PANORO MINERALS LTD.

Annual Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Canadian 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.

The consolidated financial statements have been audited by KPMG LLP on behalf of the shareholders and their report follows.

"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

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Panoro Minerals Ltd.

Opinion

We have audited the consolidated financial statements of Panoro Minerals Ltd. (the "Entity"), which comprise:

— the consolidated statements of financial position as at December 31, 2022 and December 31, 2021

— the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended

— and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Entity has no current sources of revenue, incurred a loss during the year ended December 31, 2022, had a working capital deficiency and an accumulated deficit at December 31, 2022 and its ability to carry out its planned business objectives is dependent on its ability to raise adequate financing to continue the exploration and ultimate development of its exploration and evaluation assets.

As stated in Note 2 in the financial statements, these events or conditions, along with other matters as set forth in Note 2 in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the ***"Material Uncertainty related to Going Concern"*** section of the auditor's report, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Evaluation of indicators of impairment for exploration and evaluation assets

Description of the matter

We draw attention to notes 3(d), 4(e), 4(f) and 6 to the financial statements. At December 31, 2022, the Entity has exploration and evaluation ("E&E") assets of $58.4 million. E&E assets are assessed for impairment at each reporting period whenever events or changes in circumstances indicate that the carrying amount may exceed its recoverable amount. If any such indication exists, then an impairment test is performed.

Management exercises significant judgment in assessing for indicators of impairment. Impairment indicators assessed include:

— whether the rights to explore the area of interest have expired during the period or will expire in the near future, and the rights are not expected to be renewed;

— substantive expenditure on further exploration and evaluation is not planned or budgeted;

— the exploration activities have not led to a discovery of commercial reserves and the Entity has decided not to continue such activities in the area of interest being explored; or

— sufficient data exists to indicate that, although exploration in the area is likely to continue, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Why the matter is a Key Audit Matter

We identified the evaluation of indicators of impairment for E&E assets as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of the E&E assets and the judgment to determine whether future economic benefits are likely. Significant auditor judgement is required to evaluate the results of our audit procedures assessing the Entity's determination of whether indicators of impairment exist.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter.

We evaluated the Entity's analysis of impairment indicators by:

- Assessing the status of the Entity's right to explore by obtaining confirmation from external legal counsel that mineral exploration rights are in good standing and discussing with management if any rights are not expected to be renewed.
- Inspecting the Entity's annual exploration and evaluation budget to determine whether substantive expenditures on further exploration and evaluation are planned for its exploration projects.
- Reading information in relevant internal and external communications, including minutes of meetings of the Board of Directors, press releases, and other public filings to assess exploration results and if the Entity has decided to discontinue exploration or that the carrying amount is unlikely to be recovered for any of its E&E assets.

Other Information

Management is responsible for the other information. Other information comprises the information in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor’s report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor’s report is Robert Ryan Owsnett.

Vancouver, Canada
May 1, 2023

PANORO MINERALS LTD.

Consolidated Statements of Financial Position
(Expressed in Canadian dollars, unless otherwise stated)
As at December 31, 2022 and 2021

	Note(s)	2022	2021
Assets			
Current assets			
Cash and cash equivalents		$ 7,517,258	$ 10,503,243
Marketable securities		160	533
Accounts and advances receivable	5	3,316,498	2,921,882
Prepaid expenses		64,363	33,370
Total current assets		10,898,279	13,459,028
Non-current assets			
Property and equipment	7	396,648	298,415
Investments in Antilla Copper, S.A.	5	4,333,000	4,333,000
Exploration and evaluation assets	6	58,445,827	53,061,630
Total assets		$ 74,073,754	$ 71,152,073
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	12, 13	$ 1,607,910	$ 1,229,194
Current tax liability	11	510,289	-
Current portion of lease liabilities	8	89,305	41,396
Liabilities under Early Deposit Precious Metals Agreement	9	14,898,400	12,044,100
Total current liabilities		17,105,904	13,314,690
Non-current liabilities			
Deferred income tax liability	11	-	421,095
Long- term portion of lease liabilities	8	190,378	237,295
Liabilities under Early Deposit Precious Metals Agreement	9	2,708,800	2,535,600
Total liabilities		20,005,082	16,508,680
Shareholders' equity			
Share capital	10(a)	94,058,458	94,058,458
Share-based expense reserve	10(b)	12,216,408	12,180,753
Accumulated other comprehensive loss		(9,840)	(9,467)
Deficit		(52,196,354)	(51,586,351)
Total shareholders' equity		54,068,672	54,643,393
Total liabilities and shareholders' equity		$ 74,073,754	$ 71,152,073

Going concern (Note 2)
Commitments (Note 13)
Subsequent events (Notes 5, 9, and 18)

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

Approved on behalf of the Board:

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

PANORO MINERALS LTD.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, unless otherwise stated)
For the years ended December 31, 2022 and 2021

