MANTARO PRECIOUS METALS CORP.

Condensed Interim Consolidated Financial Statements

For the Three Months Ended May 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

Mantaro Precious Metals Corp.

Condensed Interim Consolidated Financial Statements

Three Months ended May 31, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of management.

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

MANTARO PRECIOUS METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at May 31, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	Notes	**May 31, 2023 $**	February 28, 2023 $
ASSETS			
Current assets			
Cash		**31,926**	338,729
Prepaid expenses and deposits		**358,160**	63,635
Accounts receivable		**48,904**	44,487
		438,990	446,851
Non-current assets			
Equipment		**107,112**	108,555
Exploration and evaluation assets	**5**	**8,743,353**	8,573,272
		8,850,465	8,681,827
Total assets		**9,289,455**	9,128,678
LIABILITIES			
Current liabilities			
Accounts payable and other liabilities	**6,9**	**543,687**	437,684
		543,687	437,684
Non-current liabilities			
Reclamation provision	**7**	**398,000**	393,000
		398,000	393,000
Total liabilities		**941,687**	830,684
EQUITY			
Share capital	**8**	**12,079,372**	11,769,938
Reserves		**3,401,607**	3,367,949
Accumulated other comprehensive loss (“AOCL”)		**(11,123)**	(11,759)
Deficit		**(8,321,922)**	(8,041,495)
Total equity attributable to owners		**7,147,934**	7,084,633
Non-controlling interest		**1,199,834**	1,213,361
Total equity		**8,347,768**	8,297,994
Total liabilities and equity		**9,289,455**	9,128,678

Nature of Operations (Note 1)
Going Concern (Note 2)
Subsequent Events (Note 12)

Approved by the Board of Directors on July 27, 2023

“Charles Hethey” Director
Charles Hethey

“Darren Hazelwood” Director
Darren Hazelwood

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

MANTARO PRECIOUS METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the three months ended May 31, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	Notes	**2023** $	2022 $
EXPENSES			
Accounting and audit	**9**	**69,797**	41,004
Accretion	**7**	**5,000**	-
Amortization		**1,443**	541
Directors' fees	**9**	**10,179**	31,311
Foreign exchange loss		**1,609**	2,410
Legal fees	**9**	**50,724**	30,726
Management and consulting	**9**	**53,666**	74,900
Office and miscellaneous		**22,177**	11,569
Regulatory and transfer agent fees		**9,898**	5,878
Shareholder communications	**9**	**70,332**	64,276
Share-based payments	**8(c)**	**-**	47,167
Loss before other items		**(294,825)**	(309,782)
Other income (expense) items			
Interest income		**871**	5,817
Net loss for the period		**(293,954)**	(303,965)
Other comprehensive loss			
Exchange gain on translation of foreign operations		**636**	-
Comprehensive loss for the period		**(293,318)**	(303,965)
Net loss attributable to:			
Owners of the parent company		**(280,427)**	(303,965)
Non-controlling interest		**(13,527)**	-
		(293,954)	(303,965)
Loss per share attributable to the owners of the parent company – basic and diluted	**9(f)**	**(0.00)**	(0.00)
Loss per share attributable to non-controlling interest – basic and diluted		**(0.00)**	(0.00)
Weighted average number of common shares outstanding – basic and diluted		**68,536,546**	61,486,333

MANTARO PRECIOUS METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended May 31, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	2023 **$**	2022 $
Cash (used in) provided by		
OPERATING ACTIVITIES		
Net loss for the period	**(293,954)**	(303,965)
Non-cash items:		
Accretion	**5,000**	-
Amortization	**1,443**	541
Share-based payments	**-**	47,167
	(287,511)	(256,257)
Changes in non-cash working capital items:		
Prepaid expenses and deposits	**(294,525)**	(11,600)
Accounts receivable	**(4,417)**	(7,049)
Accounts payable and accrued liabilities	**65,731**	89,408
	(520,722)	(185,498)
INVESTING ACTIVITIES		
Exploration and evaluation assets	**(129,173)**	(739,941)
Purchase of property and equipment	**-**	(1,805)
	(129,173)	(741,746)
FINANCING ACTIVITIES		
Issuance of common shares	**365,370**	-
Share issuance costs	**(22,278)**	-
	343,092	-
Change in cash	**(306,803)**	(927,244)
Cash, beginning	**338,729**	4,579,522
Cash, ending	**31,926**	3,652,278
Cash paid for interest	**-**	-
Cash paid for income taxes	**-**	-

