

**STUVE GOLD CORP.**  
**Consolidated Financial Statements**  
**Years Ended December 31, 2022 and 2021**

To the Shareholders of Stuve Gold Corp.:

## Opinion

We have audited the consolidated financial statements of Stuve Gold Corp. (the "Corporation"), which comprise the consolidated statements of financial position as at December 31, 2022 and December 31, 2021, and 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

## Basis for Opinion

We conducted our audits 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 Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audits of the consolidated 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 1 in the consolidated financial statements, which indicates that the Corporation reported a net and comprehensive loss and negative cash flows from operations during the year ended December 31, 2022 and, as of that date, the Corporation had negative working capital and an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Corporation'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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

## **Other Information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to 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. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 consolidated 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 Corporation'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 Corporation'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 consolidated 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 Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Brad Frampton.

Calgary, Alberta

April 28, 2023

*MNP LLP*

Chartered Professional Accountants

**STUVE GOLD CORP.**  
**Consolidated Statements of Financial Position**  
(Stated in Canadian Dollars)

As at,		December 31, 2022	December 31, 2021
<b>Assets</b>	<i>Notes</i>		
<b>Current</b>			
Cash		\$ 18,632	\$ 32,026
Other receivable		3,271	953
Prepaid expenses		1,645	1,287
<b>Total current assets</b>		<b>23,548</b>	<b>34,266</b>
Mineral properties	4	4,988,450	4,459,338
<b>Total Assets</b>		<b>\$ 5,011,998</b>	<b>\$ 4,493,604</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables		\$ 355,868	\$ 132,604
Due to related parties	5	7,982	20,877
Due to director	5	623,163	118,700
<b>Total current liabilities</b>		<b>987,013</b>	<b>272,181</b>
<b>Total Liabilities</b>		<b>\$ 987,013</b>	<b>272,181</b>
<b>Shareholders' Equity</b>			
Share capital	6	4,725,998	4,725,998
Contributed surplus		612,094	558,144
Deficit		(1,316,022)	(1,065,653)
Accumulated other comprehensive income		2,915	2,934
<b>Total shareholders' equity</b>		<b>4,024,985</b>	<b>4,221,423</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 5,011,998</b>	<b>\$ 4,493,604</b>

Incorporation and operations (Note 1)  
Going concern (Note 1)

Approved on behalf of the Board of Directors:

Signed "Al Kroontje"  
**Al Kroontje**

Signed "V.E. Dale Burstall"  
**Dale Burstall**

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

**STUVE GOLD CORP.**  
**Consolidated Statements of Loss and Comprehensive Loss**  
**(Stated in Canadian Dollars)**

	<i>Notes</i>	For the Years ended December 31,	
		2022	2021
<b>Expenses</b>			
General and administrative	7	\$ 237,332	\$ 165,417
Unrealized (gain) loss on foreign exchange		(40,913)	78,955
Stock-based compensation	6(d)	53,950	156,667
		<b>250,369</b>	<b>401,039</b>
<b>Net loss</b>		<b>(250,369)</b>	<b>(401,039)</b>
<b>Other comprehensive income</b>			
Foreign exchange translation adjustment		(19)	2,934
<b>Net loss and comprehensive loss</b>		<b>\$ (250,388)</b>	<b>\$ (398,105)</b>
<b>Net loss per share:</b>			
Basic and diluted		\$ (0.01)	\$ (0.01)
<b>Weighted average common shares:</b>			
Basic and diluted (post-consolidation)	6	<b>29,648,484</b>	<b>28,603,279</b>

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

**STUVE GOLD CORP.****Consolidated Statement of Changes in Shareholders' Equity****(Stated in Canadian Dollars)**

	<i>Notes</i>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Accumulated OCI</b>	<b>Deficit</b>	<b>Shareholders' Equity</b>
As at December 31, 2020		\$ 4,565,587	\$ 211,888	\$ -	\$ (664,614)	\$ 4,112,861
Issuance of common shares	6	350,000	-	-	-	350,000
Fair value of warrants	6	(189,589)	189,589	-	-	-
Share-based compensation	6	-	156,667	-	-	156,667
Net and comprehensive loss		-	-	2,934	(401,039)	(398,105)
<b>Balance December 31, 2021</b>		<b>\$ 4,725,998</b>	<b>\$ 558,144</b>	<b>\$ 2,934</b>	<b>\$ (1,065,653)</b>	<b>\$ 4,221,423</b>
Share-based compensation	6	-	53,950	-	-	53,950
Net and comprehensive loss		-	-	(19)	(250,369)	(250,388)
<b>Balance, December 31, 2022</b>		<b>\$ 4,725,998</b>	<b>\$ 612,094</b>	<b>\$ 2,915</b>	<b>\$ (1,316,022)</b>	<b>\$ 4,024,985</b>