	Note(s)	2022	2021
Expenses			
Amortization	7	$ 42,359	$ 39,812
Administration expenses		481,901	302,935
Audit and tax		128,176	111,658
Consulting fees		318,807	356,447
Corporate development, conferences, travel, and shareholder relations		355,321	180,110
Directors' fees	12	83,859	50,122
Legal		146,930	342,744
Property evaluation		234,698	-
Salaries and benefits	12	1,136,406	1,040,126
Share-based expense		35,655	-
		(2,964,112)	(2,423,954)
Interest expense	8	(60,826)	(11,769)
Interest income		46,749	77,390
Other income	12	333,551	23,310
Airborne license fee income	6	474,522	1,019,926
Change in fair value of Early Deposit Precious Metals Agreement financial liability	9	(1,062,275)	47,400
Gain on Kusiorcco agreement	6	1,901,134	
Loss on disposition of subsidiary	5	-	(662,092)
Loss on Cochasayhuas agreement	6	-	(2,423,943)
Write-off of mineral property interest	6	-	(4,112,117)
Foreign exchange gain (loss)		810,448	(194,619)
		2,443,303	(6,236,514)
Loss before income taxes		(520,809)	(8,660,468)
Current income tax expense	11	(510,289)	-
Deferred income tax recovery	11	421,095	430,553
Loss for the year		(610,003)	(8,229,915)
Other comprehensive loss			
Unrealized loss on marketable securities		(373)	(400)
Comprehensive loss for the year		$ (610,376)	$ (8,230,315)
Loss per share, basic and fully diluted	16	$ (0.00)	$ (0.03)
Weighted average number of common shares outstanding	16	264,375,058	264,357,671

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

PANORO MINERALS LTD.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars, unless otherwise stated)

For the years ended December 31, 2022 and 2021

	Number of shares	Share capital $	Share-based expense reserve $	Accumulated other comprehensive loss $	Deficit $	Total $
Balance, December 31, 2020	264,188,405	94,035,125	12,180,753	(9,067)	(43,356,436)	62,850,375
Shares issued in lieu of cash compensation (Note 10(a))	186,653	23,333	-	-	-	23,333
Other comprehensive loss	-	-	-	(400)	-	(400)
Loss for the year	-	-	-	-	(8,229,915)	(8,229,915)
Balance, December 31, 2021	264,375,058	94,058,458	12,180,753	(9,467)	(51,586,351)	54,643,393
Share based expense	-	-	35,655	-	-	35,655
Other comprehensive loss	-	-	-	(373)	-	(373)
Loss for the year	-	-	-	-	(610,003)	(610,003)
Balance, December 31, 2022	**264,375,058**	**94,058,458**	**12,216,408**	**(9,840)**	**(52,196,354)**	**54,068,672**

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

PANORO MINERALS LTD.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars, unless otherwise stated)

For the years ended December 31, 2022 and 2021

	Note(s)	2022	2021
Cash provided by (used for):			
Operating activities:			
Loss for the year		$ (610,003)	$ (8,229,915)
Items not involving the use of cash:			
Amortization	7	42,359	39,812
Share-based expense	10(a)	35,655	-
Change in fair value of Early Deposit Precious Metals Agreement financial liability		1,062,275	(47,400)
Gain on Kusiorcco agreement		(1,901,134)	-
Interest expense on lease liabilities	8	29,121	11,769
Foreign exchange loss (gain)		(480,099)	194,619
Current income tax expense	11	510,289	-
Deferred income tax recovery	11	(421,095)	(430,553)
Interest income on agreement receivable	6	-	(77,390)
Loss on disposition of subsidiary	5	-	662,092
Write-off of mineral property interest	6	-	4,112,117
Loss on disposition of mineral property interest	6	-	2,423,943
		(1,732,632)	(1,340,906)
Changes in non-cash operating working capital:			
Accounts and advances receivable		(394,616)	(27,947)
Prepaid expenses		(30,993)	(11,209)
Accounts payable and accrued liabilities		(345,801)	96,797
Cash used in operating activities		(2,504,042)	(1,283,265)
Investing activities:			
Exploration and evaluation expenditures	6	(4,659,680)	(1,646,255)
Purchase of equipment	7	(80,270)	(16,392)
Proceeds from sale of Antilla Copper, S.A.	5	-	10,000,000
Proceeds from Kusiorcco agreement	6	1,901,134	-
Recovery of value-added taxes	6	-	70,493
Funds received on JOGMEC earn in agreement	6	-	977,893
Cash provided by (used in) investing activities		(2,838,816)	9,385,739
Financing activities:			
Early Deposit Precious Metals Purchase Agreement	9	1,965,225	1,895,100
Interest payment on lease liabilities	8	(29,121)	(11,769)
Repayment of lease liabilities	8	(59,330)	(31,679)
Cash provided by financing activities		1,876,774	1,851,652
Effect of foreign exchange on cash held		480,099	(203,336)
Increase (decrease) in cash and cash equivalents		(2,985,985)	9,750,790
Cash and cash equivalents, beginning of year		10,503,243	752,453
Cash and cash equivalents, end of year		$ 7,517,258	$ 10,503,243

The accompanying notes are an integral part of these consolidated 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 $610,003 for the year ended December 31, 2022 (2021 – $8,229,915). At December 31, 2022, the Company has an accumulated deficit of $52,196,354 (2021 – $51,586,351), and working capital deficiency, being current assets less current liabilities, of $6,207,625 (2021 – working capital of $144,338).

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.

2. Going concern (continued)

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 December 31, 2022, the Company has received $17,069,175 (US$13,000,000) from Wheaton Precious Metals International Ltd. ("Wheaton Metals") pursuant to the Wheaton Precious Metals Purchase Agreement ("Wheaton PMPA" – see Note 9) and is scheduled to receive US$1,000,000 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 consolidated 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The accounting policies applied in these consolidated financial statements are based on IFRS effective for the year ended December 31, 2022.

The consolidated financial statements of the Company for the year ended December 31, 2022, were approved and authorized for issuance by the Board of Directors on May 1, 2023.

(b) Functional and reporting currency

The functional and reporting currency of the Company and all its subsidiaries is the Canadian dollar. Foreign currency translation differences are recognized in profit or loss, except for differences on the translation of available-for-sale investments which are recognized in other comprehensive income. In assessing the Company's functional currency, the Company has determined that effective January 1, 2023 it intends to change the functional and presentation currency of the Company and its subsidiaries to US dollars. The change in functional currency will be on a prospective basis and the change in presentation currency will be presented retrospectively, with prior period comparatives commencing in the first quarter of 2023 translated to the United States dollars at the rate as of the date of the change.

