



LATIN METALS INC.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Expressed in Canadian Dollars)

**For the three and nine months ended
July 31, 2021 and 2020**

Corporate Head Office

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NOTICE TO READER

The condensed consolidated interim financial statements of the Company for the three and nine months ended July 31, 2021 have been prepared by and are the responsibility of the Company's management.

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

LATIN METALS INC.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

	July 31, 2021	October 31, 2020
ASSETS		
Current		
Cash and cash equivalents	\$ 114,719	\$ 1,019,753
Receivables	50,211	10,678
Prepays	45,113	40,371
	<u>210,043</u>	<u>1,070,802</u>
Equipment		
Exploration and evaluation assets (note 3)	12,081	8,843
	<u>4,720,269</u>	<u>3,909,160</u>
Total Assets	<u>\$ 4,942,393</u>	<u>\$ 4,988,805</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (note 5)	\$ 210,619	\$ 153,257
Loans from related parties (note 5)	-	180,222
	<u>210,619</u>	<u>333,479</u>
Shareholders' Equity		
Share capital (note 4)	12,374,498	12,178,756
Reserves (note 4)	2,186,458	2,171,491
Deficit	<u>(9,829,182)</u>	<u>(9,694,921)</u>
Total Shareholders' Equity	<u>4,731,774</u>	<u>4,655,326</u>
Total Liabilities and Shareholders' Equity	<u>\$ 4,942,393</u>	<u>\$ 4,988,805</u>

Nature of operations and going concern (note 1)

Subsequent events (notes 3 and 10)

Approved on behalf of the Board of Directors on September 28, 2021

“Keith Henderson”

Director

“David Cass”

Director

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

LATIN METALS INC.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

	Three months ended July 31,		Nine months ended July 31,	
	2021	2020	2021	2020
Operating expenses (recoveries)				
Consulting fees (note 5)	\$ 44,819	\$ 37,963	\$ 127,906	\$ 131,854
Depreciation	244	387	750	1,234
Impairment loss on VAT receivable and other	1,030	2,357	6,242	22,649
Investor relations and promotion	15,234	8,535	41,491	21,754
Office and general	30,133	35,726	74,716	77,237
Professional fees	12,054	21,929	90,880	62,172
Property investigation costs	19,215	1,783	36,617	25,841
Recoveries of exploration and evaluation assets	-	-	(315,425)	(139,640)
Regulatory and transfer agent	9,556	5,517	23,887	23,953
Salaries, benefits, and directors' fees (note 5)	47,359	39,464	138,441	135,842
Share-based compensation (notes 4 and 5)	-	1,662	14,967	345,750
Tax on assets - Argentina	12,626	9,912	12,626	9,912
Travel	-	-	-	1,784
Loss from operations	(192,270)	(165,235)	(253,098)	(722,004)
Other items				
Interest income	-	4,025	-	13,296
Finance costs (note 5)	-	(6,966)	(20,943)	(20,898)
Foreign exchange	149,429	(250)	139,780	13,206
	149,429	(3,201)	118,837	5,604
Loss and comprehensive loss for the period	\$ (42,841)	\$ (168,436)	\$ (134,261)	\$ (716,400)
Basic and diluted earnings (loss) per share	\$ 0.00	\$ 0.00	\$ 0.00	\$ (0.02)
Weighted average number of common shares outstanding				
- basic and diluted	48,039,369	46,179,760	47,210,986	45,763,647

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

LATIN METALS INC.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Share Capital			Reserves	Deficit	Total Shareholders' Equity
	Shares	Amount				
Balance, October 31, 2019	45,454,744	\$ 12,063,254		\$ 1,792,141	\$ (9,054,381)	\$ 4,801,014
Shares issued for non-cash:						
Property acquisition	467,500	25,713		-	-	25,713
Property acquisition – finders' fees	321,236	33,749		-	-	33,749
Share-based compensation (note 4)	-	-		347,413	-	347,413
Net loss for the period	-	-		-	(716,400)	(716,400)
Balance, July 31, 2020	46,243,480	\$ 12,122,716		\$ 2,139,554	\$ (9,770,781)	\$ 4,491,489
Balance, October 31, 2020	46,710,480	\$ 12,178,756		\$ 2,171,491	\$ (9,694,921)	\$ 4,655,326
Shares issued for non-cash:						
Property acquisition	1,200,000	174,000		-	-	174,000
Property acquisition – finders' fees (note 3)	163,494	21,742		-	-	21,742
Share-based compensation (note 4)	-	-		14,967	-	14,967
Net loss for the period	-	-		-	(134,261)	(134,261)
Balance, July 31, 2021	48,073,974	\$ 12,374,498		\$ 2,186,458	\$ (9,829,182)	\$ 4,731,774

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

LATIN METALS INC.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

	Nine months ended July 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (134,261)	\$ (716,400)
Items not affecting cash:		
Depreciation	750	1,234
Finance costs – accretion of loans	19,778	-
Share-based compensation	14,967	347,412
Changes in non-cash working capital items:		
Receivables	(39,533)	19,456
Prepays	(4,742)	(11,349)
Accounts payable and accrued liabilities	64,260	7,309
Net cash used in operating activities	(78,781)	(352,339)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(3,988)	-
Expenditures on exploration and evaluation assets	(622,265)	(177,157)
Net cash used in investing activities	(626,253)	(177,157)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans to related parties	(200,000)	-
Net cash used in financing activities	(200,000)	-
Change in cash and cash equivalents for the period	(905,034)	(529,496)
Cash and cash equivalents, beginning of the period	1,019,753	1,457,653
Cash and cash equivalents, end of the period	\$ 114,719	\$ 928,157
Composition of cash and cash equivalents		
Cash	\$ 114,719	\$ 28,157
Cash equivalents	-	900,000
Total cash and cash equivalents	\$ 114,719	\$ 928,157

Supplemental disclosure with respect to cash flows (note 6)

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

LATIN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three and nine months ended July 31, 2021 and 2020
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Latin Metals Inc. (the “Company”) was incorporated under the laws of the Province of British Columbia, Canada on January 9, 2006. The Company’s principal business activity is the acquisition, exploration and evaluation of mineral properties located in South America. The Company operates with a Prospect Generator model focusing on the acquisition of prospective exploration properties at a low cost, completing initial evaluation through cost-effective exploration to establish drill targets, and ultimately securing joint venture partners to fund drilling and advanced exploration. Shareholders are exposed to the upside of a significant discovery without the dilution associated with funding the highest-risk drill-based exploration. The Company common shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol “LMS”.

The head office and principal address of the Company is Suite 890 – 999 West Hastings Street, Vancouver, BC, V6C 2W2, Canada. The registered and records offices of the Company are located at Suite 1170 – 1040 West Georgia Street, Vancouver, BC, V6E 4H1, Canada.

As at July 31, 2021, the Company has a working capital deficit of \$576 (October 31, 2020 – working capital of \$737,323) and an accumulated deficit of \$9,829,182 (October 31, 2020 - \$9,694,921).

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or proceeds from the disposition thereof.

These condensed consolidated interim financial statements have been prepared under the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have financial resources to sustain operations in the long term. On September 28, 2021, the Company announced an upsizing of its previously announced on September 10, 2021 non-brokered private placement, to up to 8,666,667 units in the capital of the Company at \$0.15 per unit for gross proceeds of up to \$1,300,000 (Note 10). There is no assurance, however, that future financings will be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements do not reflect the adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

Basis of presentation

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the years ended October 31, 2020 and 2019.

LATIN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three and nine months ended July 31, 2021 and 2020
(Expressed in Canadian dollars)

2. BASIS OF PREPARATION *(Cont'd...)*

Basis of presentation *(Cont'd...)*

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for financial assets and liabilities recorded at fair value, and include the accounts of the Company and its wholly-owned subsidiaries outlined under principles of consolidation. These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Certain comparative period amounts have been reclassified to conform to the current period presentation.

The Board of Directors approved the condensed consolidated interim financial statements on September 28, 2021.

Principles of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries as follows:

Subsidiary	Proportion of Ownership Interest	Country of Incorporation	Principle Activity
Cardero Argentina S.A.	100%	Argentina	Exploration
Zafiro Mining S.A.C.	100%	Peru	Exploration
1054749 B.C. Ltd.	100%	Canada	Holding

The Company consolidates its subsidiaries on the basis that it controls the subsidiary through its ability to govern its financial and operating activities. All intercompany transactions and balances are eliminated on consolidation.

Management consolidates all subsidiaries and entities which it is determined that the Company controls. Control is evaluated on the ability of the Company to direct the activities of the subsidiary or entity to derive variable returns and management uses judgement in determining whether control exists. Judgement is exercised in the evaluation of the variable returns and in determining the extent to which the Company has the ability to exercise its power to generate variable returns.

Reporting currency and foreign currency translation

The consolidated financial statements of the Company are presented in Canadian dollars, which is the functional currency of the parent company and its' subsidiaries.

Significant accounting policies

The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's most recent audited consolidated annual financial statements for the years ended October 31, 2020 and 2019.

Significant accounting judgments, estimates and assumptions

Estimates and judgments and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are continuously evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

LATIN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three and nine months ended July 31, 2021 and 2020
(Expressed in Canadian dollars)

2. BASIS OF PREPARATION *(Cont'd...)*

Significant accounting judgments, estimates and assumptions *(Cont'd...)*

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended October 31, 2020.

The Company considered the impact of the COVID-19 pandemic on the significant judgments, estimates and assumptions made in these condensed consolidated interim financial statements and determined that the effects of COVID-19 did not have a material impact on the estimates and judgments applied.

3. EXPLORATION AND EVALUATION ASSETS

Title to Mineral Property Interests

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. Although the Company has taken steps to verify 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 transfer and may be affected by undetected defects.

Organullo Property – Argentina

Pursuant to an agreement dated October 1, 2004, between the Company and an Argentinean individual, the Company purchased a 100% interest in eight mines in Salta Province, Argentina, in consideration of the issuance of 70,000 common shares (issued).

During the year ended October 31, 2018, the Company entered into an option agreement with Yamana Gold Inc. ("Yamana") for Yamana to acquire up to a 70% interest in the Organullo property subject to receipt of certain cash payments and work commitments over a 5-year option term. In June 2020, the Company received notice, from Yamana, advising of their decision to discontinue funding exploration and to terminate the option agreement.

Mina Angela Property – Argentina

The Company entered into an acquisition agreement in April 2004, pursuant to which the Company acquired a 100% interest in mineral concessions, known as Mina Angela, in Chubut Province, Argentina, subject to a 1% net smelter returns royalty ("NSR Royalty") to the vendor, in consideration of aggregate cash payments to the vendor of US\$400,000. The Company owns a 100% interest in the property.

On August 2, 2019, the Company signed an offer letter with Patagonia Gold Corp. ("Patagonia") to option out the Mina Angela property. On March 12, 2020, the Company and Patagonia agreed to extend, by six months, the date by which Patagonia must enter into the definitive agreement to acquire the Company's interest in the Mina Angela project. On September 12, 2020, the Company signed a definitive option agreement with Patagonia under the terms of which Patagonia is granted an irrevocable option to acquire a 100 % interest in the Mina Angela property.

LATIN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three and nine months ended July 31, 2021 and 2020
(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS *(Cont'd...)*

Mina Angela Property – Argentina *(Cont'd...)*

On March 12, 2021, the Company received an option exercise notice from Patagonia and on April 7, 2021, the Company received US\$250,000 from Patagonia on closing of the Mina Angela property transfer.

Following the exercise of the option, the Company is entitled to receive a 1.25% net smelter returns royalty on any future production from the Mina Angela property, half of which royalty can be repurchased by Patagonia from the Company at any time for cash consideration of US\$1,000,000. The commercial terms of the agreement are as follows:

Schedule of payments	Payments in cash (US)	Royalty	Cumulative earned interest
Within ten days from acceptance of the offer letter (August 12, 2019)	\$ 40,000 (received)	-	-
Additional payment as consideration for the extension of signing a definitive agreement	50,000 (received)		
Advance on first option payment	50,000 (received)		
First option payment - upon signing the definitive agreement (September 12, 2020)	200,000 (received)	-	-
Second option payment (April 7, 2021)	250,000 (received)	-	100%
Final option payment - within thirty days of verification that the legal restrictions preventing development of mining activity in the Chubut Province and at the Project have been lifted (to Patagonia's satisfaction)	500,000	-	100%
Commencement of production on the project	-	1.25% NSR	100%

El Quemado – Argentina

On September 18, 2018, the Company met all of the requirements to exercise the option to acquire 100% interest in El Quemado by issuing an aggregate amount of 625,000 common shares over a period of two years, and has earned a 100% legal and beneficial interest in the El Quemado project, subject to a 2% NSR to be granted to the vendor. The Company has a right to buy one-half of the NSR for US\$750,000. If the Company abandons the project after exercising the option, the project shall revert back to the vendor, subject to a 1% NSR to be granted to the Company.

Esperanza – Argentina

On July 9, 2018 and amended on June 15, 2019, the Company entered into a definitive property option agreement to acquire a 100% interest in the Esperanza copper-gold porphyry deposit located in the San Juan Province, Argentina.

Under the definitive property option agreement, the Company has the right to earn a 100% interest in the project through the payment of US\$2,306,000 and the issuance of common shares in the Company valued at US\$500,000 at the time of issuance to the vendor. The definitive property option agreement was amended on May 13, 2021, whereby all cash and share payments after June 15, 2021 are conditional on the granting of a drill permit by the authorities of the Government of the Province of San Juan. The revised payment terms are as follows:

LATIN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS *(Cont'd...)*

Esperanza – Argentina *(Cont'd...)*

Date issued	Payments in cash (US)	Payments in shares (US)
Effective date	\$ 80,000 (paid)	\$ -
December 15, 2017	83,000 (paid)	-
June 15, 2018	45,000 (paid)	-
September 20, 2018	10,000 (paid)	-
October 2, 2018	10,000 (paid)	-
October 30, 2018	25,000 (paid)	-
June 15, 2019	150,000 (paid)	-
June 14, 2021 ⁽¹⁾	220,000 (paid)	-
30 days after the date of the grant of the Drilling Permit ⁽²⁾ (the “Permit grant date”)	200,000	-
6 months after the Permit grant date	250,000	-
12 months after Permit grant date	350,000	-
18 months after Permit grant date	433,000	250,000
24 months after Permit grant date	450,000	250,000
Total	\$ 2,306,000	\$ 500,000

⁽¹⁾ Under the terms of the underlying option agreement, this payment was made by the Company in Argentinean pesos in the amount of 22,000,000 peso.

⁽²⁾ “Drilling Permit” means, collectively, the authorizations from the authorities of the government of the Province of San Juan necessary to allow the start of drilling on the Esperanza property.

Upon completion of the option payments and share issuances, the Company will be deemed to have exercised the option and will have earned an undivided 100% legal and beneficial interest in and to the project, subject to a 2% NSR to be granted to the vendor. The Company will have a right to buy back 0.5% of the NSR for US\$1,000,000, at which time the NSR payable to the vendor shall be 1.5%.

A finder's fee in the amount of US\$172,800, is payable in common shares of the Company over six years.

