PANORO MINERALS LTD.

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in United States dollars, unless otherwise stated)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Panoro Minerals Ltd. ("the Company") and related information presented in this financial report are the responsibility of the Company's management and have been approved by the Board of Directors. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgments based on information currently available.

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

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls through its Audit Committee, which is comprised of a majority of non-management directors. The Audit Committee reviews the results of the audit and the annual consolidated financial statements prior to their submission to the Board of Directors for approval.

These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

"Luquman A. Shaheen" (signed)
Luquman A. Shaheen
President and Chief Executive Officer

VANCOUVER, BRITISH COLUMBIA

"Michael Malana" (signed)
Michael Malana
Chief Financial Officer

VANCOUVER, BRITISH COLUMBIA

PANORO MINERALS LTD.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in United States dollars, unless otherwise stated)
Unaudited

	Note(s)	March 31, 2023	December 31, 2022	January 1, 2022
			(restated - note 3 (b))	*(restated - note 3 (b))*
Assets				
Current assets				
Cash and cash equivalents		$ 4,333,268	$ 5,549,992	$ 7,754,544
Marketable securities		118	118	394
Accounts and advances receivable	5	2,278,269	2,448,570	2,157,225
Prepaid expenses		126,285	47,519	24,637
Total current assets		6,737,940	8,046,199	9,936,800
Non-current assets				
Property and equipment		309,716	292,845	220,320
Investments in Antilla Copper, S.A.	5	3,199,054	3,199,054	3,199,054
Exploration and evaluation assets	6	44,465,611	43,150,554	39,175,401
Total assets		54,712,321	$ 54,688,652	$ 52,531,575
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	9, 10	908,800	$ 1,186,515	$ 907,514
Current tax liability		376,746	376,746	-
Current portion of lease liabilities		71,127	65,934	30,563
Liabilities under Early Deposit Precious Metals Agreement	7	11,750,000	11,000,000	9,500,000
Total current liabilities		13,106,673	12,629,195	10,438,077
Non-current liabilities				
Deferred income tax liability		-	-	310,894
Long- term portion of lease liabilities		130,746	140,556	175,195
Liabilities under Early Deposit Precious Metals Agreement	7	2,000,000	2,000,000	2,000,000
Total liabilities		15,237,419	14,769,751	12,924,166
Shareholders' equity				
Share capital	8(a)	69,443,360	69,443,360	69,443,360
Share-based expense reserve	8(b)	9,600,386	9,019,374	8,993,050
Accumulated other comprehensive loss		(7,265)	(7,265)	(6,989)
Deficit		(39,561,579)	(38,526,568)	(38,822,012)
Total shareholders' equity		39,474,902	39,918,901	39,607,409
Total liabilities and shareholders' equity		54,712,321	$ 54,688,652	$ 52,531,575

Going concern (Note 2)
Commitments (Note 10)
Subsequent events (Notes 5 and 7)

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

Approved on behalf of the Board:

"Luquman A. Shaheen" "William J. Boden"

PANORO MINERALS LTD.

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in United States dollars, unless otherwise stated)

Unaudited

		Three Months Ended			
	Note(s)		**March 31, 2023**		**March 31, 2022**
					(restated - note 3 (b))
Expenses					
Amortization		$	663	$	9,276
Administration expenses			109,056		68,877
Audit and tax			16,741		11,517
Consulting fees			2,297		63,245
Corporate development, conferences, travel, and shareholder relations			61,519		49,574
Directors' fees	9		27,585		15,473
Legal			10,066		13,107
Property evaluation			93,136		7,322
Salaries and benefits	9		160,163		246,559
Share-based expense	8 (b)		581,012		-
			(1,062,238)		(484,950)
Interest expense			(4,308)		(4,972)
Interest income			24,983		-
Other income	9		19,016		65,371
Change in fair value of Early Deposit Precious Metals Agreement financial liability			-		108,456
Gain on Kusiorcco agreement			-		1,402,696
Foreign exchange loss			(2,464)		(47,710)
			37,227		1,523,841
Income (loss) and comprehensive income (loss) for the period		$	(1,025,011)	$	1,038,891
Loss per share, basic and fully diluted	12	$	(0.00)	$	0.00
Weighted average number of common shares outstanding	12		264,375,058		264,375,058

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

PANORO MINERALS LTD.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in United States dollars, unless otherwise stated)
Unaudited