3. Basis of presentation (continued)

(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 these consolidated financial statements 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 Notes 4(l) and 9, the going concern assessment as discussed in Note 2, and the determination of functional currency.

In concluding that the Canadian dollar is the functional currency of the parent, and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant, the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained. Management considers funds on hand at year end, planned expenditures and strategic objectives in its assessment.

4. Significant accounting policies

(a) Basis of consolidation

The subsidiaries of the Company, all of which are wholly owned, at December 31, 2022, are as follows:

Name of subsidiary	Country of Incorporation	Principal activity
Panoro Apurimac S.A.	Perú	Mineral exploration
Panoro Explora, S.A.C.	Perú	Services company
Panoro Holdings Ltd.	Canada	Holding company
Apurimac Copper S.A.	Perú	Mineral exploration
Promesa Copper S.A.	Perú	Mineral exploration
Alto Copper S.A.	Perú	Mineral exploration
Panoro Gold S.A.	Perú	Mineral exploration
Panoro Copper Royalties Ltd.	Canada	Royalty company
Panoro Pacific Minerals Inc.	Philippines	Holding company
Panoro Trading (Caymans) Ltd.	Cayman Islands	Project financing

The consolidated financial statements of the Company comprise the financial statements of the parent and its wholly owned subsidiaries as at December 31, 2022. All intercompany transactions and balances have been eliminated on consolidation.

The Company's interest in Antilla Copper, S.A. following the sale of the project in December 2021 (Note 5), is an equity-accounted investment as the Company has significant influence, but not control or joint control, over the financial, investing and operating policies. The investment is initially recognized at fair value and subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss of the equity-accounted investment until the date on which significant influence ceases.

(b) Foreign currency transactions and operations

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at a fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are recognized in profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits with original maturities of ninety days or less from the date of acquisition, and which are readily convertible into known amounts of cash.

4. Significant accounting policies (continued)

(d) Short-term investments

Short-term deposits with original maturities greater than 90 days that are not readily convertible into known amounts of cash are classified as short-term investments. Interest from cash and cash equivalents and short-term deposits is recorded on an accrual basis.

(e) Exploration and evaluation expenditures

Expenditures incurred before legal rights to explore a specific area are obtained are expensed. All acquisition and exploration and evaluation costs are capitalized until such time as the project to which they relate is put into commercial production, sold, abandoned or the recovery of costs is determined to be unlikely. The costs include costs to establish an initial mineral resource and determine whether inferred mineral resources can be upgraded to measured and indicated mineral resources and whether measured and indicated mineral resources can be converted to proven and probable reserves.

Upon reaching commercial production, these capitalized costs will be amortized over the estimated reserves on a unit-of-production basis. For properties which do not yet have proven reserves, the amounts shown represent costs to date and are not intended to represent present or future values. The recovery of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain financing to complete exploration and development of the properties, and on future profitable production or proceeds on disposition of the properties. The underlying value of all properties is dependent on the existence and economic recovery of mineral resources in the future which includes acquiring the necessary permits and approvals.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

(f) Impairment of long-lived assets

Management periodically reviews the carrying value of its long-lived assets, including its exploration and evaluation assets and its investment in Antilla Copper. Exploration and evaluation assets are reviewed with internal mining related professionals. If impairment indicators are identified, impairment is determined for such assets by assessing the recoverable amount of each cash generating unit (“CGU”). The Company defines a CGU as each separate property which is the smallest identifiable group of assets that generates cash inflows that are independent of other assets or group of assets. A decision to abandon, reduce or expand a mineral property interest is based upon many factors including the future costs of exploring and developing a specific exploration asset, the expiration term and ongoing expense of maintaining leased mineral properties and the general likelihood that the Company will continue exploration.

4. Significant accounting policies (continued)

(f) Impairment of long-lived assets (continued)

The Company does not set a pre-determined holding period for properties with unproven reserves. However, properties which have not demonstrated suitable mineral concentrations at the conclusion of each phase of an exploration program are re-evaluated to determine if future exploration is warranted and their carrying values are recoverable.

For exploration and evaluation assets, the Company follows the guidance in IFRS 6 – Exploration for and Evaluation of Mineral Resources to determine whether exploration and evaluation assets are impaired. Impairment indicators relevant for exploration and evaluation properties include:

- whether the rights to explore the area of interest have expired during the period or will expire in the near future, and the rights are not expected to be renewed;

- substantive expenditure on further exploration and evaluation is not planned or budgeted;

- the exploration activities have not led to a discovery of commercial reserves and the Company has decided not to continue such activities in the area of interest being explored; or

- sufficient data exists to indicate that, although exploration in the area is likely to continue, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, assessments are performed for each CGU. To the extent that the capitalized exploration and evaluation expenditures are not expected to be recovered, the excess of the carrying value over the recoverable amount is recorded as a write-down in the consolidated statement of loss and comprehensive loss in the period impairment indicators are identified. When a concession is returned to the government, costs directly attributable to the concession are written off. Certain concessions within a CGU may be contiguous to other claims and therefore remain in exploration expenditures.

When the recoverable amount of a mineral property interest is less than the carrying amount an impairment loss is recognized. Impairment losses relating to the CGUs can be reversed in future periods if circumstances change. The recoverable amount of a mineral property interest is determined based on the fair value less costs to sell or value-in-use and based on plans to advance the property.