Date issued	Amount (US)	Finder's shares issued
Within 10 business days of effective date	\$15,580	17,705 (issued)
December 15, 2018	6,466	68,750 (issued)
June 15, 2019	6,528	69,409 (issued)
December 15, 2019	7,266	77,256 (issued)
June 15, 2020	7,390	105,821 (issued)
December 15, 2020	8,745	92,712 (issued)
June 15, 2021	8,745	70,782 (issued)
December 15, 2021	41,260	-
June 15, 2022	70,820	-
Total	\$172,800	502,435

LATIN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three and nine months ended July 31, 2021 and 2020
(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS *(Cont'd...)*

Esperanza – Argentina *(Cont'd...)*

On January 20, 2021, the Company signed a binding letter agreement with Libero Copper and Gold Corporation (“Libero”), pursuant to which Libero has been granted an option to acquire a 70% interest in the Esperanza copper gold project.

In order to exercise the option, Libero will be required to make cash payments in the aggregate of US\$2,403,000 and incur exploration expenditures on Esperanza project in the aggregate of US\$2,000,000 over two years.

On May 26, 2021, the Company and Libero amended the letter agreement to align the schedule of payments with the amended option agreement with the underlying owners and modify the timing of exploration expenditure commitments accordingly. The amended agreement terms are outlined below:

Date	Cash payments due pursuant to underlying option agreement (US)	Cash payments to the Company (US)	Exploration expenditures (US)
June 14, 2021 ⁽¹⁾	\$ 220,000 (received)	\$ -	\$ -
December 15, 2021	-	250,000	-
30 days after the date of the grant of the Drilling Permit ⁽²⁾ (the “Permit grant date”)	200,000	-	-
6 months after the Permit grant date	250,000	-	-
12 months after the Permit grant date	350,000	250,000	1,000,000
18 months after the Permit grant date	433,000	-	-
24 months after the Permit grant date	450,000	-	1,000,000
Total	\$ 1,903,000	\$ 500,000	\$ 2,000,000

(1) Under the terms of the underlying option agreement, this payment was made by the Company in Argentinean pesos, thereby the amount paid by Libero to the Company in United States dollars was adjusted accordingly.

(2) “Drilling Permit” means, collectively, the authorizations from the authorities of the government of the Province of San Juan necessary to allow the start of drilling on the Esperanza property.

Upon the exercise of the option, Libero and the Company will be deemed to have formed a joint venture for the continued exploration and development of the Esperanza project, in respect of which the initial participating interests of the parties shall be Libero as to 70%, and the Company as to 30%.

During the term of the letter agreement before the exercise of the option, if either Libero or the Company acquires an interest in a property located within or partially within the Esperanza project or a 10 km area of interest extending from the outermost exterior boundaries of the project, the non-acquiring party may elect that such additional property be included in the project, in which case the non-acquiring party would be required to reimburse the acquiring party for 70% (Libero) or 30% (the Company) of the acquisition costs of such additional property, as applicable.

In connection with the agreement with Libero, the Company issued 555,000 common shares at \$0.13 as finder’s fees. The shares were issued on August 3, 2021, upon receiving TSX-V approval.

LATIN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three and nine months ended July 31, 2021 and 2020
(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS (Cont'd...)

Tres Cerros - Argentina

On February 8, 2019, the Company entered into three definitive option agreements, as amended on May 1, 2020 and October 30, 2020, pursuant to which the Company was granted options to acquire a 100 % interest in eight properties, subject to certain royalty conditions. The eight properties form the following three groups of properties:

- (i) the Cerro Bayo, Cerro Bayo Sur and La Flora properties;
- (ii) the Aylen, Aylen Oeste and Pedro properties; and
- (iii) the Fiorentina & Fiorentina Norte properties.

The Company can earn an initial 80% interest (the “First Option”), followed by the remaining 20% interest (the “Second Option”), by making staged cash and common shares payments.

On April 30, 2021, and May 13, 2021, the Company and the underling holders of the properties further amended the three option agreements extending the date of option payments to May 5, 2021, and replacing the aggregate number of the 12,209,000 Company’s common shares due to be issued in years 2022 through 2025, by an aggregate value of US\$1,702,610 of common shares to be issued in years 2022 through 2025. In addition, the new terms of the agreements provide the Company with the option to make cash payments in lieu of any future share issuances.

Following the latest amendment of the option agreements, the aggregate acquisition cost of the First Option for all three property groups will be US\$ 2,573,500 in cash payments, US\$ 1,702,610 payable, at the Company’s option, in common shares of the Company or cash, and issuance of 2,135,000 common shares of the Company to the vendors, all over a period of six years.