	Number of shares	Share capital $	Share-based expense reserve $	Accumulated other comprehensive loss $	Deficit $	Total $
Balance, December 31, 2021	264,188,405	69,443,360	8,993,050	(6,989)	(38,086,203)	40,343,218
Income for the period	-	-	-	-	1,038,891	1,038,891
Balance, March 31, 2022	**264,375,058**	**69,443,360**	**8,993,050**	**(6,989)**	**(37,047,312)**	**41,382,109**
Balance, December 31, 2022	264,375,058	69,443,360	9,019,374	(7,265)	(38,536,568)	39,918,901
Share based expense	-	-	581,012	-	-	581,012
Loss for the period	-	-	-	-	(1,025,011)	(1,025,011)
Balance, March 31, 2023	**264,375,058**	**69,443,360**	**9,600,386**	**(7,265)**	**(39,561,579)**	**39,474,902**

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

PANORO MINERALS LTD.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in United States dollars, unless otherwise stated)
(Unaudited)

	Note(s)	Three Months Ended March 31, 2023	March 31, 2022
Cash provided by (used for):			*(restated - note 3 (b))*
Operating activities:			
Income (loss) for the period		$ (1,025,011)	$ 1,038,891
Items not involving the use of cash:			
Amortization		663	9,276
Share-based expense	8(b)	581,012	-
Change in fair value of Early Deposit Precious Metals Agreement financial liability		-	(108,456)
Gain on Kusiorcco agreement		-	(1,402,696)
Interest expense on lease liabilities		28,272	4,873
Foreign exchange gain (loss)		(5,363)	79,335
		(420,427)	(378,777)
Changes in non-cash operating working capital:			
Accounts and advances receivable		170,301	(15,035)
Prepaid expenses		(78,766)	(34,801)
Accounts payable and accrued liabilities		(140,346)	(268,205)
Cash used in operating activities		(469,238)	(696,818)
Investing activities:			
Exploration and evaluation expenditures	6	(1,402,686)	(248,312)
Purchase of equipment		(17,534)	(57,995)
Proceeds from Kusiorcco agreement		-	1,402,696
Cash provided by (used in) investing activities		(1,420,220)	1,096,389
Financing activities:			
Early Deposit Precious Metals Purchase Agreement	7	750,000	691,935
Interest payment on lease liabilities		(28,272)	(4,873)
Repayment of lease liabilities		(54,357)	(6,278)
Cash provided by financing activities		667,371	680,784
Effect of foreign exchange on cash held		5,363	(31,624)
Increase (decrease) in cash and cash equivalents		(1,216,724)	1,048,731
Cash and cash equivalents, beginning of period		5,549,992	7,754,544
Cash and cash equivalents, end of period		$ 4,333,268	$ 8,803,275

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

1. Nature of operations

Panoro Minerals Ltd. is incorporated under the *Business Corporations Act* in the Province of British Columbia. The Company's principal place of business is located at Suite 480 – 505 Burrard Street, Vancouver, BC, Canada V7X 1M3. Panoro Minerals Ltd. and its subsidiaries are referred to as "Panoro" or the "Company."

The Company is an exploration-stage company engaged principally in the acquisition, exploration, and development of mineral properties in Perú and trades on the TSX Venture Exchange (the "Exchange") as a Tier 2 mining issuer under the trading symbol "PML". The Company also trades on the Bolsa de Valores de Lima under the same trading symbol, and on the OCTQB under the symbol "POROF".

2. Going concern

These consolidated financial statements have been prepared on a going concern basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge is liabilities in the normal course of business.

The Company has no operating revenue and recorded a loss of $1,025,011 for the three months ended March 31, 2023 (2022 – income of $1,038,891). At March 31, 2023, the Company has an accumulated deficit of $39,561,579 (December 31, 2022 – $38,536,568), and working capital deficiency, being current assets less current liabilities, of $6,368,733 (December 31, 2022 – $4,582,996).

The Company's investment in its exploration and evaluation assets comprises a significant portion of the Company's assets. Recovery of the carrying value of the investment in these assets, including the investment in Antilla Copper S.A. and its property and equipment, and the Company's ability to continue operations as a going concern are dependent upon the existence of economically recoverable reserves, confirming and maintaining legal ownership of the resource properties, the ability of the Company to obtain the necessary mining and environmental permits, the ability of the Company to obtain necessary financing to complete the exploration and development, and the attainment of future profitable production or the disposition of these assets for proceeds in excess of their carrying values.