(g) Property and equipment

Property and equipment are recorded at cost and are amortized using a straight-line method over a period of three to five years. Amortization related to property and equipment used in exploration and evaluation activities is classified within exploration expenditures, and right-of-use (“ROU”) assets are amortized using a straight-line method over the term of the lease.

4. Significant accounting policies (continued)

(g) Property and equipment (continued)

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the consolidated statement of loss and comprehensive loss.

(h) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and losses carried forward. Deferred tax assets and liabilities are measured using substantively enacted or enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the substantive enactment date. Deferred tax is not recognized for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets that are recognized are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(i) Value added taxes recoverable

The Company incurs Impuesto General a las Ventas (“IGV”) in Perú (which is a Perúvian value-added tax). The Company has entered into an agreement with the Ministry of Energy and Mines to recover such amounts which relate to approved properties. IGV paid related to non-approved mineral property expenditures is only recoverable when future sales revenues are earned from the related mineral properties by offsetting the IGV otherwise payable at that time. As the IGV payments incurred on both approved and non-approved mineral property expenditures are uncertain of recovery, they have been included in mineral property exploration expenditures. Any future recoveries of these amounts are offset against the mineral property exploration expenditures.

(j) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a specified time in exchange for consideration. At lease commencement, the Company recognizes a ROU asset and a lease obligation.

4. Significant accounting policies (continued)

(j) Leases (continued)

An identified asset may be implicitly or explicitly specified in a contract, but must be physically distinct, and must not have the ability for substitution by a lessor. The Company has the right to control an identified asset if it obtains substantially all its economic benefits and either pre-determines or directs how and for what purpose the asset is used.

The lease obligation is initially measured at the present value of lease payments remaining at the lease commencement date. The lease obligation is subsequently measured at amortized cost using the effective interest method. The present value of the lease payment is determined using the discount rate representing the weighted average incremental borrowing rate the Company could secure.

Lease payments included in the measurement of the lease obligation, when applicable, may comprise fixed payments, variable payments that depend on an index or rate, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase, extension or termination option that the Company is reasonably certain to exercise.

The lease term determined by the Company comprises the non-cancellable period of lease contracts, the period covered by an option to extend the leases, if the Company is reasonably certain to exercise that option, and the periods covered by an option to terminate the lease, if the Company is reasonably certain not to exercise that option.

The ROU assets are recognized initially at the value of lease liabilities at recognition with any prepaid payments, initial direct costs, and dismantling costs less any lease incentives received. The amortization rate of ROU assets is based on the shorter of the useful life of the underlying asset or the lease term determined. There are no restrictions or covenants imposed by the Company’s leases.

(k) Accounting for Early Deposit on Precious Metals Purchase Agreement (See Note 9)

Significant judgment was required in determining the appropriate accounting for the Wheaton PMPA with Wheaton Metals. The upfront cash deposits received from future stream transactions have been accounted for as financial liabilities measured at FVTPL, with the resulting foreign exchange gains and losses recorded through the statements of loss and comprehensive loss as “change in fair value of Early Deposit Precious Metals Agreement financial liability”, on the basis that the deposit amounts received could become repayable under certain circumstances. Amounts that could become immediately repayable in the event the Wheaton PMPA is terminated are reflected within current liabilities.

4. Significant accounting policies (continued)

(l) Site restoration costs

Where necessary, the Company recognizes an estimate of the liability associated with a site restoration provision in the consolidated financial statements at the time the liability is incurred. Drill sites are remediated and restored on an ongoing basis. The estimated fair value of the site restoration provision is recorded as a current liability, with a corresponding increase in the carrying amount of the related asset. The site restoration provision asset is depreciated in a manner consistent with the underlying asset. The Company has no site restoration liability at either December 31, 2022 or December 31, 2021.

(m) Share-based expense

The Company has a stock option plan that is described in Note 10(b). Share-based expenses are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to share-based expense reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based expense reserve is transferred to share capital.

The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of share-based awards granted. Option pricing models require the input of highly subjective assumptions. The expected life of options considers such factors as the average length of time similar option grants in the past have remained outstanding prior to exercise, expiry or cancellation and the vesting period of options granted. Volatility is estimated based on average daily volatility based on historical share price observations over the expected term of the option grant. Changes in the subjective input assumptions can materially affect the estimated fair value of options.

Other comprehensive income or loss is the change in shareholders' equity during a period from transactions and other events from non-owner sources. Gains and losses that would otherwise be recorded as part of net income or loss are presented in "other comprehensive income (loss)" until it is considered appropriate to recognize into net income or loss, if at all. The Company reports a consolidated statement of comprehensive loss and includes the account "accumulated other comprehensive loss" in the shareholders' equity section of the consolidated statement of financial position.

(n) Earnings per share

The Company presents basic and diluted earnings (loss) per share ("EPS") for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for shares held by the Company. Diluted loss per share is calculated using the treasury stock method.

4. Significant accounting policies (continued)

(n) Earnings per share (continued)

Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year.

(o) Financial instruments

<u>Financial assets</u>
The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at FVTPL – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses from changes in the fair value of the asset held at FVTPL are included in profit or loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income or loss. There is no subsequent reclassification of fair value gains and losses to profit or loss following de-recognition of the investment.

Financial assets at amortized cost – Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on de-recognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss.

Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

4. Significant accounting policies (continued)

(o) Financial instruments (continued)

Financial assets (continued)

Financial assets at amortized cost (continued)
At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. If at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures loss allowances on amounts receivable at an amount equal to the twelve months' expected credit loss ("ECL"). When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort.