Details on the consideration the Company is required to pay and issue shares is as follows:

Cerro Bayo, Cerro Bayo Sur & La Flora

Date	Payments in cash (US)	Shares	Payments in shares or cash (US)	Cumulative earned interest
5 business days from conditional TSX-V acceptance (April 8, 2019)	\$12,500 (paid)	-	\$ -	-
May 1, 2020	7,500 (paid)	175,000 (issued)	-	-
November 1, 2020	8,750 (paid)	175,000 (issued)	-	-
April 30, 2021 (payment extended to May 5, 2021)	8,750 (paid)	-	-	-
May 1, 2021 (payment extended to May 5, 2021)	50,000 (paid)	450,000 (issued)	-	-
May 1, 2022	75,000	-	77,334	35%
May 1, 2023	100,000	-	133,577	51%
May 1, 2024	200,000	-	182,789	71%
May 1, 2025	500,000	-	253,032	80%
Total	\$962,500	800,000	\$ 646,792	80%

For a period of 120 days after the exercise of the First Option for each property group, the Company will have the Second Option to acquire the remaining 20% (aggregate 100%) interest in that property group, by making a cash payment of US \$400,000 and issuing shares in the capital of the Company valued at US\$ 400,000 to the vendors, subject to a 0.75% NSR royalty, of which two-thirds of the royalty (0.5%) can be purchased at any time for US\$ 1,000,000.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three and nine months ended July 31, 2021 and 2020
(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS *(Cont'd...)*

Tres Cerros – Argentina *(Cont'd...)*

Aylen, Aylen Oeste and Pedro

Date	Payments in cash (US)	Shares	Payments in shares or cash (US)	Cumulative earned interest
5 business days from conditional TSX-V acceptance (April 8, 2019)	\$12,500 (paid)	-	\$ -	-
May 1, 2020	7,500 (paid)	175,000 (issued)	-	-
November 1, 2020	8,750 (paid)	175,000 (issued)	-	-
April 30, 2021 (payment extended to May 5, 2021)	8,750 (paid)	-	-	-
May 1, 2021 (payment extended to May 5, 2021)	50,000 (paid)	450,000 (issued)	-	-
May 1, 2022	75,000	-	77,334	35%
May 1, 2023	100,000	-	133,577	51%
May 1, 2024	200,000	-	182,789	71%
May 1, 2025	500,000	-	239,032	80%
Total	\$962,500	800,000	\$ 632,732	80%

For a period of 120 days after the exercise of the First Option for each property group, the Company will have the Second Option to acquire the remaining 20% (aggregate 100%) interest in that property group, by making a cash payment of US \$400,000 and issuing shares in the capital of the Company valued at US \$400,000 to the vendors, subject to a 0.75% NSR royalty, of which two-thirds of the royalty (0.5%) can be purchased at any time for US \$1,000,000.

Fiorentina & Fiorentina Norte

Date	Payments in cash (US)	Shares	Payments in shares or cash (US)	Cumulative earned interest
5 business days from conditional TSX-V acceptance (April 8, 2019)	\$12,500 (paid)	-	\$ -	-
May 1, 2020	5,100 (paid)	117,500 (issued)	-	-
November 1, 2020	5,950 (paid)	117,500 (issued)	-	-
April 30, 2021 (payment extended to May 5, 2021)	5,950 (paid)	-	-	-
May 1, 2021 (payment extended to May 5, 2021)	34,000 (paid)	300,000 (issued)	-	-
May 1, 2022	50,000	-	52,025	35%
May 1, 2023	67,000	-	89,285	51%
May 1, 2024	134,000	-	122,328	71%
May 1, 2025	334,000	-	159,448	80%
Total	\$648,500	535,000	\$ 423,086	80%

LATIN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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3. EXPLORATION AND EVALUATION ASSETS *(Cont'd...)*

Tres Cerros – Argentina *(Cont'd...)*

Fiorentina & Fiorentina Norte Properties (Cont'd...)

For a period of 120 days after the exercise of the First Option for each property group, the Company will have the Second Option to acquire the remaining 20% (aggregate 100%) interest in that property group, by making a cash payment of US \$400,000 and issuing shares in the capital of the Company valued at US \$400,000 to the vendors, subject to a 0.75% NSR royalty, of which two-thirds of the royalty (0.5%) can be purchased at any time for US \$1,000,000.

Lacsha Property – Peru

The Company acquired the Lacsha copper property by staking. The 100% owned property consists of 4,000 hectares and is located in the northern Lima-Ica portion of the Coastal Copper Belt, 110 km from Lima, Peru.

Auquis Property – Peru

The Company acquired the Auquis copper property by staking. The 100% owned property consists of 3,600 hectares and is located in the northern Lima-Ica portion of the Coastal Copper Belt, 377 km south of Lima Peru.

Jacha Property – Peru

The Company acquired the Jacha copper property by staking. The 100% owned property consists of 2,200 hectares and is located 150 km from Cuzco and is accessible year-round by paved and unpaved road.

LATIN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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3. EXPLORATION AND EVALUATION ASSETS (Cont'd...)