Although the Company expects to have sufficient financial resources to cover its existing obligations and operating costs and undertake its currently planned programs for the next year, the Company will require further funding to fund exploration and evaluation activities, and ultimately develop its properties. While 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 that are acceptable to the Company. These conditions create a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders, and other investors and/or achieve operating profitability and generate positive cash flows. The Company is in the business of exploring and developing mineral property interests, and as such, must continually seek sources of financing to further develop and explore its mineral exploration and evaluation assets and to support general and administrative expenses.

The Company will continue to seek additional financing through the sale of mineral property interests, debt financing, equity financing, and optioning its other mineral property interests. However, it is not certain that such financing will be available. The Company may be adversely impacted by a lack of normal available financing, inability to maintain mining licenses, and continued uncertainty in the exchange and commodity markets.

At March 31, 2023, the Company has received $13,750,000 from Wheaton Precious Metals International Ltd. ("Wheaton Metals") pursuant to the Wheaton Precious Metals Purchase Agreement ("Wheaton PMPA" – see note 7) and is scheduled to receive $250,000 in 2023 if it meets the terms under which the funds are to be advanced, for a total of US$14,000,000 pursuant to the Wheaton PMPA.

These condensed consolidated interim financial statements do not reflect material adjustments to the carrying values of its assets and liabilities, which may be required should the Company be unable to continue as a going concern. These adjustments could be material.

3. Basis of presentation

(a) Statement of compliance

These condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Company's audited consolidated financial statements for the year ended December 31, 2022 and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") in compliance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting. Accordingly, certain disclosures normally included in annual 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 audited consolidated financial statements for the year ended December 31, 2022.

These condensed consolidated interim financial statements of the Company for the three months ended March 31, 2023, were approved and authorized for issuance by the Board of Directors on May 29, 2023.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Functional and reporting currency and foreign currency translation

Functional currency
Commencing on January 1, 2023 (the "Effective Date"), the functional currency of the Company and its subsidiaries was reassessed as a result of a change in underlying transactions, events, and conditions. As

a result of this reassessment the functional currency of the Canadian parent company and certain subsidiaries changed from the Canadian dollar to the United States dollar commencing on the Effective Date. The change in functional currency was accounted for on a prospective basis, with no impact of this change on prior year comparative information. Determination of functional currency may involve certain judgements to determine the primary economic environment.

Presentation currency
On January 1, 2023, the Company elected to change its presentation currency from the Canadian dollar ("C$" or "CAD") to the United States dollar ("$" or "USD"). The change in presentation currency is to better reflect the Company's business activities and to improve investors' ability to compare the Company's financial results with other publicly traded businesses in comparable industries. The Company applied the change to the United States dollar presentation currency retrospectively, with prior period comparative information translated to the United States dollar at the foreign exchange rate of 1.3544 Canadian dollars per United States dollar.

From January 1, 2023, the United States dollar presentation currency is consistent with the functional currency of the Company. For periods prior to January 1, 2023, the statements of financial position for each period presented have been translated from the Canadian dollar presentation currency to the new United States dollar presentation currency at the rate of exchange prevailing on January 1, 2023.

Transactions and balances
Transactions in currencies other than the functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statement of loss and comprehensive loss.

(c) Critical accounting estimates

The preparation of financial statements requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas requiring the use of estimates and assumptions relate to the review of asset carrying values and determination of impairment charges relating to non-current assets if an indicator of impairment is identified. Actual results could differ from those estimates. Key estimates made by management with respect to the areas noted previously have been disclosed in the notes to the Company's audited consolidated financial statements for the year ended December 31, 2022 as appropriate.

(d) Use of judgements
Significant areas requiring judgement relate to assessing exploration and evaluation assets for indicators of impairment, determining the appropriate accounting for the Wheaton PMPA with Wheaton Metals as disclosed in note 7, the going concern assessment as discussed in note 2, and the determination of functional currency (note 3 (b)).

4. Significant accounting policies

The preparation of these condensed consolidated interim financial statements is based on accounting principles and practices consistent with those used in the preparation of the Company's audited consolidated financial statements for the year ended December 31, 2022, unless otherwise indicated.

There are no new IFRS standards issued, but not yet effective, that may affect the financial statements of the Company.