Financial liabilities
The Company measures all its financial liabilities (other than liabilities under the Early Deposit Precious Metals Agreement, which is measured at fair value through profit or loss), as subsequently measured at amortized cost. Financial liabilities are recognized initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

The following table shows the classification of liabilities under IFRS 9:

	Classification under IFRS 9
Cash and cash equivalents	Amortized cost
Short-term investments	Amortized cost
Marketable securities	FVTOCI
Accounts and advances receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Liabilities under Early Deposit Precious Metals Agreement	FVTPL

(p) Licensing fees

The Company has provided ongoing access to certain historic geological information to certain companies for a one-time fee. Such amounts have been recorded as other income at the point-in-time when such agreements were reached, payment received, and access provided.

(Expressed in Canadian dollars, unless otherwise stated)

4. Significant accounting policies (continued)

(q) IFRS standards adopted

No new standards were effective as of January 1, 2022, that had a material impact on the Company's consolidated financial statements. The Company has not early adopted any amendment, standard or interpretation that has been issued by the IASB but that is not yet effective, nor has it identified any such standard or interpretation that is expected to have a material impact on the Company's consolidated financial statements.

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 $10,000,000 in cash, and approximately $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 $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 $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 US$310 million; or up to $50.0 million if the Study estimates the Antilla NPV8 to be above US$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 $4.0 million.

At December 31, 2022, the Company retains an interest of approximately 24% (December 31, 2021 – 25%) 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, determined based on the transaction value.

Fair value of 25% investment in Antilla Copper	$	4,333,000
Consideration received at closing		10,000,000
Consideration receivable no later than ten months from closing		2,800,000
Fair value of investment		4,333,000
Less net asset disposition		(17,795,092)
Loss on sale of Antilla Copper	$	(662,092)

5. Investment in Antilla Copper, S.A. (continued)

At December 31, 2022, included in accounts and advances receivable is $2,800,000, the Second Payment that was to be paid on October 3, 2022. Subsequent to December 31, 2022, 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 $300,000 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 $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 and from January 1, 2022 to December 31, 2022 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 December 31, 2022, 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.

6. Exploration and evaluation assets (continued)

During the year ended December 31, 2021, the Company determined it would no longer explore certain mineral property interests and wrote off $4,112,117 in associated capitalized exploration and evaluation assets. 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 its mineral property interests with capitalized exploration and evaluation costs at December 31, 2022.

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 $1,901,134 (US$1,500,000) 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 Canadian dollars, unless otherwise stated)

6. Exploration and evaluation assets (continued)

Cochasayhuas

During the year ended December 31, 2020, the Company entered into an agreement for sale of the Cochasayhuas Gold Project to Mintania S.A.C. ("Mintania") of Perú for a total of US$2.45 million to be paid in installments through 2023, plus a 5% NSR for 15 years from the commencement of commercial production.

The Company received the first payment of US$450,000 on the signing of the agreement, however, in November 2021, Mintania advised the Company that they were unable to make the payments due in 2021 and would be returning the project to the Company. A termination agreement was signed and filed in late 2021, and the project was returned to the Company's subsidiary, Panoro Gold, S.A., which held the property prior to the sale. At December 31, 2021, the Company wrote-off the agreement receivable including the interest income accreted in 2021.

Fair value of proceeds receivable from sale of Cochasayhuas on June 10, 2020	$3,018,460
Payment received	(611,595)
Foreign exchange loss	(152,122)
Interest recorded on agreement receivable	83,131
Agreement receivable, December 31, 2020	2,337,874
Interest accreted in 2021	77,382
Foreign exchange loss	8,687
Write-off of agreement receivable due to non-payment	(2,423,943)
Agreement receivable, December 31, 2022 and 2021	$ -

(Expressed in Canadian dollars, unless otherwise stated)

6. Exploration and evaluation assets (continued)

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	$4,925,035	$ 166,379	$ 5,091,414
Exploration and evaluation expenditures:			
Balance, December 31, 2021	$47,495,566	$ 474,650	$47,970,216
Incurred during the year:			
Assays and sampling	92,142	-	92,142
Camp and site	558,452	1,137	559,589
Community relations	1,027,216	686	1,027,902
Drilling	1,366,223	-	1,366,223
Engineering and studies	404,109	-	404,109
Environmental	71,063	24	71,087
Geology	1,031,486	47	1,031,533
Geophysics	12,760	-	12,760
Legal	29,730	2,455	32,185
Recording and concession fees	527,252	224,285	751,537
Transportation	34,799	85	34,884
Other	-	246	246
	5,155,232	228,965	5,384,197
Exploration and evaluation expenditures capitalized at December 31, 2022	52,650,798	703,615	53,354,413
Total exploration and evaluation assets at December 31, 2022	**$57,575,833**	**$869,994**	**$58,445,827**
Salaries and benefits allocation included above:			
Assays and sampling	$ 169	$ -	$ 169
Camp and site	329,424	-	329,424
Community relations	681,790	-	681,790
Drilling	100,717	-	100,717
Engineering and studies	322,828	-	322,828
Environmental	22,256	-	22,256
Geology	935,067	-	935,067
	$2,392,251	$ -	$2,392,251

(Expressed in Canadian dollars, unless otherwise stated)

6. Exploration and evaluation assets (continued)

Exploration and evaluation assets at December 31, 2021 and expenditures for the year then ended are as follows:

