Golden Arrow Resources Corporation

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED
JUNE 30, 2022 AND 2021

(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	June 30, 2022 $	December 31, 2021 $
ASSETS			
Current assets			
Cash and cash equivalents		1,560,686	903,568
Investments	6	6,999,970	15,126,236
Amounts receivable	8	263,959	73,161
Prepaid expenses		157,083	96,158
Total current assets		8,981,698	16,199,123
Non-current assets			
Equipment	3	59,054	66,435
Right-of-use assets	4	279,280	334,157
Mineral property interests	5	4,354,862	637,968
Total non-current assets		4,693,196	1,038,560
Total Assets		13,674,894	17,237,683
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	322,161	387,255
Current portion of lease liabilities		77,120	109,870
Total current liabilities		399,281	497,125
Lease liabilities		214,573	237,008
Total liabilities		613,854	734,133
EQUITY			
Share capital	7	38,088,211	38,088,211
Reserves	7	26,911,923	26,722,172
Deficit		(51,939,094)	(48,306,833)
Total equity		13,061,040	16,503,550
Total Equity and Liabilities		13,674,894	17,237,683

SUBSEQUENT EVENTS (Note 13)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 24, 2022. 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 June 30, 2022 $	Three months ended June 30, 2021 $	Six months ended June 30, 2022 $	Six months ended June 30, 2021 $
Expenses					
Administration and management services	8	106,300	115,000	212,600	230,000
Corporate development and investor relations		185,747	110,819	284,139	251,489
Depreciation		27,398	27,818	54,877	55,637
Exploration	5	1,676,643	571,967	2,840,639	1,197,903
Office and sundry	8	72,954	66,573	120,964	132,691
Professional fees		50,341	58,766	143,813	102,956
Rent, parking and storage		10,850	8,436	12,875	6,122
Salaries and employee benefits	8	224,811	215,787	431,631	434,665
Share-based compensation		-	-	-	349,092
Transfer agent and regulatory fees		16,086	5,017	22,726	19,030
Travel and accommodation		19,691	-	19,691	-
Loss from operating activities		(2,390,821)	(1,180,183)	(4,143,955)	(2,779,585)
Foreign exchange gain		401,061	13,474	845,573	177,584
Interest expense		(9,508)	(4,678)	(17,167)	(10,148)
Option income	5	150,000	-	150,000	-
Interest income		2,383	50	2,687	2,746
Dividend income		58,246	40,449	58,246	83,076
Impairment of exploration and evaluation assets	5	(449,881)	-	(527,645)	-
Loss for the period		(2,238,520)	(1,130,888)	(3,632,261)	(2,526,327)
Other comprehensive income (loss)					
Items that will not be reclassified to profit or loss					
Change in fair value of marketable securities	6	(1,849,293)	939,056	189,751	(4,188,596)
Other comprehensive income (loss) for the period		(1,849,293)	939,056	189,751	(4,188,596)
Comprehensive loss for the period		(4,087,813)	(191,832)	(3,442,510)	(6,714,923)
Basic and diluted loss per common share ($)	9	(0.02)	(0.01)	(0.03)	(0.02)

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)

		Six months ended June 30,	
		2022	2021
	Note	$	$
Cash flows from operating activities			
Loss for the period		(3,632,261)	(2,526,327)
Adjustments for:			
Depreciation		54,877	55,637
Depreciation of property and equipment included in exploration expenses		7,381	7,229
Interest expense		17,167	10,148
Share-based compensation		-	349,092
Impairment of exploration and evaluation assets		527,645	-
		(3,025,191)	(2,104,221)
Change in non-cash working capital items:			
(Increase) decrease in amounts receivable		(190,798)	198,129
Increase in prepaid expenses		(60,925)	(51,016)
Decrease in accounts payable and accrued liabilities		(65,094)	(7,878)
Net cash used in operating activities		(3,342,008)	(1,964,986)
Cash flows from investing activities			
Expenditures on mineral property interests	5	(4,244,539)	(194,537)
Expenditures on equipment		-	(609)
Proceeds of marketable securities, net of transactions costs	6	8,316,017	-
Net cash generated by (used in) investing activities		4,071,478	(195,146)
Cash flows from financing activities			
Lease payments		(72,352)	(63,678)
Net cash used in financing activities		(72,352)	(63,678)
Net increase (decrease) in cash and cash equivalents		657,118	(2,223,810)
Cash and cash equivalents at beginning of period		903,568	6,607,721
Cash and cash equivalents at end of period		1,560,686	4,383,911