5. Investment in Antilla Copper, S.A.

On December 3, 2021, the Company completed a sale of 75% of its interest in the Company's subsidiary, Antilla Copper, S.A. ("Antilla Copper") which holds the Antilla project, an advanced stage mineral exploration project (the "Antilla Project"). The acquisition payments are staged and the acquiror, Heeney Capital Acquisition Company ("HCAC") initially acquired 75% of the shares of Antilla Copper for $7,383,000 (CAD $10,000,000) in cash, and approximately $2,068,920 (CAD $2,800,000) (the "Second Payment"), receivable at the earlier of HCAC going public on an internationally recognized stock exchange or ten months from the closing of the transaction, October 3, 2022. An additional 15% of the Company's shares in Antilla Copper is to be sold for a contingent $5,172,300 (CAD $7,000,000) twelve months after the earlier of drilling permits and community land use agreements being obtained or a pre-feasibility or feasibility study is completed on the Antilla Project which will result in HCAC having a 90% interest in Antilla Copper. The Company and HCAC are to contribute their pro-rata portion of all exploration and development expenditures.

The agreement also includes a further contingent payment of $7.4 million (CAD $10.0 million) if a feasibility study estimates the net present value at an 8% discount rate ("Antilla NPV8") of the Antilla Project to be above $310 million; or up to $36.9 million (CAD $50.0 million) if the Study estimates the Antilla NPV8 to be above $360 million.

The net smelter returns royalty ("NSR") to Panoro over the life of the Antilla Project will include an existing 2.0% NSR; and an additional 1.0% NSR if the Company's ownership in Antilla Copper is diluted to below 5%. If this occurs, the Company will have a total 3.0% NSR on the Antilla Project, subject to a buyback right for the 1.0% NSR for $3.0 million (CAD $4.0 million).

At March 31, 2023 and December 31, 2022, the Company retains an interest of approximately 24% in Antilla Copper. At the time of the sale, the Company deconsolidated the net assets of Antilla Copper and recorded the retained interest as an equity investment, initially recorded at its fair value of $3,199,054, determined based on the transaction value.

At March 31, 2023 and December 31, 2022, included in accounts and advances receivable is $2,068,920, the Second Payment that was to be paid on October 3, 2022. During the three months ended March 31, 2023, the Company agreed to amend the Antilla Copper sale agreement with Calisto Cobre Resources Corp. (formerly HCAC) ("Calisto") in which both parties agreed to the following terms:

1) defer the Second Payment to the earlier of (i) a date within 30 days of an Initial Public Offering ("IPO") of Calisto on an internationally recognized stock exchange and (ii) March 31, 2024; and
2) Calisto to make an immediate payment of $221,670 (CAD $300,000) not yet paid pending final execution of the amended agreement and pay interest on any outstanding amounts at a rate of 6.7% to be accrued and payable at the earlier of the Second Payment date or March 31, 2024.

Calisto will also have the right to prepay the Second Payment at any time prior to an IPO, without penalty, together with any accrued and unpaid interest up to the prepayment date, provided, however if such prepayment occurs on or prior to June 15, 2023, the interest payable on the prepayment date shall be capped at $67,979 (CAD $92,000).

In the event of failure by Calisto to make the Second Payment by March 31, 2024, Calisto shall immediately transfer to Panoro such number of shares of Antilla Copper comprising 17.3% of the issued and outstanding shares of Antilla Copper to be adjusted as necessary to result in Panoro's post-transfer interest in Antilla Copper to be its interest in Antilla Copper less any dilution as at October 6, 2022, the original due date of the Second Payment.

The Company's share of equity loss from December 3, 2021 to December 31, 2021, for the year ended December 31, 2022 and for the three months ended Mach 31, 2023, was not significant.

6. Exploration and evaluation assets

The investment in, and expenditures on, mineral interests comprise a significant portion of the Company's assets. The realization of the Company's investment in these assets is dependent upon the confirmation of legal ownership of the properties and the attainment of successful production from the properties or from the proceeds of their disposal. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company's main mineral property interest is Cotabambas, an advanced stage exploration property. As of March 31, 2023, the Company's other fully held mineral property interests are all in various stages of exploration. All property interests are 100% held by the Company through wholly owned direct and indirect subsidiaries of the Company that were created to hold the various mineral property interests.

The Company performs an ongoing review of its properties, and based on the analysis of the properties, there were no indicators of impairment with respect to the mineral property interests with capitalized exploration and evaluation costs at March 31, 2023.

Humamantata

On October 2, 2018, the Company signed an earn-in agreement (the "Earn-in Agreement") with Japan Oil, Gas and Metals National Corporation ("JOGMEC") relating to the Humamantata property. Under the terms of the Earn-in Agreement, JOGMEC was committed to fund a minimum of US$3.0 million in exploration expenditures and fees by the end of the third anniversary of the agreement, with a minimum spend of $1.0 million per each annum, after which it will have earned the right to earn a 49% interest in the property.