	Antilla	Cotabambas	Other	Total
Acquisition costs:				
Balance, December 31, 2020	$7,319,722	$4,925,035	$ 865,169	$13,109,926
Less disposition of Antilla (Note 5)	(7,319,722)	-	-	(7,319,722)
Less write-off of acquisition costs	-		(698,790)	(698,790)
Balance, December 31, 2021	-	4,925,035	166,379	5,091,414
Exploration and evaluation expenditures:				
Balance, December 31, 2020	10,447,246	46,967,380	4,129,112	61,543,738
Incurred during the year:				
Amortization (Note 7)	-	151	-	151
Assays and sampling	-	-	516	516
Camp and site	3,390	105,856	362,771	472,017
Community relations	20,100	111,317	131,918	263,335
Environmental	-	493	14,696	15,189
Geology	-	15,266	200,454	215,720
Geophysics	-	-	19,627	19,627
Legal	6,059	1,361	17,219	24,639
Recording and concession fees	241,340	358,730	(32,088)	567,982
Transportation	3,408	5,505	21,645	30,558
Recovery of value-added tax	-	(70,493)	-	(70,493)
Funds received on JOGMEC earn-in agreement on Humamantata	-	-	(977,893)	(977,893)
Disposition of capitalized exploration expenditures related to the Antilla Project (Note 5)	(10,721,543)	-	-	(10,721,543)
Write-off of capitalized exploration and evaluation expenditures	-	-	(3,413,327)	(3,413,327)
	(10,447,246)	528,186	(3,654,462)	(13,573,522)
Exploration and evaluation expenditures capitalized at December 31, 2021	-	47,495,566	474,650	47,970,216
Total exploration and evaluation assets at December 31, 2021	**$ -**	**$52,420,601**	**$ 641,029**	**$53,061,630**
Salaries and benefits allocation included above:				
Camp and site	$ -	$ 52,517	$ 329,375	$ 381,892
Community relations	-	85,513	87,387	172,900
Geology	-	15,266	200,454	215,720
	$ -	$ 153,296	$ 617,216	$ 770,512

(Expressed in Canadian dollars, unless otherwise stated)

6. Exploration and evaluation assets (continued)

Other

The Company received an airborne survey database at the time it acquired a former subsidiary of the company, Cordillera Copper Ltd. The Company is currently licensing this database to mining companies on a non-exclusive perpetual basis. For the year ended December 31, 2022, the Company earned income of $474,522 (2021 – $1,019,926).

7. Property and equipment

	Equipment	Computer and office furnishings	Leasehold improvements	Right of use assets	Total
Cost:					
Balance at January 1, 2022	$ 120,765	$ 171,749	$ 13,678	$ 292,420	$ 598,612
Additions during the year	-	80,270	-	60,322	140,592
Balance, December 31, 2022	$ 120,765	$ 252,019	$ 13,678	$ 352,742	$ 739,204
Accumulated amortization:					
Balance at January 1, 2022	$ 120,765	$ 158,366	$ 759	$ 20,307	$ 300,197
Amortization for the year	-	4,289	1,518	36,552	42,359
Balance, December 31, 2022	$ 120,765	$ 162,655	$ 2,277	$ 56,859	$ 342,556
Net book value:					
December 31, 2022	$ -	$ 89,364	$ 11,401	$ 295,883	$ 396,648

	Equipment	Computer and office furnishings	Leasehold improvements	Right of use assets	Total
Cost:					
Balance at January 1, 2021	$ 120,765	$ 169,035	$ 94,704	$ 380,425	$ 764,929
Additions during the year	-	2,714	13,678	292,420	308,812
Disposals during the year	-	-	(94,704)	(380,425)	(475,129)
Balance, December 31, 2021	$ 120,765	$ 171,749	$ 13,678	$ 292,420	$ 598,612
Accumulated amortization:					
Balance at January 1, 2021	$ 120,765	$ 152,647	$ 94,704	$ 367,247	$ 735,363
Amortization for the year	-	5,719	759	33,485	39,963
Disposals during the year	-	-	(94,704)	(380,425)	(475,129)
Balance, December 31, 2021	$ 120,765	$ 158,366	$ 759	$ 20,307	$ 300,197
Net book value:					
December 31, 2021	$ -	$ 13,383	$ 12,919	$ 272,113	$ 298,415

Amortization of $nil for the year ended December 31, 2022 (2021 – $151) relates to exploration and evaluation expenditures and has been capitalized to the exploration and evaluation assets (Note 6).

(Expressed in Canadian dollars, unless otherwise stated)

8. Right-of-use assets and lease liabilities

During the year ended December 31, 2021, the office lease for the head office expired, and the Company signed a new lease agreement commencing August 1, 2021, for a period of 6 years. The Company has recognized $292,420 as a right-of-use ("ROU") asset and a lease liability of the same amount.

The lease liabilities can be reconciled to the operating lease obligations as of December 31, 2021, and December 31, 2020, as follows:

Lease liability recognized as of December 31, 2020[1]	$	17,950
Addition to lease liability at August 1, 2021[1]		292,420
Repayment of lease liabilities		(31,679)
Interest accrued on lease liabilities		11,769
Interest payment on lease liabilities		(11,769)
Lease liability recognized as of December 31, 2021	$	278,691
Addition to lease liability at March 1, 2022[1]		60,322
Repayment of lease liability		(59,330)
Interest accrued on lease liabilities		(29,121)
Interest payment on lease liabilities		29,121
Lease liability recognized as of December 31, 2022	$	279,683
Current portion of lease liability	$	89,305
Long-term portion of lease liability	$	190,378

(1) The lease liabilities were discounted using an incremental rate of 9.57% per annum in each fiscal year.

During the year ended December 31, 2022, the Company recognized occupancy expenses of $46,710 (December 31, 2021 – $29,766).

As of December 31, 2022, the remaining undiscounted lease payments, including non-lease components, are disclosed in Note 13 – Commitments.

9. 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 US$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.

9. Early Deposit Precious Metals Agreement (continued)

In addition, Wheaton Metals will make production payments to the Company of the lesser of the market price and US$450 per payable ounce of gold and US$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 US$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 US$2.0 million in the first year and instalments of US$750,000 semi-annually thereafter until the full US$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 US$3.5 million for all such offerings. The Company received US$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 US$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 US$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.