	Organullo Argentina	Mina Angela Argentina	El Quemado Argentina	Esperanza Argentina	Tres Cerroso Argentina	Lacsha Peru	Auquis Peru	Jacha Peru	Total
Balance, October 31, 2019	\$ -	\$ -	\$ 585,286	\$ 2,993,131	\$ 376	\$ -	\$ -	\$ -	\$ 3,578,793
Acquisition costs	-	-	-	-	81,753	-	-	-	81,753
Shares issued, fair value	-	-	-	-	-	-	-	-	-
Shares issued for finder's fees, fair value	-	-	-	33,749	-	-	-	-	33,749
Cash payments	-	-	-	-	27,000	27,799	18,279	14,219	87,297
Cash proceeds	-	(441,452)	-	-	-	-	-	-	(441,452)
Claim maintenance and legal fees	-	41,742	11,989	7,848	2,514	-	-	-	64,093
Total acquisition costs for the year	-	(399,710)	11,989	41,597	111,267	27,799	18,279	14,219	(174,560)
Deferred exploration costs	-	-	-	-	-	-	-	-	-
Field expenses	16,188	1,946	-	248	15,717	5,036	4,467	-	43,602
Geological consulting	-	-	-	9,848	37,846	7,934	7,933	-	63,561
Total exploration costs for the year	16,188	1,946	-	10,096	53,563	12,970	12,400	-	107,163
Recovery	-	397,764	-	-	-	-	-	-	397,764
Balance, October 31, 2020	\$ 16,188	\$ -	\$ 597,275	\$ 3,044,824	\$ 165,206	\$ 40,769	\$ 30,679	\$ 14,219	\$ 3,909,160
Acquisition costs	-	-	-	-	174,000	-	-	-	174,000
Shares issued, fair value	-	-	-	-	-	-	-	-	-
Shares issued for finder's fees, fair value	-	-	-	21,742	-	-	-	-	21,742
Cash payments	-	-	-	295,445	222,264	-	-	-	517,709
Cash proceeds	-	(315,425)	-	(195,877)	-	-	-	-	(511,302)
Claim maintenance and legal fees	3,279	-	3,657	67,188	1,780	19,020	16,578	10,917	122,419
Total acquisition costs (recoveries) for the period	3,279	(315,425)	3,657	188,498	398,044	19,020	16,578	10,917	324,568
Deferred exploration costs	-	-	-	-	-	4,748	-	-	4,748
Community relations	-	-	-	-	-	29,457	2,062	12,951	44,470
Field expenses	-	-	-	4,582	18,138	69,032	12,070	528	104,350
Geological consulting	-	-	-	2,389	-	12,955	-	-	17,548
Geochemical	2,204	-	1,996	6,971	18,138	116,192	14,132	13,479	171,116
Total exploration costs for the period	2,204	315,425	1,996	-	-	-	-	-	315,425
Recovery	-	-	-	-	-	-	-	-	-
Balance, July 31, 2021	\$ 21,671	\$ -	\$ 600,932	\$ 3,240,293	\$ 581,388	\$ 175,981	\$ 61,389	\$ 38,615	\$ 4,720,269

LATIN METALS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Three and nine months ended July 31, 2021 and 2020

(Expressed in Canadian dollars)

4. SHARE CAPITAL AND RESERVES

a. Authorized

Unlimited number of voting common shares without nominal or par value.

b. Share issuances

Nine months ended July 31, 2021

The Company issued 163,494 common shares for a finders' fee on a property acquisition, fair-valued at a weighted average price of \$0.13 per share for a total of \$21,742 (Note 3 – Esperanza – Argentina). The fair value per share was based on the listed market price of the Company's common shares at the last trading date immediately preceding the agreed upon payment date.

In addition, the Company issued 1,200,000 common shares fair-valued at \$0.12 per share for a total of \$174,000 in connection to property acquisition as per Tres Cerros properties option agreements (Note 3 – Tres Cerros – Argentina). The fair value per share was based on the listed market price of the Company's common shares at the date of issuance of shares.

Nine months ended July 31, 2020

The Company issued 321,236 common shares for a finders' fee on Esperanza property acquisition, fair-valued at a weighted average price of \$0.11 per share for a total of \$33,749 in aggregate (Note 3 – Esperanza – Argentina). The fair value per share was based on the listed market price of the Company's common shares at the last trading date immediately preceding the agreed upon payment date.

The Company issued 467,500 common shares fair-valued at \$0.055 per share for a total of \$25,713 in connection to property acquisition as per Tres Cerros properties option agreements (Note 3 – Tres Cerros – Argentina). The fair value per share was based on the listed market price of the Company's common shares at the date of issuance of shares.

c. Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may, from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted. Such options will be exercisable for a period of up to five years from the date of grant. Vesting of stock options is at the discretion of the Board of Directors.

Stock option transactions for the nine months ended July 31, 2021 and for the year ended October 31, 2020 are summarized as follows:

	July 31, 2021		October 31, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of the period	4,615,000	\$ 0.13	-	\$ -
Granted	150,000	\$ 0.16	4,715,000	\$ 0.13
Expired / Forfeited	(150,000)	\$ 0.13	(100,000)	\$ 0.13
Option outstanding, end of the period	4,615,000	\$ 0.13	4,615,000	\$ 0.13

LATIN METALS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Three and nine months ended July 31, 2021 and 2020

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4. SHARE CAPITAL AND RESERVES (Cont'd...)

c. Stock options (Cont'd...)

As at July 31, 2021, the Company had stock options outstanding and exercisable enabling the holder to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date	Remaining life in years
4,250,000	\$0.13	November 19, 2022	1.3
45,000	\$0.06	June 8, 2023	1.9
70,000	\$0.14	August 31, 2023	2.1
100,000	\$0.14	October 1, 2023	2.2
150,000	\$0.16	January 13, 2024	2.5
4,615,000	\$0.13		1.4

The weighted average remaining contractual life of options outstanding at July 31, 2021 was 1.4 (October 31, 2020 – 2.09) years.