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

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, 2020	116,358,239	38,292,860	16,480,192	2,249,675	1,186,897	8,597,905	(42,255,776)	24,551,753
Share-based compensation	-	-	-	349,092	-	- -	-	349,092
Stock options cancelled/expired	-	-	333,602	(333,602)	-	- -	-	-
Warrants and agents' warrants expired	-	-	15,905	-	(15,905)	- -	-	-
Total comprehensive loss for the period	-	-	-	-	-	(4,188,596) -	(2,526,327)	(6,714,923)
Balance at June 30, 2021	116,358,239	38,292,860	16,829,699	2,265,165	1,170,992	4,409,309 -	(44,782,103)	18,185,922
Repurchases of common shares	(1,191,000)	(202,470)	-	-	-	-	-	(202,470)
Share repurchase costs	-	(2,179)	-	-	-	-	-	(2,179)
Total comprehensive income (loss) for the period	-	-	-	-	-	2,047,007	(3,524,732)	(1,477,725)
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	-	-	-	-	-	189,751	(3,632,261)	(3,442,510)
Balance at June 30, 2022	115,167,239	38,088,211	18,004,017	1,083,201	1,178,638	6,646,067	(51,939,094)	13,061,040

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

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.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Company on August 24, 2022.

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, 2021 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.

	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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 June 30, 2022.

Accounting policy judgments:

- The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. 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, 2020	88,153	151,565	239,718
Additions	-	1,372	1,372
Balance at December 31, 2021 and June 30, 2022	88,153	152,937	241,090
Accumulated Depreciation			
Balance at December 31, 2020	15,386	141,227	156,613
Depreciation	12,012	6,030	18,042
Balance at December 31, 2021	27,398	147,257	174,655
Depreciation	6,402	979	7,381
Balance at June 30, 2022	33,800	148,236	182,036
Carrying Amount			
At December 31, 2021	60,755	5,680	66,435
At June 30, 2022	54,353	4,701	59,054

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 six months ended June 30, 2022 is as follows:

	Total $
Cost	
Balance at December 31, 2020	303,597
Additions	274,879
Balance at December 31, 2021 and June 30, 2022	578,476
Accumulated Depreciation	
Balance at December 31, 2020	135,668
Depreciation	108,651
Balance at December 31, 2021	244,319
Depreciation	54,877
Balance at June 30, 2022	299,196
Carrying Amount	
At December 31, 2021	334,157
At June 30, 2022	279,280

(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 $
	2022	71,405
	2023-2027	305,258
Total minimum lease payments		376,663
Less: Imputed interest		(84,970)
Total present value of minimum lease payments		291,693
Less: Current portion		(77,120)
Non-current portion		214,573

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 June 30, 2022:

Acquisition Costs

	Argentina	Chile		Paraguay		
	Flecha de Oro $	**Rosales $**	**San Pietro $**	**Tierra Dorada $**	**Other $**	**Total $**
Balance – December 31, 2020	52,753	74,285	-	248,402	7,240	382,680
Additions						
Staking costs, land payments and acquisition costs	8,894	-	-	185,643	-	194,537
Balance – June 30, 2021	61,647	74,285	-	434,045	7,240	577,217
Additions						
Staking costs, land payments and acquisition costs	51,369	-	-	9,382	-	60,751
Balance – December 31, 2021	113,016	74,285	-	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	(77,764)	-	-	(449,881)	-	(527,645)
Balance – June 30, 2022	35,252	74,285	4,238,085	-	7,240	4,354,862

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	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	6,925	85,496	-	64,837	1,963	159,221
Drilling	-	340,857	-	27,563	-	368,420
Environmental	-	-	-	-	13,106	13,106
Office	103,957	4,323	246,007	53,399	195	407,881
Property maintenance payments	1,866	69,017	164,437	8,745	15,987	260,052
Salaries and contractors	200,237	161,608	25,412	140,837	79,102	607,196
Social and community	-	21,479	-	2,957	-	24,436
Supplies and equipment	13,634	259,019	-	11,011	10,456	294,120
Transportation	19,940	227,964	-	8,280	2,139	258,323
Value added taxes	50,932	171,913	190,851	16,119	18,069	447,884
	397,491	1,341,676	626,707	333,748	141,017	2,840,639
Cumulative exploration expenses June 30, 2022	2,604,705	1,341,676	1,691,195	1,616,553	12,349,470	19,603,599

The schedule below summarizes all exploration expenditures incurred to date for each mineral property interest that the Company was continuing to explore as at June 30, 2021:

	Argentina	Chile		Paraguay		
	Flecha de Oro $	Indiana $	Rosales $	Tierra Dorada $	Other $	Total $
Cumulative exploration expenses December 31, 2020	1,151,966	932,437	67,919	326,610	10,649,373	13,128,305
Expenditures during the period						
Assays	37,202	-	-	67,764	1,113	106,079
Drilling	15,026	-	-	-	960	15,986
Office	89,817	16,545	26,767	36,854	900	170,883
Property maintenance payments	5,406	130	6,958	-	16,026	28,520
Salaries and contractors	264,661	-	8,201	142,157	6,645	421,664
Social and community	16,443	-	-	2,494	-	18,937
Supplies and equipment	205,207	-	-	7,704	7,918	220,829
Transportation	39,774	-	-	4,387	1,575	45,736
Value added taxes	74,715	1,867	54,113	34,832	3,742	169,269
	748,251	18,542	96,039	296,192	38,879	1,197,903
Cumulative exploration expenses June 30, 2021	1,900,217	950,979	163,958	622,802	10,688,252	14,326,208

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

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, approximately 100 kilometres north of Copiapo in an active mining district that is home to all the major IOCG deposits in Chile.

(b) Rosales Copper Project, Chile

The Company owns a 100% interest in the Rosales Copper Project in Region III, Chile.

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

The Company entered into an option agreement to acquire up to 100% of the Flecha de Oro Gold Project that includes Puzzle and Esperanza exploration properties. The terms of the option agreement include staged payments over seven years totaling US$2,090,000 for a 100% interest in both properties. The vendor retains 1% royalty, which can be reduced to 0.25% for an additional US$1,000,000.

Option Payment USD $	Year
10,000 (paid)	2019
15,000 (paid)	2020
15,000 (paid)	2021
50,000	2022
100,000	2023
200,000	2024
400,000	2025
500,000	2026
800,000	2027
2,090,000	

During the six months ended June 30, 2022, the Company determined that it would not be exploring the properties further based on the exploration work during the period and would discontinue option payments. The Company recorded an impairment of $77,764 related to previously capitalized acquisition costs.

The terms of the Maquinchao option agreement include staged payments over four years totaling US$630,000 for a 100% in the property. The vendor retains 1% net smelter royalty.

Option Payment USD $	Year
5,000 (paid)	2019
5,000 (paid)	2020
20,000 (paid)	2021
50,000	2022
250,000	2023
300,000	2024
630,000	

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

(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 initial US$500,000 in exploration expenditures is a firm commitment, but it may be incurred over 24 months instead of 12 months, if all permits required for exploration are not in place by the end of March 2022. In addition, Golden Arrow is required to complete a minimum of 2,000m of drilling by the end of the second year. Golden Arrow will be the operator during the option Period.

Upon completion of the Option, Mirasol and Golden Arrow will hold 25% and 75%, respectively, in a participating JV company holding Libanesa. If either party's equity interest is diluted below 10%, it will convert to a 2% net smelter return royalty. Refer to Note 13 for further information.

Option Payment US$	Exploration Expenditure Commitments US$	Year
-	500,000	2022
100,000	500,000	2023
100,000	750,000	2024
100,000	750,000	2025
250,000	750,000	2026
450,000	750,000	2027
1,000,000	4,000,000	

(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. 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 advance the Project on a pro rata basis, with provisions for dilution.