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

**STUVE GOLD CORP.**  
**Consolidated Statements of Cash Flows**  
**(Stated in Canadian Dollars)**

		For the Years Ended December 31,	
	Notes	2022	2021
<b>Cash provided by (used for):</b>			
<b>Operating activities</b>			
Net loss		\$ (250,369)	\$ (401,039)
<b>Add (deduct) items not affecting cash flow:</b>			
Unrealized (gain) loss on foreign exchange		(40,063)	78,955
Share-based compensation	6(d)	53,950	156,667
Due from related party	5	-	(454)
Other receivable		(2,318)	-
Prepaid expenses		(357)	(1,288)
Trade and other payables		180,667	13,366
<b>Cash flows used in operating activities</b>		<b>\$ (58,490)</b>	<b>\$ (153,793)</b>
<b>Investing activities</b>			
Exploration and evaluation expenditures	4	(225,237)	(122,927)
Mineral properties acquisition		(263,831)	(659,157)
Non-cash working capital		42,596	42,093
<b>Cash flows used in investing activities</b>		<b>(446,472)</b>	<b>(739,991)</b>
<b>Financing activities</b>			
Issuance of common shares	6	-	350,000
Repayment to related party		(12,895)	-
Advance from a director	5	504,463	112,700
<b>Cash flows provided by financing activities</b>		<b>491,568</b>	<b>462,700</b>
<b>Decrease in cash and cash equivalents</b>		<b>(13,394)</b>	<b>(431,084)</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>32,026</b>	<b>463,110</b>
<b>Cash and cash equivalents, end of year</b>		<b>\$ 18,632</b>	<b>\$ 32,026</b>

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

# STUVE GOLD CORP.

## Notes to the Consolidated Financial Statements For the Years ended December 31, 2022 and 2021

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### 1. Incorporation and operations

Stuve Gold Corp. (the "Corporation") was incorporated on December 14, 2017 as Big Dougie Capital Corp. by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The head office of the Corporation is located at 700, 903 - 8<sup>th</sup> Avenue SW, Calgary Alberta T2P 0P7 and the registered office of the Corporation is located at Suite 1600, Dome Tower, 333 - 7<sup>th</sup> Avenue SW, Calgary Alberta, T2P 2Z1.

The Corporation is an exploration company with copper, gold, silver and cobalt interests in Chile.

#### Going concern

The consolidated financial statements have been prepared by management in accordance with IFRS on a going concern basis. The going concern basis contemplates the realization of assets and the settlement of liabilities in the ordinary course of business. If the Corporation is unable to raise funds to pay its liabilities as they become due and successfully finance its current and future exploration projects, it may not be able to realize its assets and discharge its liabilities in the normal course of operations.

For the year ended December 31, 2022, the Corporation reported a net and comprehensive loss of \$250,388 (2021 - \$398,105) and negative cash flows from operations of \$58,490 (2021 - \$153,793) and, as at December 31, 2022, had negative working capital of \$963,465 (2021 - \$237,915) and an accumulated deficit of \$1,316,022 (2021 - \$1,065,653). These conditions indicate the existence of a material uncertainty which may cast significant doubt related to the Corporation's ability to continue as a going concern. If the going concern assumption is not appropriate, adjustments may be necessary to the carrying amounts and the classification of the Corporation's assets and liabilities. The accompanying consolidated financial statements do not include any adjustments that may result if the Corporation is unable to continue as a going concern, and, such adjustments could be material.

#### World Events and COVID-19

COVID-19 and the war in Ukraine have contributed to significant volatility in financial and commodity markets. These two events have impacted global commercial activity, including causing significant fluctuations in worldwide demand and prices for certain commodities, supply chain issues and foreign exchange volatility. The magnitude of the impact on the economy and financial effect on the Corporation of these events is not known at this time.

### 2. Basis of preparation

#### Statement of compliance

These consolidated financial statements, including required comparative information, have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretations Committee ("IFRIC") in effect at January 1, 2022.