Non-cash Transactions (Note 11)

MANTARO PRECIOUS METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three months ended May 31, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares #	Share Capital $	Reserves $	AOCL $	Deficit $	Total Equity $	Non-controlling Interest $	Total $
Balance, February 28, 2022	61,486,333	11,694,938	3,211,917	-	(4,965,118)	9,941,737	-	9,941,737
Share-based payments	-	-	47,167	-		47,167	-	47,167
Comprehensive loss for the period	-	-	-	-	(303,965)	(303,965)	-	(303,965)
Balance, May 31, 2022	**61,486,333**	**11,694,938**	**3,259,084**	**-**	**(5,269,083)**	**9,684,939**	**-**	**9,684,939**
Issued during the period:								
Common shares pursuant to mineral property agreements	1,000,000	75,000	-	-	-	75,000	-	75,000
Warrants pursuant to mineral property agreements	-	-	22,391	-	-	22,391	-	22,391
Acquisition of 51% of Minera Golden Hill S.R.L. (Note 5)	-	-	-	-	-	-	1,232,644	1,232,644
Share-based payments	-	-	86,474	-	-	86,474	-	86,474
Comprehensive loss for the period	-	-	-	(11,759)	(2,772,412)	(2,784,171)	(19,283)	(2,803,454)
Balance, February 28, 2023	**62,486,333**	**11,769,938**	**3,367,949**	**(11,759)**	**(8,041,495)**	**7,084,633**	**1,213,361**	**8,297,994**
Issued during the period:								
Units pursuant to private placement	7,307,400	336,477	28,893	-	-	365,370	-	365,370
Finders' warrants	-	(4,765)	4,765	-	-	-	-	-
Cash issuance costs	-	(22,278)	-	-	-	(22,278)	-	(22,278)
Comprehensive loss for the period	-	-	-	636	(280,427)	(279,791)	(13,527)	(293,318)
Balance, May 31, 2023	**69,793,733**	**12,079,372**	**3,401,607**	**(11,123)**	**(8,321,922)**	**7,147,934**	**1,199,834**	**8,347,768**

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

1. Nature of Operations

Mantaro Precious Metals Corp. (the "Company", "Mantaro") was incorporated under the Business Corporations Act (British Columbia) on March 6, 2008 and is an exploration stage company focusing on mineral properties in Bolivia and Peru. The Company's head and registered and records office is located at Suite 704, 595 Howe Street, Vancouver, BC V6C 2T5. The Company's common shares are listed on the TSX Venture Exchange (the "Exchange") under the symbol "MNTR.V", the Frankfurt Stock Exchange under the symbol "9TZ" and are quoted on the OTCQB Marketplace under the symbol "MSLVF".

2. Going Concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future. Realized values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration programs, will result in profitable mining operations. The recoverability of the carrying value of exploration and development properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

At May 31, 2023, the Company had not yet achieved profitable operations, had a working capital deficiency of $104,697, had an accumulated deficit of $8,321,922 since inception and expects to incur further losses in the development of its business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. The above factors form a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and the Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

3. Basis of Presentation and Significant Accounting Policies

These condensed interim consolidated 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.

In the preparation of these condensed interim consolidated financial statements, the Company has used the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended February 28, 2023 except as outlined in Note 4.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Unless otherwise stated, all dollar amounts are in Canadian dollars.

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

(Unaudited - Expressed in Canadian Dollars)

4. Accounting Standards Issued but Not Yet Effective

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable and/or are not expected to have a significant impact on the Company's financial statements.

