canadian parent and its Argentine subsidiaries. The Company does not acquire marketable securities and engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large and well-established companies with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over several days, some fluctuations are unavoidable. As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading, all changes in the fair value of the instruments between acquisition and disposition are recognized through profit or loss.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears no interest and short-term investments are redeemable at any time without penalty, with interest paid from the date of purchase. The fair value of cash and short-term investments approximate their carrying values due to the immediate or short-term maturity of these financial instruments. Effect of the change in interest rate is not material.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of shareholders' equity and loans. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments.