PAMPA METALS CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Pampa Metals Corporation have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements as at September 30, 2023 and for the nine months ended September 30, 2023 and 2022 have not been reviewed by the Company's external auditors.

PAMPA METALS CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

As at	September 30 2023	December 31 2022
ASSETS		
Current assets		
Cash	$ 519,425	$ 404,633
GST recoverable	21,337	69,884
Prepaid expenses	30,698	92,720
Total current assets	571,460	567,237
Non-current assets		
Equipment	26,425	34,456
Mineral property interests (Note 3)	6,987,835	4,855,222
Total non-current assets	7,014,260	4,889,678
TOTAL ASSETS	$ 7,585,720	$ 5,456,915
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	$ 131,456	$ 280,194
Total liabilities	131,456	280,194
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	15,143,647	12,159,947
Commitment to issue shares (Note 5)	-	132,825
Warrant reserve (Note 5)	1,286,860	1,049,260
Contributed surplus (Note 5)	1,348,550	788,605
Accumulated deficit	(10,324,793)	(8,953,916)
Total shareholders' equity	7,454,264	5,176,721
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 7,585,720	$ 5,456,915

Nature of operations and going concern (Note 1)
Events after reporting date (Note 8)

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on November 29, 2023.

Approved by the Board of Directors

"Joseph van den Elsen" Director   *"Adrian Manger"* Director

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

PAMPA METALS CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Three months ended September 30 2023	Three months ended September 30 2022	Nine months ended September 30 2023	Nine months ended September 30 2022
Expenses				
Consulting fees	$ 403	$ 60,417	$ 4,578	$ 287,542
Depreciation	2,325	2,330	8,028	7,474
Director and management fees (Note 6)	30,000	76,866	210,000	406,702
General and administration	36,971	21,927	168,944	107,412
Investor relations and communication	25,765	110,850	126,292	869,939
Professional fees (Note 6)	57,513	51,616	232,246	178,360
Share-based compensation (Notes 5 and 6)	28,162	94,548	559,945	280,560
Shareholder information	19,482	13,974	47,156	54,227
	200,621	432,528	1,357,189	2,192,216
Loss before other items	(200,621)	(432,528)	(1,357,189)	(2,192,216)
Other items				
Gain on debt settlement (Note 5)	-	-	16,556	-
Interest income	68	311	68	738
Foreign exchange gain (loss)	(10,882)	10,580	(30,312)	(19,761)
Loss and comprehensive loss	$ (211,435)	$ (421,637)	$ (1,370,877)	$ (2,211,239)
Basic and diluted loss per share	$ (0.01)	$ (0.02)	$ (0.05)	$ (0.12)
Weighted average number of shares outstanding - basic and diluted	31,069,772	19,709,184	27,904,924	18,914,192

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

PAMPA METALS CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited - Expressed in Canadian Dollars)

	Nine months ended September 30 2023	Nine months ended September 30 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (1,370,877)	$ (2,211,239)
Items not affecting cash:		
Share-based compensation	559,945	280,560
Common shares issued for services	47,444	118,000
Unrealized foreign exchange effect	(1,610)	-
Depreciation of equipment	8,028	7,474
Changes in non-cash operating working capital items		
GST Recoverable	48,547	6,812
Prepaid expenses	62,022	(153,345)
Accounts payable and accrued liabilities	(124,593)	248,807
Net cash used in operating activities	(771,094)	(1,702,931)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on mineral properties	(2,132,613)	(1,115,395)
Net cash used in investing activities	(2,132,613)	(1,115,395)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares, net of share issuance costs	3,018,531	1,615,240
Net cash provided by financing activities	3,018,531	1,615,240
Effect of exchange rate changes on cash	(32)	-
Change in cash	114,792	(1,203,086)
Cash, beginning	404,633	1,333,960
Cash, ending	$ 519,425	$ 130,874

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

PAMPA METALS CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Number of shares	Share capital	Commitment to issue shares	Warrant reserve	Contributed surplus	Deficit	**Total equity**
Balance as at December 31, 2021	17,372,904	$ 9,858,337	$ -	$ 995,314	$ 628,464	$ (4,901,567)	$ 6,580,548
Issuance of common shares for services	157,333	118,000	-	-	-	-	118,000
Issuance of units in private placement	2,178,946	1,634,210	-	-	-	-	1,634,210
Share issuance costs	-	(18,970)	-	-	-	-	(18,970)
Fair value of broker warrants issued	-	(4,126)	-	4,126			-
Share-based compensation	-	-	-	-	280,560	-	280,560
Net loss and comprehensive loss	-	-	-	-	-	(2,211,239)	(2,211,239)
Balance as at September 30, 2022	19,709,183	$11,587,451	$ -	$ 999,440	$ 909,024	$ (7,112,806)	$ 6,383,109

	Number of shares	Share capital	Commitment to issue shares	Warrant reserve	Contributed surplus	Deficit	**Total equity**
Balance as at December 31, 2022	21,564,738	$12,159,947	$ 132,825	$ 1,049,260	$ 788,605	$ (8,953,916)	$ 5,176,721
Issuance of units in private placement	19,017,733	3,102,649	-	64,001	-	-	3,166,650
Settlement of commitment to issue shares	322,000	132,825	(132,825)	-	-	-	-
Units issued for services	66,667	22,500	-	-	-	-	22,500
Common shares issued for services	145,982	47,444	-	-	-	-	47,444
Finders' units issued	137,657	58,504	-	-	-	-	58,504
Finders' shares issued	348,133	48,883	-	-	-	-	48,883
Share issue costs	-	(429,105)	-	173,599	-	-	(255,506)
Share-based compensation	-	-	-	-	559,945	-	559,945
Net loss and comprehensive loss	-	-	-	-	-	(1,370,877)	(1,370,877)
Balance as at September 30, 2023	41,602,910	$15,143,647	$ -	$ 1,286,860	$ 1,348,550	$(10,324,793)	$ 7,454,264

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Pampa Metals Corporation (the "Company" or "Pampa") is a mining exploration company focused on exploration of base metals and precious metals projects in the Americas, with a primary focus on copper. The Company was incorporated under the British Columbia Business Corporations Act in 1999. The Company's head office and records office is 501 - 543 Granville Street, Vancouver, British Columbia. The Company's registered office is 1200 - 750 West Pender Street, Vancouver, British Columbia. The Company trades on the Canadian Securities Exchange (the "CSE"; CSE: PM); the Frankfurt Stock Exchange (FSE: FIR); and on the OTCQB (OTCQB: PMMCF).

The Company's financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company is in the process of exploring its mineral property interests and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of its mineral properties and upon future profitable production.

In an effort to facilitate greater flexibility in pursuing its plans, the Company completed a share consolidation on a basis of one (1) "new" common share for two-and-a-half (2.5) "old" common shares, with no fractional shares issued, on September 5, 2023 (the "Effective Date"). On the Effective Date, the Company had 29,117,310 common shares outstanding and all outstanding stock options and share purchase warrants have been adjusted accordingly to reflect the share consolidation. All references to share capital, common shares outstanding, and per share amounts in these condensed consolidated interim financial statements and the accompanying notes for time periods prior to the share consolidation have been restated to reflect the share consolidation.

Several conditions cast doubt on the validity of the going concern assumption. The Company has incurred losses since inception and an accumulated deficit of $10,324,793 as at the reporting date. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including the acquisition and exploration of mineral property interests, is dependent on the Company's ability to obtain necessary financing. Management is planning to raise additional capital to finance operations and exploration activities. The ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. These circumstances indicate that material uncertainties exist that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and measurement

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Certain disclosures included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been condensed or omitted, and accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2022.

The accounting policies, estimates, and judgements applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2022. The Company's interim results are not necessarily indicative of its results for a full year.

(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Newly adopted accounting standards

Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued an amendment to IAS 1 and IFRS Practice Statement 2. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are effective from January 1, 2023. The amendments did not have a significant impact to the Company's condensed consolidated interim financial statements.

Accounting standard amendment issued but not yet effective

IAS 1 Presentation of Financial Statements

In January 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements ("IAS 1"), to clarify one of the requirements under the standard for classifying a liability as non-current in nature. The amendment includes:

- Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
- Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- Clarifying how lending conditions affect classification; and
- Clarifying if the settlement of a liability refers to the transfer of cash, equity instruments, other assets or services.

The Company will perform an assessment of the amendment on its financial statements prior to the effective date of January 1, 2024. Based on the currently available information, the Company does not anticipate any material impact from this amendment on its financial statements.

3. MINERAL PROPERTY INTERESTS

	September 30 2023	December 31 2022
Beginning balance	$ 4,855,222	$ 5,147,059
Acquisition costs	-	-
Exploration costs		
Geochemistry, geophysics, and other	132,456	639,138
Drilling	1,571,680	-
Land fees	336,135	286,575
Other	93,044	130,455
Impairment	-	(1,348,005)
Ending balance	$ 6,988,537	$ 4,855,222

(Unaudited - Expressed in Canadian Dollars)

3. MINERAL PROPERTY INTERESTS (cont'd…)

Revelo Copper Exploration Projects

During the year ended December 31, 2020, the Company acquired a 100% interest in eight copper exploration properties consisting of the Morros Blancos, Cerro Blanco, Cerro B. Aires, Redondo Veronica, Block 2, Block 3, Buenavista (formerly Block 4), and Arrieros projects (collectively the "Revelo Projects") in northern Chile from Revelo Resources Corp. ("Revelo"). The Company acquired the Revelo Projects for US$300,000 (paid) and 7,798,747 common shares of the Company (issued). In addition, Revelo may receive contingent payments of US$2,000,000 on a project-by-project basis (up to a total of US$16,000,000) on the completion of the first bankable feasibility study on a given project, and a further contingent payments of US$3,000,000 on a project-by-project basis (up to a total of US$24,000,000) upon the initiation of commercial production on a given project. As at the reporting date, the timeline for the completion of the first bankable feasibility study and the initiation of commercial production on any of the projects has not been determined.

During the year ended December 31, 2021, the Company issued 1,090,649 common shares to Revelo to satisfy an anti-dilution right held by Revelo.

During the year ended December 31, 2022, the Company abandoned the Block 2 project and concurrently reduced the footprint the Arrieros project. As a result, management determined that the recoverable value of the Block 2 project was $Nil as at December 31, 2022 and a full impairment was recognized. Management estimated the recoverable value of the Arrieros project based on the remaining 900 hectares retained for exploration on the project, and a partial impairment was recorded as at December 31, 2022.

In July 2021, the Company entered into an option agreement with Austral Gold Limited ("Austral") that grants Austral an option to earn up to an 80% joint venture ownership interest in the Cerro Blanco and Morros Blancos projects held by the Company (amended to exclude the Cerro Blanco project). As consideration, Austral returned 2,963,132 common shares to the Company, terminated certain rights of Austral including a board nomination right, an anti-dilution right, and certain rights to contingent payments on the Revelo Projects, and refunded the pro rata portion of the Company's 2021 annual license fee incurred on the Revelo Projects. In August 10, the Company cancelled the 2,963,132 common shares returned, credited the amount of $1,037,096 against the mineral property interest and credited the refunded license fee of $59,381 against the mineral property interest. In July 2023, this option agreement expired.

As at the reporting date, the Company's current projects are subject to the following net smelter return ("NSR") royalty agreements:

Project Name	**Holder**	**Royalty**
Arrieros	Maverix Metals Inc.	1.00%
Arrieros	EMX Chile SpA	1.00%
Redondo Veronica	EMX Royalty Corp.	1.00%
Block 3	EMX Royalty Corp.	1.00%
Buenavista/Block 4	EMX Royalty Corp.	1.00%
Cerro Blanco	EMX Royalty Corp.	2.00%
Cerro B. Aires	EMX Royalty Corp.	2.00%
Morros Blancos	Franco-Nevada Corp.	2.00% on precious metals; and 1.00% on base metals
Morros Blancos	EMX Royalty Corp.	1.00%

[1] Applicable for all metals, unless otherwise stated

VerAI Discoveries, Inc.

In February 2022, the Company signed a definitive agreement with VerAI Discoveries, Inc. ("VerAI"), whereby the Company could acquire up to a 75% joint venture ownership interest in certain exploration permits granted to VerAI's Chilean subsidiary through meeting minimum exploration expenditures over a five-year period. In December 2022, the Company terminated its agreement with VerAI with both parties mutually declaring that they have performed each of their obligations under the agreement. As a result, the recoverable value of the mineral property interest was determined to be $Nil and recognized a full impairment.

(Unaudited - Expressed in Canadian Dollars)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30 2023	December 31 2022
Accounts payable	$ 105,206	$ 164,956
Accrued liabilities	26,250	115,238
	$ 131,456	$ 280,194

5. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares.

Issued and outstanding

During the nine months ended September 30, 2023

In March 2023, the Company closed a private placement offering of 5,857,733 units at a price of $0.375 per unit for gross proceeds of $2,196,650. Each unit is comprised of one common share and one warrant of the Company, where each warrant is exercisable into one common share of the Company at an exercise price of $0.525 per share for a period of 36 months from the closing date of the offering. The Company paid $94,724 and issued 137,657 finder's units, valued at $58,504, as finder's fees. Each warrant is exercisable into one common share of the Company at an exercise price of $0.525 for a period of 36 months. The residual value of the warrants issued was estimated as $Nil using the share price on the CSE on the closing date of $0.425. The Company issued 390,254 finder's warrants with a fair value of $111,343 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.425, risk-free rate of 3.85%, dividend rate of 0%, expected life of 3 years, and volatility of 116%.

In March 2023, the Company issued 322,000 common shares to former and current management and directors to settle its commitment to issue shares of $132,825.

In March 2023, the Company issued 26,667 units, valued at $9,000, to settle accounts payable of $10,000 resulting in a gain on settlement of $1,000 and 40,000 units, valued at $13,500, for services received. The residual value of the warrants issued was estimated as $Nil using the share price on the CSE on the closing date of $0.525. Each unit is comprised of one common share and one common share purchase warrant with an exercise price of $0.525, expiring 36 months from issuance.

In March 2023, the Company closed a private placement offering of 960,000 units at a price of $0.375 per unit for gross proceeds of $360,000. Each unit is comprised of one common share and one purchase warrant of the Company with an exercise price of $0.525 per share for a period of 36 months from the closing date of the offering. The residual value of the warrants issued was estimated as $48,001 using the share price on the CSE on the closing date of $0.325. The Company paid $1,750 and issued 62,533 common shares, valued at $20,323, as finder's fees. The Company issued 127,733 finder's warrants with a fair value of $26,297 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.325, risk-free rate of 3.28%, dividend rate of 0%, expected life of 3 years, and volatility of 116%. Each warrant is exercisable into one common share of the Company at an exercise price of $0.525 for a period of 36 months from issuance.

In June 2023, the Company issued 364,954 common shares, valued at $47,444, to settle accounts payable of $63,000, resulting in a gain on settlement of $15,556.

5. SHARE CAPITAL (cont'd…)

Issued and outstanding (cont'd…)

During the nine months ended September 30, 2023 (cont'd…)

In September 2023, the Company closed a private placement offering of 9,000,000 units at a price of $0.05 per unit for gross proceeds of $450,000. Each unit is comprised of one common share and one purchase warrant of the Company with an exercise price of $0.075 per share for a period of 36 months from the closing date of the offering. The residual value of the warrant component of the units issued was estimated as $Nil using the share price on the CSE on the closing date of $0.10. The Company paid $5,950 and issued 285,600 common shares, valued at $28,560, as finder's fees. The Company issued 404,600 finder's warrants with a fair value of $30,641 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.10, risk-free rate of 4.42%, dividend rate of 0%, expected life of 3 years, and volatility of 119%. Each warrant is exercisable into one common share of the Company at an exercise price of $0.075 for a period of 36 months from issuance.

In September 2023, the Company closed a private placement offering of 3,200,000 units at a price of $0.05 per unit for gross proceeds of $160,000. Each unit is comprised of one common share and one purchase warrant of the Company with an exercise price of $0.075 per share for a period of 36 months from the closing date of the offering. The residual value of the warrant component of the units issued was estimated as $16,000 using the share price on the CSE on the closing date of $0.045. The Company paid $8,680 as finder's fees. The Company issued 173,600 finder's warrants with a fair value of $5,318 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.045, risk-free rate of 4.64%, dividend rate of 0%, expected life of 3 years, and volatility of 128%. Each warrant is exercisable into one common share of the Company at an exercise price of $0.075 for a period of 36 months from issuance.

During the nine months ended September 30, 2022

In March 2022, the Company issued 315,401 common shares, valued at $94,620, for services provided.

In March 2022, the Company completed the first tranche of a private placement offering of 3,786,699 units at a price of $0.30 per unit for gross proceeds of $1,136,010. Each unit is comprised of one common share and one-half warrant of the Company. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.50 per share for a period of 24 months. The Company may reduce the exercise period of the warrants to 30 days from the date the Company provides notice to the warrant holders that the weighted average trading price of the common shares of the Company on the CSE is $0.90 or greater for a period of 10 consecutive trading days. The residual value of the warrants issued was estimated as $Nil using the share price on the CSE on the closing date of $0.68.

In May 2022, the Company completed the second tranche of a private placement offering of 1,660,666 units at a price of $0.30 per unit for gross proceeds of $498,199. Each unit is comprised of one common share and one-half warrant of the Company. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.50 per share for a period of 24 months from the closing date. The Company may reduce the exercise period of the warrants to 30 days from the date the Company provides notice to the warrant holders that the weighted average trading price of the common shares of the Company on the CSE is $0.90 or greater for a period of 10 consecutive trading days. The residual value of the warrants issued was estimated as $49,820 using the share price on the CSE on the closing date of $0.27. The Company issued 31,500 broker warrants with a fair value of $4,126 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.27, risk-free rates between 2.69%, dividend rate of 0%, expected life of between 2 years, and volatility of 119%.

In May 2022, the Company issued 77,931 common shares, valued at $23,379, for services provided.

(Unaudited - Expressed in Canadian Dollars)

5. SHARE CAPITAL (cont'd…)

Warrants

The movements in warrants for the nine months ended September 30, 2023 are summarized as follows:

	Outstanding		Weighted average exercise price
As at December 31, 2022	4,226,910	$	1.00
Issued	20,320,244		0.24
Cancelled	(1,347,059)		1.50
As at September 30, 2023	23,200,094	$	0.28

As at September 30, 2023, the weighted average remaining life of the warrants outstanding was 2.18 (December 31, 2022 - 1.59) years and the Company's outstanding warrants are as follows:

Expiry date		Exercise price	Outstanding
Warrants			
March 21, 2024	$	1.25	757,340
May 6, 2024	$	1.25	332,133
November 10, 2025	$	0.095	1,708,592
November 10, 2025	$	0.48	69,185
March 2, 2026	$	0.53	137,657
March 2, 2026	$	0.53	5,857,733
March 27, 2026	$	0.53	66,667
March 31, 2026	$	0.53	960,000
September 11, 2026	$	0.075	9,000,000
September 29, 2026	$	0.075	3,200,000
Finder's warrants			
May 6, 2024	$	1.25	12,600
March 2, 2026	$	0.53	390,254
March 31, 2026	$	0.53	129,733
September 11, 2026	$	0.075	404,600
September 29, 2026	$	0.075	173,600
			23,200,094

Stock options

The movements in stock options for the nine months ended September 30, 2023 are summarized as follows:

	Outstanding	Weighted average exercise price
As at December 31, 2022	1,040,000	1.13
Granted	2,500,000	0.44
Cancelled	(400,000)	0.89
As at September 30, 2023	3,140,000	0.61

(Unaudited - Expressed in Canadian Dollars)

5. SHARE CAPITAL (cont'd…)

Stock options (cont'd…)

As at September 30, 2023, the weighted average remaining life of the stock options outstanding was 3.86 (December 31, 2022 - 2.98) years and the Company's outstanding warrants are as follows:

Expiry date	Exercise price		Outstanding	Exercisable
December 20, 2025	$	1.13	160,000	160,000
December 21, 2025	$	1.13	160,000	160,000
December 23, 2025	$	1.13	160,000	160,000
December 24, 2025	$	1.13	160,000	160,000
April 4, 2028	$	0.53	1,700,000	1,700,000
April 18, 2028	$	0.53	300,000	300,000
September 28, 2026	$	0.08	500,000	500,000
			3,140,000	3,140,000

In April and September 2023, the Company granted 2,000,000 and 500,000 stock options to key management personnel and consultants, respectively. The fair value of the stock options granted of $634,094 was determined using the Black-Scholes option pricing model with the following weighted average assumptions: 5 year expected life; share price at grant date of $0.28, 153% volatility, risk free rate of 3.18%, and dividend yield of 0%. For the nine months ended September 30, 2023, the Company recorded share-based compensation of $559,945 (2022 - $280,560), with an offsetting amount to credited to contributed surplus.

6. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members, other key management individuals and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's CEO, CFO and members of the Company's Board of Directors.

Compensation awarded to key directors and management personnel, included in director and management fees, professional fees and share-based compensation, is as follows:

For the nine months ended		September 30 2023		September 30 2022
Directors and management compensation	$	210,000	$	329,836
Share-based payments		320,823		186,012
	$	530,823	$	515,848

As at September 30, 2023, there was $66,621 (December 31, 2022 - $44,441) owed to key management personnel recorded in accounts payable and accrued liabilities and $Nil (December 31, 2022 - $66,413) recorded as a commitment to issue shares.

During the nine months ended September 30, 2023, the Company issued 805,000 common shares to former and current management and directors to settle its commitment of $132,825 as at December 31, 2022.

(Unaudited - Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral property interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The mineral property interests in which the Company currently has an interest in are at the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional mineral properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the nine months ended September 30, 2023. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

The three levels of the fair value hierarchy are:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - inputs that are not based on observable market data.

The Company enters into financial instrument contracts to finance its operations in the normal course of business. The fair values of cash and accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments.

The Company classified its financial instruments as follows:

		September 30 2023	December 31 2022
Financial assets - amortized cost:			
Cash	Level 1	$ 519,425	$ 404,633
Financial liabilities - amortized cost:			
Accounts payable and accrued liabilities	Level 1	$ 131,456	$ 280,194

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity price risk). Risk management is carried out by the Company's management team, with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance on overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's cash is largely held with Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with a Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities that require the use of cash. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at the reporting date, the Company had working capital of $299,817 (December 31, 2022 - $287,043).

7. FINANCIAL INSTRUMENTS (cont'd…)

Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar and substantially all expenditures of the parent company are denominated in Canadian dollars and substantially all expenditures in Pampa Metals Chile SpA are denominated in the Chilean Peso. A 10% appreciation (depreciation) of the Chilean Peso against the Canadian dollar, with all other variables held constant, would not result in any significant changes to the Company's loss and comprehensive loss for the period.

8. EVENTS AFTER REPORTING DATE

Subsequent to September 30, 2023, the Company:

a) granted 735,000 stock options to directors, officers, and consultants of the Company that are exercisable at $0.075 per share for three years; and

b) issued 605,291 bonus shares to a director of the Company, subject to regulatory approval, and subject to vesting upon the 10-day volume weighted average trading price of the common shares of the Company being equal to $0.10.