5. Exploration and Evaluation Assets

	Golden Hill Property(a)	Santas Gloria Silver Property(b)	San Jose Silver Property	Total
Balance, February 28, 2022	1,632,083	2,345,039	1,609,537	5,586,659
Acquisition costs				
Cash	628,323	-	-	628,323
Shares and warrants	97,391	-	-	97,391
Total acquisition costs	725,714	-	-	725,714
Exploration costs				
Administration	32,260	181,227	139,858	353,345
Assays	171,370	-	-	171,370
Drilling	529,487	-	-	529,487
Field costs	23,415	26,207	401	50,023
Geological	486,302	10,665	7,294	504,261
Other	246,253	37,155	23,778	307,186
Project management	234,761	116,481	49,241	400,483
Total exploration costs	1,723,848	371,735	220,572	2,316,155
Impairment	-	-	(1,830,109)	(1,830,109)
Purchase price adjustments	1,774,853	-	-	1,774,853
Balance, February 28, 2023	5,856,498	2,716,774	-	8,573,272
Exploration costs				
Administration	-	57,211	-	57,211
Field costs	-	4,794	-	4,794
Geological	81,859	7,140	-	88,999
Other	7,409	-	-	7,409
Permitting	-	11,668	-	11,668
Total exploration costs	89,268	80,813	-	170,081
Balance, May 31, 2023	5,945,766	2,797,587	-	8,743,353

(a) Golden Hill Property

The Company has an option to acquire up to 80% of Minera Golden Hill S.R.L. ("MGH") from Luis Fernando Kinn Cortez (the "Optionor"). The Golden Hill property is wholly-owned by MGH and is accessed through the mining town of San Ramon in the department of Santa Cruz, Bolivia. The property is comprised of one concession totaling 5,961 hectares.

Under the terms of an option agreement dated August 23, 2021 (the "Golden Hill Option Agreement"), the Company may acquire up to an 80% interest in MGH by making the following cash payments and share issuances and incurring the following exploration expenditures.

On August 25, 2022, the Company earned an initial 51% interest (the "First Option") in MGH by:

(Unaudited - Expressed in Canadian Dollars)

Paying US $500,000 to the Optionor as follows:

i. US $25,000 on August 23, 2021 (the “effective date”), (paid)
ii. US $75,000 six weeks after the effective date, (paid)
iii. US $200,000 six months after the effective date (paid), and,
iv. US $200,000 twelve months after the effective date (paid).

Issuing a total of 2,000,000 units of the Company (a "Unit") to the Optionor as follows:

i. 500,000 Units three months after the effective date, (issued at the fair value of $95,000 for the shares and $28,621 for warrants)
ii. 500,000 Units six months after the effective date (issued at the fair value of $80,000 for the shares and $23,662 for the warrants), and
iii. 1,000,000 Units twelve months after the effective date (issued at the fair value of $75,000 for the shares and $22,391 for the warrants).

Incurring US $250,000 in exploration expenditures on or before the first anniversary of the effective date (incurred).

On August 25, 2022, the Company exercised its option to acquire a 51% interest in MGH. The acquisition is considered to be an asset acquisition under IFRS as MGH did not meet the definition of a business pursuant to IFRS 3.

Net assets acquired	$
Assets acquired	
Cash	19,643
Prepaid expenses	3,774
Receivables	9,348
Equipment	94,293
Exploration and evaluation assets	3,057,810
Liabilities assumed	
Accounts payable and other liabilities	(284,267)
Reclamation provision	(385,000)
Net assets acquired	2,515,601
Non-controlling interest	(1,232,644)
51% Interest Acquired	1,282,957

Consideration paid	
Cash	640,508
Fair value of shares issued	250,000
Fair value of warrants issued	74,674
Exploration expenditures	317,775
Total consideration paid	1,282,957

Legal fees and other transaction costs of $204,967 were incurred during the fiscal year ended February 28, 2022 and capitalized to the exploration and evaluation assets which pertain to the MGH Option. On acquisition, the Company recognized a non-controlling interest of $1,232,644, a reclamation provision of $385,000 and assumed other liabilities of $157,209 net of other assets acquired; these amounts total $1,774,853 and are reflected as purchase price adjustments in the cost of the Golden Hill Property, as these amounts relate to the acquisition of the property. The provision for reclamation has the greatest uncertainty in estimation.

The Company may earn an additional 19% interest (the “Second Option”) for a total of 70% interest in MGH by:

i. Paying US $500,000 to the Optionor on or before the second anniversary of the effective date (August 23, 2023);
ii. Issuing 1,500,000 Units to the Optionor on or before the second anniversary of the effective date (August 23, 2023); and
iii. Incurring US $250,000 in exploration expenditures on or before the second anniversary of the effective date (August 23, 2023).

The Company may earn an additional 10% interest (the “Third Option”) for a total of 80% interest in MGH by:

i. Paying US $500,000 to the Optionor on or before the third anniversary of the effective date (August 23, 2024);
ii. Issuing 500,000 Units to the Optionor on or before the third anniversary of the effective date (August 23, 2024); and

(Unaudited - Expressed in Canadian Dollars)

iii. Incurring US $1,000,000 in exploration expenditures on or before the third anniversary of the effective date (August 23, 2024).

Each Unit issuable under the Golden Hill Option Agreement consists of one common share of the Company and one-half of one share purchase warrant (a "Warrant"), with each Warrant exercisable at the Market Price (as defined by the rules of the TSX Venture Exchange) on the date of issue for a period of two years from the date of issue.

In the event that the Company exercises the First Option or Second Option but fails to exercise the Third Option, the Company's 51% or 70% interest will be returned and replaced with a 2% net smelter return royalty, which may be repurchased at a price of US $1,000,000. If the Company exercises the Third Option and acquires an 80% interest in MGH, the Company will grant a 2% net smelter return royalty to the Optionor, which may be repurchased at a price of US $1,000,000.

The Optionor will also be entitled to a discovery bonus as follows: (i) US $2 for every ounce of gold or gold equivalent set out in an indicated or measured resource estimate up to a maximum of 250,000 ounces (US $500,000), (ii) an additional US $4 for every ounce of gold or gold equivalent set out in an indicated or measured resource estimate above 250,000 ounces and up 500,000 ounces (an additional payment of up to US $1,000,000), and (iii) an additional US $5 for every ounce of gold or gold equivalent set out in an indicated or measured resource estimate above 500,000 ounces and up to 1,000,000 ounces (an additional payment of up to US $2,500,000).

(b) Santas Gloria Silver Property

The Santas Gloria silver property ("Santas Gloria") is 100% owned by Mantaro. It is comprised of seven mineral concessions totaling 3,402 hectares and is located 55 kilometers east of Lima, Peru.

Mantaro entered into an acquisition agreement for the three core mineral concessions dated October 6, 2020, as amended in September 2022, (the "Santas Gloria Agreement"). Under the terms of the Santas Gloria Agreement (as amended), Mantaro is required to pay the former property owners (i) US $340,000 (paid), (ii) US $200,000 in monthly installments (paid), and (iii) incur a total of US $1,500,000 in exploration expenditures (US $500,000 by October 2021 (incurred) and US $1,000,000 by June 2023) on the Santas Gloria silver property. Subsequent to February 28, 2023, the Company paid US$10,000 to extend the exploration expenditures date from June 2023 to December 31, 2023, subject to paying an additional US$10,000 and completing notarized agreements in Peru.

Mantaro will also pay a one-time discovery bonus of US $1,000,000 upon announcement of a resource estimate of 10,000,000 ounces silver equivalent on the three mineral concessions of the Santas Gloria property acquired under the Santas Glorias Agreement dated October 6, 2020. This bonus is contingent purchase consideration, and no amount has been accrued as a liability due to the inherent uncertainty in an obligation based solely on a future resource estimate on an exploration stage property.