(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 entered into an option agreement to acquire a 100% interest in the Tierra Dorada gold project in Paraguay (the “Property”). The terms of the option agreement include staged payments over six years totaling US$2,000,000 and an additional payment of US$2,000,000 thirty (30) working days following the date of commencement of commercial production on the Property, for a 100% interest in the Property.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

Option Payment USD $	Year
36,000 (paid)	2018
75,000 (paid)	2020
100,000 (paid)	2021
500,000	2022
400,000	2023
889,000	2024
2,000,000	Thirty working days following the date of commencement of commercial production
4,000,000	

During the six months ended June 30, 2022, the Company determined that it would not be exploring the properties further based on the exploration work during the period and would discontinue option payments. The Company recorded an impairment of $449,881 related to previously capitalized acquisition costs.

6. INVESTMENTS

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

	Six months ended June 30,	
	2022 $	**2021 $**
Investments, beginning of period	15,126,236	17,267,825
Disposition of marketable securities	(8,316,017)	-
Change in fair value of marketable securities	189,751	(4,188,596)
Investments, end of period	6,999,970	13,079,229

The Company held 325,580 common shares of SSRM at June 30, 2022 with a value of $21.50 per share (June 30, 2021 – 675,580 – $19.36 per share). The Company realized a cumulative gain of $1,680,287 in other comprehensive income (loss) on disposal of marketable securities for the six months ended June 30, 2022 (June 30, 2021 - $Nil). During the six months ended June 30, 2022, the Company received $58,246 (2021 - $83,076) in dividends from its investment in SSRM.

7. CAPITAL AND RESERVES

Authorized Share Capital

At June 30, 2022, 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.

There were no share issuances during the six months ended June 30, 2022 and 2021.

Details of Common Shares Repurchases in 2021

There were no share repurchases during the six months ended June 30, 2022.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. CAPITAL AND RESERVES (continued)

Details of Common Shares Repurchases in 2021

On August 27, 2021, the TSX Venture Exchange accepted a notice of intention whereby the Company made a Normal Course Issuer Bid ("NCIB") to purchase its own common shares for cancellation through the facilities of the Exchange or other recognized marketplaces at the prevailing market price. The Company can repurchase up to 10,132,012 common shares of the 116,358,239 issued and outstanding common shares available at the date the NCIB commenced.

During the year ended December 31, 2021, the Company acquired and cancelled 1,191,000 of its own common shares for an aggregate purchase price of $202,470 and common share repurchase costs of $2,179.

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 fixed number of eligible shares equaling 20% of the Company's outstanding common shares calculated at June 25, 2013, totaling a maximum of 8,364,371 share purchase options. On April 22, 2021, the Stock Option Plan was amended allowing for a maximum total share purchase options of 11,500,000.

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 six months ended June 30, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2020	Granted	Expired	June 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	-	-	2.68	2.68

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the six months ended June 30, 2021 is as follows:

Expiry date	Exercise Price	December 31, 2020	Granted	Cancelled/ Expired	June 30, 2021	Options exercisable
April 19, 2021	$0.32	1,005,000	-	(1,005,000)	-	-
April 27, 2021	$0.42	395,000	-	(395,000)	-	-
May 29, 2021	$0.62	15,000	-	(15,000)	-	-
June 22, 2022	$0.62	3,250,000	-	-	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
		6,565,000	4,655,000	(1,415,000)	9,805,000	9,805,000
Weighted average exercise price $		0.59	0.25	0.35	0.46	0.46
Weighted average contractual remaining life (years)		1.38	5.00	-	2.41	2.41

The weighted average fair value of share purchase options granted during the six months ended June 30, 2022 is $Nil (2021 - $0.08).