These financial statements, and the policies applied herein, were authorized for issue by the Corporation's Board of Directors on April 28, 2023.

#### Basis of measurement

These consolidated financial statements are stated in Canadian dollars which is the Corporation's functional currency and were prepared on a going concern basis under the historical cost convention except for certain financial instruments that have been measured at fair value.

The functional currency of the Corporation's 99% owned subsidiary, Compañía Recursos Andina Limitada ("Andina") is the Chilean Peso. The 1% non-controlling interest is held in trust for the Corporation and as such is considered 100% wholly owned.

#### Consolidation

These consolidated financial statements include the accounts of the Corporation and Andina. The Corporation has consolidated the assets, liabilities and expenses of its principal business is the acquisition and development of mineral properties.

# STUVE GOLD CORP.

## Notes to the Consolidated Financial Statements For the Years ended December 31, 2022 and 2021

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### 2. Basis of preparation *(continued)*

#### **Use of judgments and estimates**

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to fair values of financial instruments, recoverability of assets and income taxes. Actual results may differ from these estimates.

The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

#### ***Judgments***

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments that management has made in the process of applying the Corporation's accounting policies and that have a significant effect on the amounts recognized in these consolidated financial statements.

#### Taxes

The Corporation applies judgment in determining the total provision for current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain due to interpretations of complex tax regulations, changes in tax laws, and the amounts and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and expenses already recorded.

#### Provisions

Management has determined that there is no material restoration, rehabilitation or environmental exposure based on the facts and circumstances that existed during the year.

#### Business Combinations

Judgement is used in determining whether an acquisition is a business combination or an asset acquisition. Management determines whether assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Management determines whether assets acquired and liabilities assumed constitute a business. In examining processes and potential outputs, management considers the ability of the acquired and existing processes to adequately be capable of producing the potential outputs; where the processes are insufficient and/or incomplete to produce potential outputs, the Corporation considers the acquisition to be an asset acquisition.

#### Going concern

The assessment of the Corporation's ability to execute its strategy for exploration involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There is material uncertainty regarding the Corporation's ability to continue as a going concern.

#### Mineral Properties

The application of the Corporation's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely to arise from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of resources or reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances and in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off, in whole or in part, in profit or loss in the period when the new information becomes available.

# STUVE GOLD CORP.

## Notes to the Consolidated Financial Statements For the Years ended December 31, 2022 and 2021

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### 2. Basis of preparation *(continued)*

Exploration and evaluation assets are reviewed for changes in facts and circumstances evaluating whether the carrying amount exceeds the recoverable amount at each consolidated statement of financial position date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends and interruptions in exploration activities. The Corporation's review considers the following:

- The period for which the Corporation has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources, and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

#### **Estimates**

##### Share-based compensation

The recognition of expenses associated with the Corporation's stock option plan requires estimates of the fair value of stock options and warrants granted. Determining most of the inputs to the valuation model requires assumptions which include share trading volatility and the expected life of the options and warrants.

##### Taxes

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Corporation operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Corporation's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Corporation is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates, and these taxation authorities may interpret the tax legislation and regulations differently than management. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

### 3. Significant Accounting Policies

#### a) Cash and cash equivalents

Cash and cash equivalents, defined as being cashable within 90 days, is comprised of cash on deposit and highly liquid investments at a Canadian and a Chilean financial institution and funds held in lawyer's trust account.

#### b) Mineral property expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, exploration and evaluation activity, and the fair value, at the date of acquisition, of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Corporation has obtained legal rights to explore an area are recognized in net loss. Acquisition costs, including general and administration costs, are only capitalized to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploration or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Exploration and evaluation assets are assessed for impairment if sufficient evidence exists to determine technical feasibility and commercial viability, and facts and circumstances suggest the carrying amount exceeds the recoverable amount. Once technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to the area of interest are first tested for impairment and then reclassified to mining property development assets within property and equipment.

# STUVE GOLD CORP.

## Notes to the Consolidated Financial Statements For the Years ended December 31, 2022 and 2021

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### 3. Significant Accounting Policies *(continued)*

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Actual costs incurred upon settlement of the decommissioning liability are charged against the provision to the extent the provision was established.

#### c) Fair value of financial instruments

The Corporation has classified its financial instrument fair values based on the required three level hierarchy:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuations based on observable inputs other than quoted active market prices; and,
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flows methods.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

#### d) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax, risk-free rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Corporation from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Corporation recognizes any impairment loss on associated assets.

#### e) Share capital

Proceeds from the issuance of common shares are classified as equity on the consolidated statement of financial position. Incremental costs directly attributable to the issuance of shares are recognized as a deduction, net of any tax effects.

#### f) Share purchase warrants

The Corporation issues share purchase warrants in connection with certain equity transactions. The fair value of the warrants, as determined using the Black-Scholes pricing model, is credited to contributed surplus. The recorded value of the share purchase warrants is transferred to share capital upon exercise.

#### g) Share-based payments

The Corporation follows the fair value method for recognition of stock options awarded to directors, officers and consultants. Under this method, the equity instruments are recorded at their fair value based on the market price on the date of grant. For stock options, the fair value is estimated using the Black Scholes option pricing model that takes into account, as of the grant date, the exercise price, the expected life of the option, the current price of the underlying stock, its expected volatility, expected dividends of the stock and the risk-free interest rate over the expected life of the option. Compensation costs are recognized over the vesting period of the stock options.

Share-based compensation expense is recorded to profit and loss or mineral properties with a corresponding increase recorded to contributed surplus. Cash consideration received when options are exercised is credited to share capital along with the related amount previously recorded in contributed surplus.

#### h) Loss per share

Loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Basic and diluted loss per share for each year presented are the same due to the potential issuances of shares under warrant or share option agreements being, in total, anti-dilutive.

# STUVE GOLD CORP.

## Notes to the Consolidated Financial Statements For the Years ended December 31, 2022 and 2021

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### 3. Significant Accounting Policies *(continued)*

#### i) Foreign operations

For entities whose functional currency is the Canadian dollar, transactions in currencies other than the Corporation's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences on monetary items are recognized in the year in which they arise.

The financial results of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency. Income and expenditures of foreign operations are translated at the average rate of the exchange for the year. All assets and liabilities are translated at the rate of exchange ruling at the reporting date. Differences arising on translation are recognized as other comprehensive loss ("OCL").

#### j) Taxes

Taxes are comprised of current and deferred taxes. Tax expense is recognized in the profit or loss except to the extent that it relates to items recognized directly in other comprehensive loss or elsewhere in shareholders' equity, in which case the related tax expense or recovery is also recognized directly in other comprehensive loss or elsewhere in shareholders' equity.

Current tax expense is the expected cash tax payable on the taxable loss for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax expense and related liability is recognized with respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to continue to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

#### k) Financial instruments

The Corporation measures its financial assets and liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instruments' classifications.

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through OCL (FVOCI) and fair value through profit and loss (FVTPL). The classification categories are as follows:

- A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortized cost are measured using the effective interest method.
- Financial assets at fair value through other comprehensive income: assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at fair value through profit or loss: assets that do not meet the criteria for amortized cost or fair value through other comprehensive income.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or when the contractual rights to those assets are transferred.

# STUVE GOLD CORP.

## Notes to the Consolidated Financial Statements For the Years ended December 31, 2022 and 2021

### 3. Significant Accounting Policies *(continued)*

Financial liabilities – The classification of financial liabilities is determined by the Corporation at initial recognition. The classification categories are as follows:

- Financial liabilities measured at amortized cost: financial liabilities initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in the Consolidated Statement of Income (Loss) and Comprehensive Income (Loss).
- Financial liabilities measured at fair value through profit or loss: financial liabilities measured a fair value with changes in fair value and interest expense recognized in the Consolidated Statement of Loss and Comprehensive Loss.

Below is a summary indicating the classification and measurement bases of the Corporation's financial instruments:

<b>Financial Instrument</b>	<b>Classification</b>	<b>Measurement</b>
<b>Assets</b>		
Cash	Amortized cost	Amortized cost
Other receivable	Amortized cost	Amortized cost
<b>Liabilities</b>		
Trade and other payables	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost
Due to director	Amortized cost	Amortized cost

The Corporation utilizes an “expected credit loss” (“ECL”) model for determining impairment or recognition of credit losses on financial assets measured at amortized cost (“AC”) or at FVTOCL.

### 4. Mineral properties - exploration and evaluation expenditures

The Corporation's exploration and evaluation expenditures relate to mineral properties in Chile and are as follows:

Balance, December 31, 2020	\$	3,753,795
Acquisition, Inca property		122,927
Lease and capital expenditures		614,231
Foreign exchange effect		(31,615)
Balance, December 31, 2021		4,459,338
Acquisition, Inca property		263,831
Lease and capital expenditures		225,237
Foreign exchange effect		40,044
<b>Balance, December 31, 2022</b>	<b>\$</b>	<b>4,988,450</b>

#### *Coba*

During the year ended December 31, 2020, the Corporation acquired 99% of the partnership interest of Compañía Recursos Andina Limitada (“Andina”) a limited liability company that holds a 100% interest in a gold, silver, copper and cobalt property in northern Chile in exchange for the payment of US\$500,000 and the issuance of an aggregate 50,000,000 common shares of the Corporation at a deemed price of \$0.055 per share. Management determined that the acquisition of Andina did not meet the definition of a business in accordance with IFRS 3 Business Combinations, as it did not have the inputs, processes and outputs required to meet the definition of a business. Accordingly, the acquisition has been accounted for as an asset acquisition.

#### *Santa Gracia*

Effective November 9, 2020, the Corporation signed an option agreement (the “Agreement”) which provides the Corporation the ability to acquire a 90% undivided right, title and interest in the Santa Gracia property (“Santa Gracia”). The Corporation will earn the interest according to the following schedule:

# STUVE GOLD CORP.

## Notes to the Consolidated Financial Statements For the Years ended December 31, 2022 and 2021

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### 4. Mineral properties - exploration and evaluation expenditures *(continued)*

- a) To earn an undivided fifty percent interest, the Corporation shall:
  - (i) Make a cash payment to the optionee totaling \$100,000; and,
  - (ii) Incur expenditures on the property totaling US\$500,000 during the period that is within 24 months following the execution of the Agreement.
- b) To earn an additional undivided twenty-five percent interest, the Corporation shall incur additional expenditures on Santa Gracia of US\$500,000 on or before the 48<sup>th</sup> month anniversary of execution of the Agreement.
- c) To earn an additional undivided fifteen percent interest, the Corporation shall incur additional expenditures on Santa Gracia of US\$1,000,000 on or before the 60<sup>th</sup> month anniversary of execution of the Agreement.

#### *Inca*

During the year ended December 31, 2021 the Corporation entered into a binding agreement to acquire a 100% unencumbered interest in the Inca property located in Maricunga Gold-Silver Belt of northern Chile (the "Inca Property").

The purchase agreement (the "Agreement") relates to 17 claim packages consisting of 2,941 hectares for a total purchase price of US \$6,150,000. The purchase price is payable in four equal payments of US\$100,000 with the first payable on signing of the Agreement and three additional payments every six months thereafter. Thereafter, three equal payments of US \$150,000 are payable every six months with a balloon payment of \$5,300,000 due on the 48<sup>th</sup> month following signing of the Agreement. The Corporation does not earn an interest in the Inca Property until the full purchase price of US \$6,150,000 has been paid and the Corporation may stop making payments towards the purchase price at any time whereafter the Corporation is not obligated to make any additional payments towards the purchase price.

During the year ended December 31, 2022 the second US\$100,000 payment was made toward the purchase price.

#### *Mineral Property Expenditure*

There are no minimum work or expenditure commitments for the Chilean Mineral Properties other than described above for individual projects. The Corporation is required to make annual tax payments of approximately US\$1.50/hectare to the Chilean government in relation to exploration concessions and approximately US\$7.50 in relation to exploitation claims. These tax payments fluctuate and are paid throughout the year. The Corporation paid approximately \$102,417 in claim taxes in 2022 (2021 - \$119,977).

As at December 31, 2022, the Corporation's gold/silver/copper/cobalt property portfolio in Chile comprised approximately 29,603 hectares of exploration and exploitation claims.

### 5. Due to Related Parties

The amounts due to related parties is due to two companies, related by virtue of a common director, for shared office and salary expenses in Chile. The amounts are due on demand, non-interest bearing and unsecured.

#### **Due to director**

The amount due to director is due on demand, unsecured and non-interest bearing. Of the \$623,163 due to the director in Canada, \$6,000 was advanced in 2020 in connection with the qualifying transaction, \$112,700 was advanced to the Corporation in connection with the Inca Acquisition in 2021, described above in Mineral Properties, and \$504,463 was advanced to the Corporation in 2022 for general operating purposes and for the second payment in connection with the Inca Acquisition.