On July 15, 2021, Mantaro entered into a purchase agreement with a third-party property vendor to acquire four mineral concessions totaling 2,302 hectares. These four mineral concessions are located adjacent to and/or in the near vicinity of the three core concessions. On September 7, 2021, the Company issued 500,000 shares at the fair value of $132,500 and paid US$50,000 ($63,724) to the property vendor to acquire these four mineral concessions. The title to these new concessions is in the process of being legally transferred.

6. Accounts Payable and Other Liabilities

	May 31, 2023 $	February 28, 2023 $
Trade payables and accrued liabilities	**406,514**	275,780
Loans payable	**54,678**	72,903
Taxes payable	**82,495**	89,001
	543,687	437,684

(Unaudited - Expressed in Canadian Dollars)

Loans payable are unsecured, non-interest bearing and due on demand. These loans payable were acquired as part of the 51% acquisition of MGH (Note 5). Taxes payable were also acquired as part of the 51% acquisition of MGH (Note 5).

7. Provision for Reclamation

The Company has recognized a provision for the reclamation of the Golden Hill Property (Note 5) and management has determined that no significant reclamation liabilities exist in connection with the activities on its other properties. The Company has calculated the present value of the reclamation provision at February 28, 2023 using a pre-tax discount rate of 5.0% and inflation rate of 5.0%. The estimated total future undiscounted, but inflation-adjusted, cash flows to settle the provision for reclamation at May 31, 2023 and February 28, 2023 is $643,000. The Company has estimated that payments will be made in 2033.

	May 31, 2023 $	February 28, 2023 $
Balance, beginning of the period	**393,000**	-
Provision on acquisition of MGH (Note 5)	**-**	385,000
Accretion expense	**5,000**	8,000
Balance, end of the period	**398,000**	393,000

8. Share Capital

a. Common shares authorized

Unlimited number of common shares.

b. Common share issuances

During the three months ended May 31, 2023, the Company entered into the following common share transactions:

- On March 16, 2023, the Company completed a non-brokered private placement of 7,307,400 units at $0.05 per unit for gross proceeds of $365,370. Each unit consists of one common share and one warrant, with each warrant entitling the holder to acquire one additional common share at a price of $0.10 per share up to March 16, 2024. The Company used the residual method to value the warrants, with the fair value of $28,893 allocated to warrants and the $336,477 residual value allocated to common shares. The fair value of the share purchase warrants was estimated using the Black-Scholes option pricing model with the following assumptions: share price - $0.03; exercise price - $0.10; risk-free interest rate of 3.00%; expected life - 1 year; dividend yield - 0%; forfeiture rate - 0% and annualized volatility - 110%.

- In connection with the private placement, the Company issued 343,000 finders' warrants exercisable at $0.05 per share up to March 16, 2025. The finders' warrants were fair valued at $4,765 using the Black-Scholes option pricing model with the following assumptions: share price - $0.03; exercise price - $0.05; risk-free interest rate of 2.95%; expected life - 2 years; dividend yield - 0%; forfeiture rate - 0% and annualized volatility - 110%. In addition, the Company incurred other cash issuance costs including finders' fees, legal fees and filing fees of $22,278.

During the three months ended May 31, 2022, the did not complete any common share transactions.

c. Options

The Company adopted a stock option plan (the "Stock Option Plan") under which it can grant options to directors, officers, employees, and consultants. The maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 1% of the issued and outstanding number of common shares at the date of the grant. The exercise price of each option granted under the plan may not be less than the market price of a common share on the trading day immediately preceding the date of option grant. The vesting terms of the awards are in the sole discretion of the Board of Directors. Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 30 days of termination of employment or holding office as a director or officer of the Company.

(Unaudited - Expressed in Canadian Dollars)

Changes in share purchase options during the three months ended May 31, 2023 and the year ended February 28, 2023 are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Life (Years)
Outstanding, February 28, 2022	5,515,000	$0.35	4.28
Granted	4,200,000	$0.07	
Cancelled	(1,950,000)	$0.35	
Forfeited	(1,000,000)	$0.31	
Outstanding, February 28, 2023	6,765,000	$0.35	4.28
Forfeited	(750,000)	$0.05	
Outstanding and exercisable, May 31, 2023	6,015,000	$0.19	3.94

During the three months ended May 31, 2023, the Company recorded share-based payment expense of $nil (2022 - $47,167). There were no options granted during the three months ended May 31, 2023. The weighted average fair value of share purchase options granted during the three months ended May 31, 2022 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: share price - $0.17; exercise price - $0.24; risk-free interest rate – 2.39%; expected life - five years; dividend yield - 0%; forfeiture rate - 0% and annualized volatility - 119%.