The Company uses the Black-Scholes option pricing model to fair-value stock options granted and compensatory warrants issued. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. The following weighted average assumptions were used:

	Nine months ended July 31,	
	2021	2020
Risk-free interest rate	0.21%	1.50%
Expected life of options	3	3
Annualized volatility	107%	100%
Dividend rate	0%	0%
Forfeiture rate	0%	0%

The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected life of options is the average expected period to exercise. Volatility is based on available historical volatility of the Company's share price.

The Company did not grant stock options during the three months ended July 31, 2021. During the three-month period ended July 31, 2020, the Company granted 45,000 stock options fair-valued at \$0.04 per option.

During the nine months ended July 31, 2021, the Company granted 150,000 stock options fair-valued at \$0.10 per option. During the nine months ended July 31, 2020, the company granted 4,545,000 stock options fair-valued at a weighted average fair value of \$0.08 per option.

Share-based compensation expense for the three and nine months ended July 31, 2021 totaled \$Nil and \$14,967 respectively (three months July 31, 2020 - \$1,662, nine months ended July 31, 2020 - \$347,412).

LATIN METALS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Three and nine months ended July 31, 2021 and 2020

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4. SHARE CAPITAL AND RESERVES (Cont'd...)

d. Warrants

The following common share purchase warrants entitle the holders thereof to purchase one common share for each warrant.

Warrants transactions for the nine months ended July 31, 2021, and for the year ended October 31, 2020 are summarized as follows:

	July 31, 2021		October 31, 2020	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding, beginning of the period	1,452,227	\$ 0.74	2,325,127	\$ 0.51
Expired	(1,452,227)	\$ 0.74	(872,900)	\$ 0.13
Warrants outstanding, end of the period	-	-	1,452,227	\$ 0.74

357,144 warrants at an exercise price of \$0.56 and 1,095,083 warrants at an exercise price of \$0.80 expired on June 15, 2021 and July 4, 2021 respectively.

5. RELATED PARTY TRANSACTIONS**Key management personnel compensation**

The Company's key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company's key management personnel comprise officers and directors of the Company. Key management personnel compensation is as follows:

	Three months ended		Nine months ended	
	2021	July 31, 2020	2021	July 31, 2020
Directors' fees, salaries and benefits	\$ 34,000	\$ 33,050	\$ 102,000	\$ 112,300
Consulting fees ¹	14,000	8,400	39,200	31,200
Share-based compensation	-	-	14,967	319,593
	\$ 48,000	\$ 41,450	\$ 156,167	\$ 463,093

¹ Fees paid to a corporation for personnel that is acting as key management of the Company.

As at July 31, 2021 the Company had amounts payable to key management personnel of \$58,866 included in accounts payable (October 31, 2020 - \$8,952).

No post-employment benefits, termination benefits, or other long-term benefits were paid to or recorded for key management personnel during the three and nine months ended July 31, 2021 and 2020.

LATIN METALS INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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5. RELATED PARTY TRANSACTIONS (Cont'd...)**Loans from related parties**

During the year ended October 31, 2018, the Company secured loans in the amount of \$100,000 from each of the CEO and a director of the Company totalling \$200,000 (the “Loans”). The Loans had a three-year term and bear interest at the rate of 5% per annum compounded annually, payable on the maturity date. In connection with the Loans, the Company issued 178,571 common share purchase warrants to each of the lenders. Each warrant entitles the holder to purchase one common share of the Company for a period of three years at an exercise price of \$0.56 per share.

On inception, the Company allocated the total proceeds received between the liability and equity components (warrants) using the residual method, based on a discount rate of 17%, which is the estimated cost at which the Company could borrow similar debt without any equity instruments attached. The liability component is measured at amortized cost and is accrued over the term to maturity using the effective interest method. The equity component is presented as a component of shareholders’ equity.

The continuity of the Loans is as follows:

	July 31, 2021	October 31, 2020
Opening balance, principle	\$ 180,222	\$ 162,358
Accretion to face value of the Loans – finance costs	19,778	17,864
Repayment	(200,000)	-
Ending balance	\$ -	\$ 180,222

On November 6, 2020, the Company repaid in full the principal amount of \$200,000 of Loans from related parties plus accrued interest of \$25,286, for an aggregate amount of \$225,286. The accrued interest expense is presented as part of finance costs and was included in accounts payable and accrued liabilities.

During the three and nine months ended July 31, 2021, the Company accrued interest expense in connection with the Loans in the amount of \$1,166 (three months ended July 31, 2020 - \$2,500, nine months ended July 31, 2020 - \$7,500), which is presented as part of finance costs.

6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Nine months ended July 31,	
	2021	2020
Net change in accounts payable and accrued liabilities included in exploration and evaluation assets	\$ 6,899	\$ (18,218)
Fair value of shares issued for mineral exploration properties	195,742	49,409

7. CONTINGENCY

Due to the nature of its business, the Company and/or its subsidiaries and affiliates may be subject to regulatory investigations, claims, lawsuits, and other proceedings in the ordinary course of its business. While the Company cannot reasonably predict the ultimate outcome of these actions, and inherent uncertainties exist in predicting such outcomes, the Company believes that the ultimate resolution of these actions is not reasonably likely to have a material adverse effect on the Company’s financial condition or future results of operations.