JOGMEC had the option to earn an additional 11% interest in the Humamantata property (for a total of 60%) by spending an additional US$5.0 million in the three years following its completion of the initial funding commitments) with a minimum spend of $1.0 million per each annum.

During the year ended December 31, 2021, the Company announced that it has agreed with JOGMEC to terminate the Earn-in Agreement for the exploration of the Humamantata Project. There was no impact of the termination to the consolidated financial statements, as the Company retains its full project interest. At December 31, 2022, the Company has $0.7 million (2021 – $0.6 million) in capitalized exploration and evaluation costs with respect to the Humamantata Project.

Kusiorcco

On December 28, 2017, the Company entered into an agreement with a subsidiary of Hudbay Minerals Inc. ("Hudbay"), whereby Hudbay acquired the Company's concessions comprising the Kusiorcco Property. Pursuant to the terms of the agreement with Hudbay, the Company initially received US$3.0 million which was recorded as proceeds and the Company was scheduled to receive four milestone payments from Hudbay as follows: US$500,000 ($664,650) on the execution of agreements with local communities and surface titleholders necessary for Hudbay to access and carry out a drill program on the project (payment received in fiscal 2019); and three additional payments to be received as follows: US$500,000 upon completion of Hudbay's first drill hole; US$500,000 upon completion of Hudbay's fifth drill hole; and US$500,000 upon completion of Hudbay's tenth drill hole on the project. The Company also retains a 2.0% NSR from mineral production on the project. Hudbay has the option to buy back one-half of the 2.0% NSR (reducing the NSR to 1.0%) for US$2.0 million within five years of the acquisition, and for US$5.0 million thereafter.

During the year ended December 31, 2022, Hudbay made a payment of $1,500,000 (CAD $1,901,134) for the remaining three milestone payments as described above, one year in advance of the original payment date of January 2023. This amount has been recorded in the consolidated statement of loss and comprehensive loss as gain on Kusiorcco agreement. Hudbay now holds the property subject only to the NSR described above.

(Expressed in United States dollars, unless otherwise stated)

Exploration and evaluation assets at March 31, 2023 and expenditures for the three months ended then ended are as follows:

	Cotabambas	Other	Total
Acquisition costs:			
Balance, March 31, 2023 and December 31, 2022	$3,636,153	$ 122,837	$ 3,758,990
Exploration and evaluation expenditures:			
Balance, December 31, 2022	$38,872,085	$ 519,479	$39,391,564
Incurred during the period:			
Assays and sampling	56,283	-	56,283
Camp and site	130,953	-	130,953
Community relations	392,736	-	392,736
Drilling	175,139	-	175,139
Engineering and studies	345,873	-	345,873
Environmental	20,489	-	20,489
Geology	4,722	-	4,722
Recording and concession fees	88,489	100,373	188,862
	1,214,684	100,373	1,315,057
Exploration and evaluation expenditures capitalized at December 31, 2022	40,086,769	619,852	40,706,621
Total exploration and evaluation assets at March 31, 2023	**$43,722,922**	**$742,689**	**$44,465,611**
Salaries and benefits allocation included above:			
Camp and site	$ 4,974	-	$ 4,974
Community relations	18,291	-	18,291
Drilling	160,865	-	160,865
	$ 184,130	$ -	$ 184,130

(Expressed in United States dollars, unless otherwise stated)

Exploration and evaluation assets at December 31, 2022 and expenditures for the year then ended are as follows:

	Cotabambas	Other	Total
Acquisition costs:			
Balance, December 31, 2022 and 2021	$3,636,153	$ 122,837	$ 3,758,990
Exploration and evaluation expenditures:			
Balance, December 31, 2021	$35,065,977	$ 350,434	$35,416,411
Incurred during the year:			
Assays and sampling	68,028	-	68,028
Camp and site	412,305	839	413,144
Community relations	758,394	506	758,900
Drilling	1,008,682	-	1,008,682
Engineering and studies	298,354	-	298,354
Environmental	52,466	18	52,484
Geology	761,546	35	761,581
Geophysics	9,421	-	9,421
Legal	21,950	1,813	23,763
Recording and concession fees	389,270	165,590	554,860
Transportation	25,692	63	25,755
Other	-	181	181
	3,806,108	169,045	3,975,153
Exploration and evaluation expenditures capitalized at December 31, 2022	38,872,085	519,479	39,391,564
Total exploration and evaluation assets at December 31, 2022	**$42,508,238**	**$642,316**	**$43,150,554**
Salaries and benefits allocation included above:			
Assays and sampling	$ 125	$ -	$ 125
Camp and site	243,214	-	243,214
Community relations	503,366	-	503,366
Drilling	74,359	-	74,359
Engineering and studies	238,344	-	238,344
Environmental	16,432	-	16,432
Geology	690,360	-	690,360
	$1,766,200	$ -	$1,766,200