# STUVE GOLD CORP.

## Notes to the Consolidated Financial Statements For the Years ended December 31, 2022 and 2021

### 6. Share capital

#### a) Authorized:

Unlimited number of voting Common Shares  
Unlimited number of Preferred shares issuable in series

#### b) Issued: common shares

	#	\$
Balance, December 31, 2020	27,898,484	4,565,587
Shares issued for cash (ii)	1,750,000	350,000
Fair value of unit warrants	-	(189,589)
<b>Balance, December 31, 2021 and 2022</b>	<b>29,648,484</b>	<b>4,725,998</b>

- i) There was no change to share capital during the year ended December 31, 2022.
- ii) During the year ended December 31, 2021, the Corporation completed a private placement of 1,750,000 units at a price of \$0.20 for gross proceeds of \$350,000. Each unit is comprised of one common share and one common share purchase warrant exercisable into one common share of the Corporation for \$0.35 per share for a period of two years. The value assigned to the warrants totaled \$189,589 using the Black-Scholes option pricing model.

#### c) Warrants

The Unit warrants issued in 2021 expire 24 months from the date of issuance and have 6 months remaining.

At December 31, 2022 the warrants outstanding are as follows:

Date of Issuance	October, 2020	August, 2021
	Broker Warrants	Unit Warrants
Exercise price	\$ 0.165	\$ 0.35
# of warrants issued	66,500	1,750,000
# of warrants exercised	-	-
# of warrants expired	(66,500)	-
<b>Balance, December 31, 2022</b>	<b>-</b>	<b>1,750,000</b>

There are 1,750,000 Unit warrants outstanding at December 31, 2022.

The fair value of the warrants has been estimated at the date of grant using the Black-Scholes option pricing model on the following assumptions:

	August, 2021
	Unit warrants
Dividend yield	0%
Expected volatility	88%
Risk-free interest rate	0.48%
Forfeiture rate	0%
Share price – issuance	\$ 0.27
Term	24 months
Fair value per warrant	\$ 0.1086

# STUVE GOLD CORP.

## Notes to the Consolidated Financial Statements For the Years ended December 31, 2022 and 2021

### 6. Share capital (continued)

#### d) Stock options

The Corporation has adopted an incentive stock option plan in accordance with the policies of the Exchange (the "Stock Option Plan") for the benefit of directors, officers, employees and other key personnel of the Corporation. A maximum of 10% of the issued and outstanding common shares of the Corporation are reserved for issuance pursuant to the Stock Option Plan. The number of common shares reserved for issuance to any one person may not exceed five percent (5%) and for consultants shall not exceed two percent (2%) of the issued and outstanding common shares. The Stock Option Plan provides that the terms of the options and the option price shall be fixed by the directors subject to the price restrictions and other requirements imposed by the Exchange. Stock options granted under the Stock Option Plan may not be exercisable for a period longer than ten (10) years and the exercise price must be paid in full upon exercise of the option.

A summary of the Stock Option Plan and changes during the periods then ended is as follows:

	December 31, 2022		December 31, 2021	
	# of Stock Options	Weighted Average Price	# of Stock Options	Weighted Average Price
Balance, beginning of year	1,932,666	\$ 0.23	1,683,333	\$ 0.23
Granted	-	\$ -	516,000	\$ 0.26
Expired	-	\$ -	(266,667)	\$ (0.30)
Exercised	-	\$ -	-	\$ -
Balance end of year	1,932,666	\$ 0.23	1,932,666	\$ 0.23

A summary of the stock options outstanding is as follows:

As at December 31, 2022					
Options Outstanding	Exercise Price	Weighted Average Remaining Contractual Life (years)	Exercisable Options	Expiry Date	
133,333	\$0.30	5.5	133,333	July 11, 2028	
1,283,333	\$0.21	2.8	1,283,333	October 2, 2025	
516,000	\$0.26	3.4	344,000	June 9, 2026	
<b>1,932,666</b>	<b>\$0.23</b>	<b>3.1</b>	<b>1,760,666</b>		

On June 9, 2021 the Corporation issued 516,000 stock options, at an exercise price of \$0.26 to directors of the Corporation, which vest equally as to one-third each year commencing on the date of grant. The stock options expire on June 9, 2026.