(Expressed in Canadian dollars, unless otherwise stated)

9. Early Deposit Precious Metals Agreement (continued)

At December 31, 2022, the Company had received a total of US$13.0 million under the Early Deposit, including an accelerated payment of US$2.0 million after the successful completion of a private placement in August 2016. Subsequent to December 31, 2022, the Company received the fifteenth payment of US$0.75 million from Wheaton Metals bringing the total received on the PMPA to US$13.75 million.

Liabilities under Precious Metals Purchase Agreement	Fair value balance, December 31, 2021	2022 Cash flow	Change in fair value – foreign exchange	Fair value balance, December 31, 2022
Current liabilities	$12,044,100	$1,965,225	$889,075	$14,898,400
Long-term liabilities	2,535,600	-	173,200	2,708,800
	$14,579,700	$1,965,225	$1,062,275	$17,607,200

Liabilities under Precious Metals Purchase Agreement	Fair value balance, December 31, 2020	2021 Cash flow	Change in fair value – foreign exchange	Fair value balance, December 31, 2021
Current liabilities	$10,185,600	$1,895,100	$ (36,600)	$12,044,100
Long-term liabilities	2,546,400	-	(10,800)	2,535,600
	$12,732,000	$1,895,100	$ (47,400)	$14,579,700

As a result of the change of the US Dollar against the Canadian Dollar, the Company recorded a change in fair value resulting from foreign exchange during the years ended December 31, 2022 and 2021.

10. Share capital

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

Issued and outstanding:
264,375,058 common shares as at December 31, 2022 and 2021.

During the year ended December 31, 2021, the Company issued 186,653 common shares at a price of $0.125 per common share, for a fair value of $23,333 to settle payables outstanding at December 31, 2020.

(Expressed in Canadian dollars, unless otherwise stated)

10. Share capital (continued)

(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 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 $35,655 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%.

During the years ended December 31, 2022 and 2021, the following were changes to the stock options of the Company:

	Number of Options	Weighted average exercise price
Balance, December 31, 2020	20,097,800	$0.24
Stock options forfeited or cancelled during the year	(8,847,800)	$0.21
Balance, December 31, 2021	11,250,000	$0.26
Stock options granted during the year	500,000	$0.12
Stock options forfeited or cancelled during the year	(600,000)	$0.20
Balance, December 31, 2022	11,150,000	$0.26

The weighted average life of exercisable options outstanding as of December 31, 2022 is 0.91 years (December 31, 2021 – 1.7 years).

The following stock options were outstanding and exercisable at December 31, 2022:

Expiry date	Number of options	Weighted average exercise price
March 13, 2023	6,650,000	$ 0.34
August 16, 2024	4,000,000	$ 0.15
August 26, 2027	500,000	$ 0.12
	11,150,000	$ 0.26

(Expressed in Canadian dollars, unless otherwise stated)

11. Income taxes

The Company's recognized deferred tax assets and liabilities as at December 31, 2022 and 2021 as follows:

		2022		2021
Deferred tax assets				
Mineral properties	$	-	$	-
Non-capital losses		-		77,624
		-		77,624
Deferred tax liabilities				
Mineral properties		-		(498,719)
Agreement receivable		-		-
		-		(498,719)
Net deferred tax liability	$	-	$	(421,095)

At December 31, 2021, no deferred tax assets are recognized on the following temporary differences as it is not probable that sufficient future taxable profit will be available to realize such assets:

		2022		2021
Exploration and evaluation assets	$	2,404,985	$	2,263,257
Property and equipment		370,237		373,035
Tax losses carried forward and other		29,339,538		28,297,242
Other		386,222		388,632
Unrecognized deductible temporary differences	$	32,500,982	$	31,322,166

The Company has non-capital losses of approximately $24.1 million (2021 – $22.1 million) and $5.7 million (2021 – $5.2 million) to reduce future income tax in Canada and Perú, respectively. The losses in Canada expire between 2026 and 2042 and the losses in Perú expire between 2023 and 2026.

The Company has Canadian capital losses of $nil (2021 – $1.3 million) that are available to reduce future capital gains. These losses carry forward indefinitely.

(Expressed in Canadian dollars, unless otherwise stated)

11. Income taxes (continued)

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 27% (2021 – 27%) as follows:

		2022		2021
Income tax benefit computed at Canadian statutory rates (27%) multiplied by loss before tax	$	(140,618)	$	(2,338,326)
Permanent and other differences		352,853		421,517
Foreign exchange		(2,178,780)		1,393,570
Expired losses		-		440
Difference in foreign tax rates		(20,836)		(161,706)
Deferred income tax assets not recognized		2,076,575		253,952
Income tax expense (recovery)	$	89,194	$	(430,553)
Income tax expense (recovery) is comprised of:				
Current income tax expense	$	510,289	$	-
Deferred income tax recovery		(421,095)		(430,553)
	$	89,194	$	(430,553)

12. 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 in 2022 and 2021.

For the year ended December 31, 2022, key management personnel compensation included salaries, fees and benefits of $1,412,020 (2021 – $1,072,328).

During the year ended December 31, 2022 the Company received other income of $333,551 (2021 - $nil) from Calisto with respect to support services provided in relation to the Antilla project.

As at December 31, 2022, included in accounts payable and accrued liabilities was $2,500 (December 31, 2021 – $15,708) in directors' fees payable, and $17,895 (December 31, 2021 – $11,711) payable to officers for expenses incurred on behalf of the Company.