7. Early Deposit Precious Metals Agreement

On March 21, 2016, the Company entered into the Wheaton PMPA in respect of the Cotabambas project located in Perú. The term of the Wheaton PMPA continues in effect for 20 years and automatically renews for successive ten-year periods until Wheaton Metals terminates the Wheaton PMPA. The principal terms of the Wheaton PMPA are such that Wheaton Metals will pay the Company upfront cash payments totaling $140.0 million (the “Deposit”) for 25% of the payable gold production and 100% of the payable silver production (decreasing to 16.67% of the payable gold production and 66.67% of the payable silver production), after a certain production volume has been delivered to Wheaton Metals from the Company’s Cotabambas Project in Perú.

(Expressed in United States dollars, unless otherwise stated)

In addition, Wheaton Metals will make production payments to the Company of the lesser of the market price and $450 per payable ounce of gold and $5.90 per payable ounce of silver delivered to Wheaton Metals, increasing annually by 1%, four years after commencement of commercial production, over the life of the Company's Cotabambas Project. Any excess of the market price and the fixed payments will be credited against the Deposit ("Early Deposit") until the Early Deposit is nil. If, by the expiry of the term of the Wheaton PMPA, the Company has not delivered enough production to reduce the Early Deposit to nil, the uncredited balance will be repaid to Wheaton Metals. The Wheaton PMPA provides for the Company to receive $14.0 million of the Early Deposit prior to the Company completing a feasibility study on the Cotabambas project.

Payments under the Early Deposit total $2.0 million in the first year and instalments of $750,000 semi-annually thereafter until the full $14.0 million has been advanced. The Early Deposit also included a provision to accelerate payment of an amount equal to the amount of funds raised in any offering of equity securities for the purpose of exploration of the Cotabambas project during the period January 27, 2016, to March 21, 2018, up to a maximum of $3.5 million for all such offerings. The Company received $2.0 million from Wheaton Metals pursuant to offerings.

Under the Early Deposit provisions the Company must meet certain minimum working capital requirements. The balance of $126.0 million is payable in instalments during construction of the Cotabambas Project, should Wheaton Metals elect to proceed with the Agreement. Wheaton Metals may terminate the Wheaton PMPA at any point up to 90 days following delivery of a feasibility study on the Cotabambas project upon giving the Company three months' notice, in which case all Early Deposit amounts advanced less $2.0 million will become repayable. Wheaton Metals can elect to be repaid in cash or shares, with the deferral of cash payments under certain conditions for up to two years. If Wheaton Metals elects to terminate the Wheaton PMPA and be repaid with cash, interest will accrue at prime plus 8% per annum if repayment has not been made within two years of notice of termination. Wheaton Metals may also terminate the Wheaton PMPA at different points during the term of the Wheaton PMPA if certain production delays occur, in which case the uncredited deposit will be repayable to Wheaton Metals.

Following a change of control, subject to certain conditions, the Company has a one-time option to repurchase 50% of the precious metals stream with a payout based on the greater of: (i) a minimum fixed return (ii) a return based on appreciation of precious metals prices over the term of the Wheaton PMPA and (iii) a return based on appreciation of the share price of the Company over the term of the Wheaton PMPA.

At March 31, 2023, the Company had received a total of $13.75 million under the Early Deposit, including an accelerated payment of $2.0 million after the successful completion of a private placement in August 2016.

Liabilities under Precious Metals Purchase Agreement	**Fair value balance, December 31, 2022**	**2023 Cash flow**	**Fair value balance, March 31, 2023**
Current liabilities	$11,000,000	$750,000	$11,750,000
Long-term liabilities	2,000,000	-	2,000,000
	$13,000,000	$750,000	$13,750,000

(Expressed in United States dollars, unless otherwise stated)

Liabilities under Precious Metals Purchase Agreement	Fair value balance, December 31, 2021	2022 Cash flow	Fair value balance, December 31, 2022
Current liabilities	$9,500,000	$1,500,000	$11,000,000
Long-term liabilities	2,000,000	-	2,000,000
	$11,500,000	$1,500,000	$13,000,000

8. Share capital

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

Issued and outstanding:
264,375,058 common shares as at March 31, 2023 and December 31, 2022.

(b) Stock options

Stock options to purchase common shares have been granted to directors, employees, contractors, and consultants at exercise prices determined by reference to the market value on the date of the grant.

The number of shares available for options to be granted under the Company's rolling stock option plan is 10% of the number of shares outstanding (the "Plan"), as amended at the Annual General Meeting held on June 22, 2022. Options granted under the Plan vest immediately or over a period of time at the discretion of the Board of Directors.

During the three months ended March 31, 2023, the Company granted 9,700,000 stock options for five years to directors, officers and employees of the Company. The fair value of the share-based compensation recognized was $581,052 as determined using the Black-Scholes Option Pricing Model with weighted average assumptions of a risk-free rate of return of 3.13%, expected life of 5 years, expected volatility 73.7% and expected dividend yield of 0.00%.

During the year ended December 31, 2022, the Company granted 500,000 stock options for five years to an employee of the Company. The fair value of the share-based compensation recognized was $26,324 as determined using the Black-Scholes Option Pricing Model with weighted average assumptions of a risk-free rate of return of 3.31%, expected life of 5 years, expected volatility 74.6% and expected dividend yield of 0.00%.

(Expressed in United States dollars, unless otherwise stated)

The following were changes to the stock options of the Company:

	Number of Options	Weighted average exercise price
Balance, December 31, 2021	11,250,000	$0.19
Stock options granted during the period	500,000	$0.09
Stock options forfeited or cancelled during the period	(600,000)	$0.15
Balance, December 31, 2022	11,150,000	$0.19
Stock options granted during the period	9,700,000	$0.11
Stock options forfeited or cancelled during the period	(6,650,000)	$0.25
Balance, March 31, 2023	14,200,000	$0.11

The weighted average life of exercisable options outstanding as of March 31, 2023 is 3.81 years (December 31, 2022 – 0.91 years).

The following stock options were outstanding and exercisable at March 31, 2023:

Expiry date	Number of options	Weighted average exercise price
August 16, 2024	4,000,000	$0.11
August 26, 2027	500,000	$0.09
January 11, 2028	9,700,000	$0.11
	14,200,000	$0.11

9. Related party transactions

Key management personnel are those persons that have the authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management includes the Company's directors and members of the senior management group and consisted of eleven individuals as at and for the three months ended March 31, 2023 and as at and for the year ended December 31, 2022.

For the three months ended March 31, 2023, key management personnel compensation included salaries, fees and benefits of $276,832 (2022 – $254,037).

During the three months ended March 31, 2023 the Company received other income of $19,016 (2022 - $65,371) from Calisto with respect to support services provided in relation to the Antilla project.

As at March 31, 2023, included in accounts payable and accrued liabilities was $11,637 (December 31, 2022 – $1,846) in directors' fees payable.

(Expressed in United States dollars, unless otherwise stated)

10. Commitments

The Company has the following commitments and payments due at March 31, 2023:

	2023	2024	2025	2026	Total
Office lease (Vancouver)	$ 58,596	$ 79,336	$ 80,739	$ 82,142	$ 300,813
Office lease (Perú)	23,518	5,226	-	-	28,744
Accrued vigencias	292,088	-	-	-	292,088
Accounts payable and accrued liabilities	616,712	-	-	-	616,712
Current tax liability	376,746	-	-	-	376,746
	$ 1,367,660	$ 84,562	$ 80,739	$ 82,142	$ 1,615,103

Vigencias (or recording fees) of $3 per hectare are not commitments, but rather the annual payments required to maintain mineral concessions in good standing with the Perúvian government. The actual payment made in 2022 for the 2021 year was $399,056. The ultimate amount to be paid is based on a formula relating to exploration costs incurred, offset against the basic fee and penalty. After the 6th year, an annual penalty must be paid per hectare, starting at $6 per hectare, until after 12 years, the additional fee increases to $20 per hectare. The penalties are reduced, based on exploration activity on the concessions, and the reduction is determined each year by the Perúvian government. The Company estimates the annual costs to be approximately $292,088 for the 2022 year and is payable by June 2023.

The Company entered into an office lease in Lima effective April 1, 2022. The Company has an office lease in Vancouver, for the period from August 1, 2021, or a period of six years. The Company leases warehouses in Cusco, and the leases for the warehouses are renewed annually. The Company has commitments under community agreements with respect to ongoing operations at the Cotabambas project.

11. Financial instruments and capital management

(a) Fair value of financial instruments

The fair values of the Company's cash and cash equivalents, accounts and advances receivable and accounts payable and other liabilities approximate their carrying values because of the short-term nature of these instruments.

At March 31, 2023 and December 31, 2022, the Company held 6,667 common shares in Fidelity Minerals Corp. ("Fidelity"), at a book value of $10,000 and a fair value of $118 (2022 – $118). These shares have been recognized at fair value in the consolidated statement of financial position with gains or losses on revaluation recognized in other comprehensive income (loss).

IFRS 13 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

The three levels of the fair value hierarchy are as follows:

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

Marketable securities are determined based on a market approach reflecting the closing price of each particular security at the reporting date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security. As a result, these financial assets have been included in Level 1 of the fair value hierarchy.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, for substantially the full contract term. Liabilities under the Early Deposit Precious Metals Agreement are valued using Level 2 inputs.

Level 3: Inputs for the financial asset or liability are not based on observable market data. The Company has no financial assets or liabilities recorded in the statements of financial position included in Level 3 of the fair value hierarchy.

(b) Financial risks

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, and certain market risks including foreign currency and interest rate risk.

Credit risk
The Company manages its credit risk through its counterparty ratings and credit limits. The Company is mainly exposed to credit risk on its bank accounts and accounts and advances receivable. Bank accounts and short-term investments are primarily with Canadian Schedule 1 banks and Banco de Credito in Perú. The Company has accounts and advances receivable primarily related to IGV receivable from the Perúvian government. The Company's receivable related to its sale of its Antilla project (note 5) is secured by the return of equity in the event of default. At March 31, 2023, the total of cash and cash equivalents, and accounts and advances receivable of $6,611,537 (December 31, 2022 – $7,998,562) represents the maximum credit exposure. The Company has not identified any significant increase in credit risk with respect to its financial assets at March 31, 2023. As discussed in note 5, during the three months ended March 31, 2023, new payment terms have been agreed with respect to the Second Payment receivable from Calisto. The Company has not identified any allowances for credit losses at March 31, 2023 or December 31, 2022.

Liquidity risk
The Company manages its liquidity risk by ensuring that there is sufficient liquidity to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash and cash equivalents are primarily invested in bank accounts, bankers' acceptances, and Guaranteed Investment Certificates ("GIC"), which are available on demand.

Contractual commitments that the Company is obligated to pay in future years are disclosed in note 10. Accounts payable and accrued liabilities require payment within one year. See note 2.

Market risk
The significant market risks to which the Company is exposed are foreign currency risk and interest rate risk.

Foreign currency risk
The Company maintains its financial statements in United States dollars. The Company is exposed to foreign currency fluctuations to the extent mineral interests, exploration expenditures and operating expenses incurred by the Company are not denominated in United States dollars.

The Company does not use derivatives or other instruments to manage foreign currency risk. The Company's operations in Perú make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company's operating results, and cash flows are affected to varying degrees by changes in the United States dollar exchange rate vis-a-vis the Perúvian Nuevo Sol and the Canadian Dollar.

The Company purchases foreign currencies as the need arises to fund its exploration activities. Corporate expenditures are primarily incurred in Canadian and US dollars.

Interest rate risk
The Company's cash and cash equivalents earn interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to changes in short-term rates; however, based on the cash and cash equivalent balance at March 31, 2023, a 1% change in interest rates would not have a significant impact on the Company's financial results.

(c) Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to pursue the exploration and development of its mineral property interests, while maintaining a flexible capital structure. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the three months ended March 31, 2023.

12. Basic and diluted loss per share

The calculation of basic and diluted income and loss per share for the three months ended March 31, 2023, was based on the loss attributable to common shareholders of $1,025,011 (2022 – income of $1,038,891) and the weighted average number of common shares outstanding of 264,375,058 (2022 – 264,375,058) respectively.

(Expressed in United States dollars, unless otherwise stated)

For the three months ended March 31, 2023 and 2022, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options (see note 8 (b)) on loss per share would be anti-dilutive. Anti-dilutive instruments have not been included in the determination of fully diluted loss per share.

	March 31, 2022	**December 31, 2022**
Issued common shares, beginning of year	264,375,058	264,375,058
Effect of shares issued, or exercisable	-	-
Weighted average number of common shares, end of year	264,375,058	264,375,058

13. Supplementary cash flow information

	Three Months Ended	
Non-cash activities:	**March 31, 2023**	**March 31, 2022**
Decrease in accounts payable and accrued liabilities associated with exploration and evaluation expenditures	87,629	-