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:

	Six months ended June 30,	
	2022	2021
Risk-free interest rate	-	0.33%
Expected option life in years	-	3.52
Expected share price volatility(1)	-	71.33%
Grant date share price	-	$0.18
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 six months ended June 30, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2021	Expired	June 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

4,062,500 warrants that were set to expire on June 19, 2022 and 1,950,000 warrants that were set to expire on June 20, 2022 were extended to June 19, 2024, and June 20, 2024. These warrants were originally issued under a private placement completed by the Company in two tranches on June 19, 2019 and June 20, 2019. The exercise price of the warrants remain at $0.30.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. CAPITAL AND RESERVES (continued)

The continuity of warrants for the six months ended June 30, 2021 is as follows:

Expiry date	Exercise Price	December 31, 2020	Cancelled/ Expired	June 30, 2021
June 19, 2022	$0.30	4,213,000	-	4,213,000
June 20, 2022	$0.30	1,992,000	-	1,992,000
February 25, 2023	$0.40	11,208,242	(156,631)	11,051,611
March 5, 2023	$0.40	1,307,869	(17,502)	1,290,367
March 21, 2023	$0.40	3,484,203	(22,169)	3,462,034
		22,205,314	(196,302)	22,009,012
Weighted average exercise price $		0.37	0.40	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 $32,800 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 will be automatically renewed for additional term 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	196,800	393,600	-

	Six months ended June 30,	
Transactions	**2022** **$**	**2021** **$**
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	168,600	186,000
Office & sundry	28,200	60,000
Total for services rendered	196,800	246,000

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)

Transactions	Position	Six months ended June 30, 2022 $	Six months ended June 30, 2021 $
Consulting, salaries, and professional fees:			
Joseph Grosso	Chairman/President/CEO	137,500	137,500
Darren Urquhart	CFO	30,000	30,000
Nikolaos Cacos	Director/VP – Corp. Development	62,340	60,000
Brian McEwen	VP Exploration	95,000	95,000
Connie Norman	Corporate Secretary	36,000	36,000
Louis Salley	Director	3,500	6,000
David Terry	Director	44,000	44,000
John Gammon	Director	8,000	8,000
Alfred Hills	Director	6,000	6,000
Total for services rendered		422,340	422,500

As at June 30, 2022, there was $210,026 (2021 – $127,237) of costs owed from related corporations for shared services paid by the Company. At June 30, 2022, there was $33,078 (2021 - $32,093) 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 six months ended June 30, 2022 and 2021 was based on the following:

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
(Loss) earnings attributable to common shareholders ($)	(2,238,520)	(1,130,888)	(3,632,261)	(2,526,327)
Weighted average number of common shares outstanding	115,167,239	116,358,239	115,167,239	116,358,239

The Company incurred a loss attributable to common shareholders for the six months ended June 30, 2022 and 2021, therefore the impact of dilutive 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:

June 30, 2022	Canada $	Argentina $	Chile $	Paraguay $	Total $
Equipment	-	-	-	59,054	59,054
Right-of-use assets	279,280	-	-	-	279,280
Mineral property interests	-	42,492	4,312,370	-	4,354,862
	279,280	42,492	4,312,370	59,054	4,693,196

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

10. SEGMENTED INFORMATION (continued)

	December 31, 2021				
	Canada $	**Argentina** $	**Chile** $	**Paraguay** $	**Total** $
Equipment	-	-	-	66,435	66,435
Right-of-use assets	334,157	-	-	-	334,157
Mineral property interests	-	120,255	74,286	443,427	637,968
	334,157	120,255	74,286	509,862	1,038,560

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.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

11. FINANCIAL INSTRUMENTS (continued)

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 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 June 30, 2022, the Company had working capital of $8,582,417 (December 31, 2021 - $15,701,998). 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	322,161	-

Market risk

(i) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in the market prices. Investments in marketable securities measured at fair value are exposed to changes in share prices that would result in gains or losses recognized in the Company's other comprehensive income. A 10% change in prices would change the Company's other comprehensive loss by $700,000.

(ii) ***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 March 31, 2022 is summarized as follows:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by $111,000.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $14,000.
- A 10% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $1,000.
- A 10% change in the Paraguayan Guarani exchange rate relative to the Canadian dollar would change the Company's net loss by $3,000.

11. FINANCIAL INSTRUMENTS (continued)

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.

(iii) 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.

13. SUBSEQUENT EVENTS

Libanesa Project

On July 21, 2022, the Company announced that it had determined to cease further exploration of its Libanesa project and terminate its option agreement.