The fair value of stock options issued was estimated at the date of grant using the Black-Scholes option pricing model using the following assumptions:

Date of Grant	June 9, 2021
Dividend yield	0%
Expected volatility	90%
Risk-free interest rate	0.97%
Forfeiture rate	0%
Share price - issuance	\$ 0.26
Term	5 years
Fair value per option	\$ 0.1808

# STUVE GOLD CORP.

## Notes to the Consolidated Financial Statements For the Years ended December 31, 2022 and 2021

### 6. Share capital (continued)

#### e) Loss per share

The basic per share as calculated is based on the weighted average number of shares outstanding during the year as follows:

	Years ended December 31,	
	2022	2021
Weighted average number of common shares		
Issued and outstanding at beginning of the year	29,648,484	27,898,484
Effect of share issuance	-	704,795
Weighted average number of common shares – basic	29,648,484	28,603,079

#### f) Escrowed Shares

During the year ended December 31, 2021, 3,333,333 (post consolidation) shares were transferred from the CPC Escrow Agreement to a voluntary escrow agreement in connection to the Qualifying Transaction (the "Voluntary Escrow Shares"). 5% of the Voluntary Escrow Shares were released on the issuance of the Final Exchange Bulletin and the remaining shares will be released in increments of 5%, 10%, 10%, 15%, 15% and 40% on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release.

Also in connection with the Qualifying Transaction and pursuant to a Surplus Security Escrow Agreement, an additional 21,054,546 (post consolidation) shares were placed in escrow to be released from escrow in stages over a period of up to three years from the date of the Final Exchange Bulletin. 5% of these common shares held in escrow were released on the issuance of the Final Exchange Bulletin. The remaining shares will be released in increments of 5%, 10%, 10%, 15%, 15% and 40% on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release.

As at December 31, 2022 there are 13,413,297 (2021 – 19,510,303) shares in escrow. The escrowed shares were excluded from the weighted average calculation in the comparative period but included in the calculation after the Qualifying Transaction closed in October 2020 as they are time based, not performance based escrowed shares.

### 7. General and administrative expenses

For the years ended December 31,	2022	2021
Office and salary expenses	\$ 159,630	\$ 77,880
Professional fees	44,724	26,328
Regulatory and transfer agent fees	20,978	14,973
Consulting fees	12,000	46,225
	\$ 237,332	\$ 165,417

### 8. Related party transactions

a) During the year ended December 31, 2022 and 2021, the Corporation incurred expenses with related parties and included in the Consolidated Statements of Loss and Comprehensive Loss, as follows:

For the years ended December 31,	2022	2021
Administrative and accounting services provided by the CFO	\$ 12,000	\$ 20,125
Legal fees incurred or paid to a firm whose partner is a director	\$ -	\$ 6,476

The above transactions were in the normal course of operations and initially recorded at fair value.

# STUVE GOLD CORP.

## Notes to the Consolidated Financial Statements For the Years ended December 31, 2022 and 2021

### 8. Related party transactions (continued)

b) The related party amounts included in the Consolidated Statements of Financial Position, are as follows:

As at December 31,	2022	2021
Due to the CFO (included in trade and other payables)	\$ 15,500	\$ 5,775
Consulting services provided by an officer in Chile (included in Mineral Properties)	81,239	75,934
Due to an officer in Chile for consulting services (included in trade and other payables)	89,382	22,886
Due to a law firm whose partner is a director	5,873	5,873
Due to a director in Canada (note 5)	\$ 623,163	\$ 118,700

There is no consulting contract in place or an agreed upon fixed monthly amount for the consulting fees paid to the CFO in Canada for services provided.

There is no contract for the consulting fees paid to the officer in Chile for services provided. The fees are paid to a company in Chile controlled by the officer.

### 9. Key Management

The Corporation considers executive officers and directors as key management.