At May 31, 2023, the following share purchase options were outstanding entitling the holder thereof the right to purchase one common share for each option held:

Number	Exercise Price	Expiry Date
2,165,000	$0.35	June 1, 2026
250,000	$0.49	June 16, 2026
400,000	$0.25	September 15, 2026
100,000	$0.35	May 3, 2027
3,100,000	$0.05	February 27, 2028
6,015,000		

d. Warrants

Changes in share purchase warrants during the three months ended May 31, 2023 and the year ended February 28, 2023 are as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life (Years)
Outstanding, February 28, 2022	13,074,401	$0.53	0.32
Issued	500,000	$0.08	
Expired	(12,324,401)	$0.55	
Outstanding, February 28, 2023	1,250,000	$0.18	1.26
Issued	7,650,400	$0.10	
Outstanding, May 31, 2023	8,900,400	$0.11	0.86

(Unaudited - Expressed in Canadian Dollars)

At May 31, 2023, the following share purchase warrants were outstanding entitling the holder thereof the right to purchase one common share for each warrant held:

Number	Exercise Price	Expiry Date
125,000	$0.25	May 21, 2024
125,000	$0.25	November 30, 2024
250,000	$0.19	January 18, 2024
250,000	$0.17	February 18, 2024
7,307,400	$0.10	March 16, 2024
500,000	$0.08	August 23, 2024
343,000	$0.05	March 16, 2025
8,900,400		

e. Basic and diluted loss per share

During the three months ended May 31, 2023, potentially dilutive common shares totaling 14,915,400 (2022 – 6,515,000) were not included in the calculation of basic and diluted loss per share because their effect was anti-dilutive. Potentially dilutive common shares are from exercisable share purchase options and share purchase warrants.

f. Escrow shares

The Company entered into escrow agreements and 6,889,415 common shares of the Company were placed in escrow. Under the escrow agreements, the common shares held in escrow will be released from escrow as to 688,941 on May 21, 2021 (released) and 1,033,412 common shares on each of November 21, 2021 (released), May 21, 2022 (released), November 21, 2022 (released), May 21, 2023 (released), November 21, 2023 and May 21, 2024.

In addition, the Company entered into pooling and voluntary lock-up agreements and 5,225,000 common shares of the Company were placed in escrow. Under the terms of the agreements, the common shares held in escrow will be released from escrow as to 1,045,000 on May 21, 2021 (released), August 21, 2021 (released), November 21, 2021 (released), February 21, 2022 (released), and May 21, 2022 (released).

As at May 31, 2023, 2,066,824 common shares remained in escrow (February 28, 2023 – 3,100,236).

9. Key Management Compensation, Related Party Transactions and Balances

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the board of directors and corporate officers. The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

During the three months ended May 31, 2023 and 2022, the Company incurred the following expenditures charged by directors and officers of the Company, or former directors and officers of the Company, and/or companies they owned or were significant shareholders of:

	2023 **$**	2022 $
Accounting fees	**24,000**	21,004
Directors' fees	**10,179**	31,311
Legal fees and share issuance costs	**26,640**	22,641
Management and consulting	**43,964**	74,900
Mineral property expenditures	**-**	68,003
Shareholder communications	**6,000**	-
Share-based payments - options	**-**	47,167
	110,783	265,026

At May 31, 2023, accounts payable and accrued liabilities include due to related parties of $95,396 (February 28, 2023 - $44,577) owed to directors and officers of the Company and/or companies they control or of which they were significant shareholders. The amounts owing include amounts related to expenditures charged to the Company and for reimbursements of expenditures paid for on behalf of the Company. The amounts owing are unsecured, non-interest bearing and due on demand. The amounts have been recorded at their exchange amount, being the amount agreed to by the parties.