LATIN METALS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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8. FINANCIAL RISK MANAGEMENT AND MANAGEMENT OF CAPITAL

Fair value

The fair values of the Company's receivables, net of input tax credits, and accounts payable and accrued liabilities approximate their carrying amounts due to their short-term nature.

Fair value hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities which include cash and cash equivalents;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash and cash equivalents have been fair valued using Level 1 of the fair value hierarchy.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and receivables. Cash and cash equivalents are maintained with financial institutions of reputable credit and are redeemable on demand.

The carrying amount of the receivables, represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is engaged in ongoing evaluation of opportunities to improve its financial position which includes, but is not limited to, additional equity financings, obtaining exploration partners and/or the sale of assets. At July 31, 2021, the Company has a working capital deficit of \$576 (October 31, 2020 - \$737,323). At July 31, 2021, the Company had accounts payable and accrued liabilities of \$210,619 (October 31, 2020 - \$153,257) and loan from related parties of \$Nil (October 31, 2020 - \$180,222).

LATIN METALS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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8. FINANCIAL RISK MANAGEMENT AND MANAGEMENT OF CAPITAL *(Cont'd...)*

Financial risk management *(Cont'd...)*

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no outstanding debt subject to variable interest. Accordingly, the Company does not believe it is exposed to significant interest rate risk on its cash balances which are held in accounts subject to variable rates.

Foreign exchange risk

The Company is exposed to foreign currency risk to the extent that monetary financial instruments are denominated in United States, Argentinean and Peruvian currencies. The Company's operating expenses are incurred primarily in Canadian dollars; its exploration programs are primarily in Argentina and are denominated in either United States dollars or Argentine pesos. The fluctuation of the Canadian dollar will, consequently, have an impact upon the reported profit or loss of the Company and may also affect the value of the Company's assets and liabilities. The Company continuously monitors this exposure to determine if any mitigation strategies become necessary.

Price risk

The Company is exposed to price risk with respect to commodity prices, particularly those included in its exploration and evaluation asset portfolio. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Management of capital

The Company's objectives in managing its capital (items included in shareholders' equity) are to fund acquisition, exploration and development of its exploration and evaluation assets and to meet its administrative and corporate activities to ensure that the Company continues as a going concern.

The Company is an exploration stage company and is currently unable to self-finance its operations. The Company has historically relied on equity financings to raise sufficient funds to carry out its exploration and acquisition activities and pay its administrative costs. Therefore, the Company intends to raise additional funds as required to carry out its planned activities.

The Company manages the capital structure and makes appropriate adjustments to it based upon changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets. In order to manage its capital requirements management has put into place a planning and budgeting process.

The Company is not subject to any externally imposed capital requirements or restrictions, and there were no changes to the Company's approach to managing capital during the three and nine months ended July 31, 2021 and 2020.

LATIN METALS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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9. SEGMENTED INFORMATION

The Company operates in one industry segment, the mineral resources industry, and in three geographical segments, Canada, Argentina and Peru. The significant long-term asset categories identifiable with these geographical areas are as follows:

	July 31, 2021			
	Canada	Argentina	Peru	Total
Exploration and evaluation assets	\$ -	\$ 4,444,284	\$ 275,985	\$ 4,720,269
Equipment	2,237	5,857	3,987	12,081
Total long-term assets	\$ 2,237	\$ 4,450,141	\$ 279,972	\$ 4,732,350

	October 31, 2020			
	Canada	Argentina	Peru	Total
Exploration and evaluation assets	\$ -	\$ 3,823,493	\$ 85,667	\$ 3,909,160
Equipment	2,886	5,957	-	8,843
Total long-term assets	\$ 2,886	\$ 3,829,450	\$ 85,667	\$ 3,918,003

10. SUBSEQUENT EVENTS

Non-binding letter of intent (the "LOI") with AngloGold Ashanti ("AngloGold")

On September 1, 2021, the Company entered into a non-binding LOI with AngloGold regarding the Company's Organullo, Ana Maria, and Trigal Gold projects located in Salta Province, northwestern Argentina. The LOI provides the parties with a 90-day period to negotiate and, if deemed advisable, enter into a definitive agreement, through which the parties contemplate that AngloGold will be granted the option to acquire up to an 80% interest in the projects.

The LOI contemplates that upon execution of a definitive agreement AngloGold will be granted the option to earn an initial 75% interest in the projects by making cash payments to Latin Metals in the aggregate of US\$ 2,550,000 and spending in the aggregate of US\$ 10,000,000 on exploration expenditures within five years of the execution and delivery of a definitive agreement. The LOI contemplates that AngloGold will have the opportunity to increase its interest in the projects to 80% by: (i) preparing an independent mineral resource estimate in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects on one or more of the projects; and (ii) paying to the Company an amount of US\$ 4.65 per gold equivalent ounce contained within the measured and indicated mineral resource.

Non-brokered private placement

On September 28, 2021, the Company announced an upsizing of its previously announced on September 10, 2021 non-brokered private placement, to up to 8,666,667 units in the capital of the Company at \$0.15 per unit for gross proceeds of up to \$1,300,000. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one common share at a price of \$0.25 per share for a period of 24 months from the closing of the financing.