For the years ended December 31,	2022	2021
Salaries and other benefits	\$ 171,239	\$ 169,934
Share-based compensation	\$ 34,568	\$ 100,543
	\$ 205,807	\$ 270,477

### 10. Taxes

The provision for income taxes differs from the amount obtained by applying the combined Canadian federal and provincial income tax rate to the loss for the year. The differences relate to the following items:

	Year ended December 31, 2022	Year ended December 31, 2021
Loss before income taxes	\$ (250,369)	\$ (401,039)
Corporate income tax rate	23%	23%
Anticipated tax recovery	57,585	(92,239)
Foreign exchange different and other adjustments	(9,410)	(438)
Share-based compensation	12,409	36,033
Tax assets not recognized	54,586	56,644
Income tax provision	- \$	-

Details of the unrecognized deductible temporary differences are as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Share issuance costs	\$ -	\$ 22,000
Non-capital losses – Canada	945,914	665,000
	\$ 945,914	\$ 687,000

As at December 31, 2022, the Corporation has the following amounts available to be deducted against future taxable income:

	Expiry Date
Non-capital losses	2031 – 2041
Share issue costs	20% per annum – 2022

# STUVE GOLD CORP.

## Notes to the Consolidated Financial Statements For the Years ended December 31, 2022 and 2021

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### 11. Management of Capital

The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going-concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Corporation's objective when managing capital is to safeguard the Corporation's ability to continue as a going concern, such that it can provide returns for shareholders and benefits for other stakeholders.

### 12. Financial instruments

The Corporation, as part of its operations, carries financial instruments consisting of cash, other receivable, trade and other payables, due to related parties and due to director. It is management's opinion that the Corporation is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

#### ***Fair value***

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Corporation classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

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.

The carrying amount of cash, other receivable, trade and other payables, due to related parties and due to director approximates its fair value due to the short-term maturities of these items.

#### ***Credit Risk***

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Corporation's primary source of credit risk is its cash balance. The Corporation believes it has no significant credit risk associated with cash as the amounts are held with either a major Canadian financial institution or in a lawyer's trust account with a reputable Canadian law firm.

#### ***Liquidity Risk***

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Corporation had a cash balance of \$18,632 (December 31, 2021 - \$32,026) to settle liabilities of \$363,850 (2021 - \$272,181).

Management must seek additional forms of financing through the issuance of new equity or debt instruments to continue its operations. See Subsequent Events Note 14 below. Due to the nature of the mining industry, additional financing will be required to advance its exploration program.

#### ***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.

- i. Interest rate risk - The Corporation has cash balances and no interest-bearing debt.
- ii. Foreign currency risk - The Corporation is exposed to the risk of changes in the Canadian/U.S. dollar exchange rate and in the U.S./Chilean Peso exchange rate for services that are denominated in Chilean Peso and converted to U.S. dollars or directly influenced by U.S. dollar (USD) benchmark prices. A hypothetical change of 10% to the foreign exchange rate between Canadian/U.S. and US/Chilean Peso would not have a material impact of the Corporation's loss during the year.
- iii. Commodity risk - The Corporation is not currently exposed to commodity price risk.

# STUVE GOLD CORP.

## Notes to the Consolidated Financial Statements For the Years ended December 31, 2022 and 2021

### 13. Segmented Information

The Corporation reports its financial results as one reportable segment as this is how the financial information is reviewed by the chief decision makers of the Corporation.

The following table provides information regarding the location of the Corporation's non-current assets and other selected financial data on a geographic basis.

Segment	Canada	Chile	Total
Current assets	\$ 25,930	\$ (2,382)	\$ 23,548
Non-current assets	-	4,988,450	4,988,450
Liabilities – short term	149,541	214,309	363,850
Expenses	246,269	45,013	291,282
Foreign exchange translation	-	19	19

The following table provides prior year information regarding the location of the Company's non-current assets on a geographic basis.

Segment	Canada	Chile	Total
Current assets	2,562	31,704	34,266
Non-current assets	-	4,459,338	4,459,338
Liabilities – short term	159,897	112,284	272,181
Expenses	309,167	91,872	401,039
Foreign exchange	-	2,934	2,934

### 14. Subsequent Events

On January 30, 2023, the Corporation closed a non-brokered, unsecured, convertible debentures (the "Debentures") for gross proceeds of CAD \$650,000. The Debentures carry interest at a rate of seven percent (7%) per annum, and mature two (2) years from the date of issue. The Debentures may be convertible by the holders at any time prior to maturity into common shares of the Corporation ("Common Shares") at a conversion price of \$0.06 per Common Share if converted within one (1) year of issue or at a conversion price of \$0.10 per Common Share if converted thereafter.

Proceeds will be used to fund the general working capital requirements of the Corporation, to pay annual claim taxes and to fund the next US\$100,000 payment required to be made pursuant to the acquisition of the Inca property located in Chile.