Subsequent to May 31, 2023, the Company received a $65,000 non-interest bearing due on demand loan from a corporation controlled by a director of the Company (Note 12).

10. Financial Instruments

Management of Capital

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern in order to facilitate the exploration and development of its mineral properties and to maintain an optimal capital structure, while ensuring the Company's strategic objectives are met; and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of share capital, reserves and deficit.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and by controlling the capital expenditures program.

The mineral properties are in the exploration stage. As such, the Company is dependent on external financing to develop its properties and fund its activities. In order to carry out its planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed and if available, and may even dispose of its interest in the mineral properties.

Management reviews its capital management approach on an ongoing basis and no changes were made to the approach during the three months ended May 31, 2023. At May 31, 2023, the Company was not subject to any externally imposed capital requirements.

Risk Management

Discussions of risks associated with financial assets and liabilities are detailed below:

<u>Credit Risk</u>

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

<u>Commodity Price Risk</u>

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of minerals under exploration.

<u>Liquidity Risk</u>

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. Refer to the going concern note for additional disclosure (Note 2). As at May 31, 2023 and February 28, 2023, the Company had working capital as follows:

	May 31, 2023 $	February 28, 2023 $
Current assets	**438,990**	446,851
Current liabilities	**(543,687)**	(437,684)
Working capital (deficiency)	**(104,697)**	9,167

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

a) *Currency Risk*

As at May 31, 2023 and February 28, 2023, most of the Company's cash was held in Canadian dollars, the Company's functional currency. The Company has operations in foreign jurisdictions outside of Canada and as such has currency risk associated with its operations. The Company mitigates this risk by holding a small amount of cash in foreign currencies.

b) *Interest Rate Risk*

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. As the Company has no interest-bearing financial instruments, the Company is not exposed to interest rate risk.

c) *Price Risk*

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. The Company has no financial instruments subject to price risk.

11. Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. During the three months ended May 31, 2023, the following transactions were excluded from the statement of cash flows:

a) deferred exploration expenditures of $62,483 included in accounts payable and accrued liabilities at May 31, 2023, less expenditures included in accounts payable at February 28, 2023 of $21,575 (net exclusion of $40,908); and,

b) the issuance by the Company of 343,000 finders' warrants at the fair value of $4,765 in connection with the March 16, 2023 private placement.

During the three months ended May 31, 2022 the following transactions were excluded from the statement of cash flows:

a) deferred exploration expenditures of $282,465 included in accounts payable and accrued liabilities at May 31, 2022, less expenditures included in accounts payable at February 28, 2022 of $208,265 (net exclusion of $74,200).

12. Subsequent Events

Subsequent to May 31, 2023:

- On May 2, 2023, the Company entered into a Share Purchase Agreement to acquire the East Trend and Media Sur licenses in Bolivia by acquiring Minera Meranti Ltd, a Bolivian company that holds title to the East Trend and Media Sur licenses from a third party (the "Vendor"). Under the terms of the Share Purchase Agreement, the Vendor will be entitled to a payment of US$3 for every one ounce of gold and/or gold equivalent of measure resource, indicated or inferred resource, or any combination therefore, on the mineral properties above 500,000 ounces of gold and/or gold equivalent. The total amount of cash that the Vendor may receive is US$1,500,000 (the "Maximum Amount"). The Maximum Amount applies to both the properties and the Vendor is not entitled to the Maximum Amount for each property. On June 12, 2023, the Company issued 2,000,000 common shares at the fair value of $130,000 to acquire all of the issued and outstanding shares of Minera Meranti Ltda.

- In June 2023, the Company paid US$10,000 to the former property owners of the Santas Gloria silver property to extend the exploration expenditures date from June 2023 to December 31, 2023, subject to paying an additional US$10,000 and completing notarized agreements in Peru.

- On June 20, 2023, the Company received a $65,000 non-interest bearing due on demand loan from a corporation controlled by a director of the Company.