(Expressed in Canadian dollars, unless otherwise stated)

13. Commitments

The Company has the following commitments and payments due at December 31, 2022:

	2023	2024	2025	2026	Total
Office lease (Vancouver)	$ 105,467	$ 107,366	$ 109,264	$ 111,163	$ 433,260
Office lease (Perú)	42,624	7,078	-	-	49,702
Accrued vigencias	474,717	-	-	-	474,717
Accounts payable	1,063,997	-	-	-	1,063,997
Accrued liabilities	69,196	-	-	-	69,196
Current tax liability	510,289	-	-	-	510,289
	$ 2,266,290	$ 114,444	$ 109,264	$ 111,163	$ 2,601,161

Vigencias (or recording fees) of US$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 $540,507 (2021 – $647,057 relating to the 2020 year). 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 US$6 per hectare, until after 12 years, the additional fee increases to US$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 $474,717 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.

14. 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 December 31, 2022 and 2021, the Company held 6,667 common shares in Fidelity Minerals Corp. ("Fidelity"), at a book value of $10,000 and a fair value of $160 (2021 – $533). 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.

14. Financial instruments and capital management (continued)

(a) Fair value of financial instruments (continued)

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. The total of cash and cash equivalents, and accounts and advances receivable of $10,833,756 (2021 – $13,425,125) represents the maximum credit exposure. The Company has not identified any significant increase in credit risk with respect to its financial assets at December 31, 2022. As discussed in Note 5, subsequent to year end 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 December 31, 2022 or 2021. During the year ended December 31, 2021 the Company wrote off an agreement receivable (see Note 6).

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.

14. Financial instruments and capital management (continued)

(b) Financial risks (continued)

Liquidity risk (continued)
Contractual commitments that the Company is obligated to pay in future years are disclosed in Note 13. 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 Canadian 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 Canadian 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 Canadian dollar exchange rate vis-a-vis the Perúvian Nuevo Sol ("PEN" or "S/.") and the US Dollar ("US$"). The Company purchases foreign currencies as the need arises to fund its exploration activities. Corporate expenditures are primarily incurred in Canadian and US dollars.

As at December 31, 2022, the Company's significant exposures to foreign currency risk, based on the statement of financial position carrying values, were to the Perúvian Nuevo Sol and the US Dollar, as follows:

	December 31, 2022		December 31, 2021	
	PEN	**US$**	**PEN**	**US$**
Cash	S/. 15,402	$5,537,080	S/. 98,864	$8,222,089
Accounts and advances receivable	1,328,509	4,300	259,369	-
Accounts payable and accrued liabilities	(4,047,904)	(36,219)	(1,660,275)	(131,359)
Precious Metals Purchase Agreement	-	(13,000,000)	-	(11,500,000)
Net exposure	S/.(2,703,993)	US$(7,494,839)	S/.(1,302,042)	US$(3,409,270)
Canadian dollars	$(961,810)	$(10,151,011)	$(413,529)	$(4,322,273)

(Expressed in Canadian dollars, unless otherwise stated)

14. Financial instruments and capital management (continued)

(b) Financial risks (continued)

Foreign currency risk (continued)
The following sensitivity analysis assumes all other variables remain constant and are based on the above net exposures. A 10% appreciation or depreciation of the Perúvian Nuevo Sol vis-a-vis the Canadian Dollar would result in an increase or decrease of approximately $96,000 (2021 – approximately $41,000) in net loss, respectively. A 10% appreciation or depreciation of the US Dollar vis-a-vis the Canadian Dollar would result in an increase or decrease of approximately $1,000,000 (2021 – approximately $430,000) in net loss, respectively.

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 December 31, 2022, 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 year ended December 31, 2022.

15. Segmented disclosures

The Company has one operating segment, mineral exploration. All the Company's exploration and evaluation assets and investments are located in Perú and are disclosed in Notes 5 and 6. Property and equipment are distributed geographically as follows.

		2022		**2021**
Perú	$	63,576	$	3,254
Canada		333,072		295,161
	$	396,648	$	298,415

(Expressed in Canadian dollars, unless otherwise stated)

16. Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2022, was based on the loss attributable to common shareholders of $610,003 (2021 – $8,229,915) and the weighted average number of common shares outstanding of 264,375,058 (2021 – 264,357,671) respectively.

For the years ended December 31, 2022, and 2021, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options (see Note 10(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.

	2022	2021
Issued common shares, beginning of year	264,375,058	264,188,405
Effect of shares issued	-	169,266
Weighted average number of common shares, end of year	264,375,058	264,357,671

17. Supplementary cash flow information

Non-cash activities:	2022	2021
Amortization capitalized to exploration and evaluation assets	$ -	$ 151
Settlement of accrued liabilities through issuance of common shares (Note 10 (a))	-	23,333
Decrease (increase) in accounts payable and accrued liabilities associated with exploration and evaluation expenditures	(724,517)	36,672
Deconsolidation of Antilla payables	-	239,331
Lease liability and right-of-use asset addition	60,322	292,420

18. Subsequent events

On January 11, 2023, the Company granted an aggregate of 9,700,000 stock options (the "Options") to directors, officers and employees of the Company to purchase 9,700,000 common shares (the "Shares") in the capital of the Company pursuant to the Company's share option plan. The Options vest immediately and are exercisable at an exercise price of $0.15 per Share for a period of five years from the date of grant.

On March 13, 2023, 6,650,000 stock options with an exercise price of $0.34 expired unexercised.

Subsequent to December 31, 2022, the Company agreed to amend the Antilla Copper sale agreement with Calisto in which both parties agreed to defer the Second Payment to the earlier of (i) a date within 30 days of an initial public offering of Calisto on internationally recognized stock exchange and (ii) March 31, 2024 (see note 5).