

# **ALTIPLANO METALS INC.**

Consolidated Condensed Interim Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

To the shareholders of Altiplano Metals Inc:

The consolidated condensed interim financial statements of Altiplano Metals Inc. (the "Company") for the three and nine months ended September 30, 2022 and 2021 have been compiled by management.

No audit or review of this information has been performed by the Company's auditors.

ALTIPLANO METALS INC.  
Consolidated Condensed Interim Statements of Financial Position  
(Expressed in Canadian Dollars)

(unaudited)

As at	September 30 2022	December 31 2021
<b>Assets</b>		
Current		
Cash	\$ 310,366	\$ 1,459,246
Accounts receivable	194,183	229,961
VAT and sales tax receivable	9,639	75,806
Prepayments and deposits (note 8)	472,805	219,408
	<u>986,993</u>	1,984,421
Equipment (note 6)	2,637,171	2,130,012
Investments	2,083	2,083
VAT receivable	579,965	333,908
Right-of-use asset	792,549	792,549
Exploration and evaluation properties (note 4)	7,387,378	6,806,260
	<u>\$ 12,386,139</u>	<u>\$ 12,049,233</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 791,578	\$ 405,311
Lease liability (note 7)	338,800	388,728
Payroll liabilities	313,267	75,054
	<u>1,443,645</u>	869,093
Lease liability (note 7)	401,155	402,491
	<u>1,844,800</u>	1,271,584
<b>Equity</b>		
Share capital (note 5)	19,444,562	18,759,126
Reserves	2,134,238	2,163,968
Accumulated other comprehensive income	(626,621)	(365,265)
Deficit	(10,410,840)	(9,780,180)
	<u>10,541,339</u>	10,777,649
	<u>\$ 12,386,139</u>	<u>\$ 12,049,233</u>

Going concern (note 1)  
Subsequent events (note 11)

Approved by the Board of Directors

Director (signed by) "John Williamson"

Director (signed by) "Sean Mager"

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

ALTIPLANO METALS INC.

Consolidated Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(unaudited)

For the	three months ended September 30		nine months ended September 30	
	2022	2021	2022	2021
<b>Expenses</b>				
Investor relations	\$ 24,183	\$ 55,701	\$ 140,054	\$ 169,297
Management fees	64,000	64,689	192,689	194,051
Office and administration	28,416	51,654	70,122	114,952
Professional fees	39,846	55,013	169,149	150,799
Regulatory and filing fees	2,044	1,403	25,259	33,508
Share-based compensation	-	-	-	675,500
	<b>(158,489)</b>	(228,460)	<b>(597,273)</b>	(1,338,107)
<b>Other</b>				
Interest income	1,007	3,278	2,775	9,444
Gain (loss) on foreign exchange	(83,299)	(338,385)	(36,162)	(482,118)
<b>Net loss for the period</b>	<b>\$ (240,781)</b>	<b>\$ (563,567)</b>	<b>\$ (630,660)</b>	<b>\$ (1,810,781)</b>
<b>Other comprehensive loss</b>				
Item that may be reclassified subsequently to profit and loss:				
Gain (loss) on translation of foreign operations	106,026	16,870	(261,356)	(11,798)
<b>Comprehensive loss for the period</b>	<b>\$ (134,755)</b>	<b>\$ (546,697)</b>	<b>\$ (892,016)</b>	<b>\$ (1,822,579)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
Basic and diluted weighted average number of common shares outstanding	<b>114,296,139</b>	113,395,322	<b>113,784,272</b>	106,329,120

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

ALTIPLANO METALS INC.

Consolidated Condensed Interim Statements of Changes in Equity

(Expressed in Canadian Dollars)

(unaudited)

	Share capital	Option and warrant reserve	AOCI	Deficit	Total equity
<b>Balance at December 31, 2020</b>	<b>\$14,836,648</b>	<b>\$ 1,452,845</b>	<b>\$ (318,089)</b>	<b>\$ (7,460,184)</b>	<b>\$ 8,511,220</b>
Shares issued for cash	3,075,000	-	-	-	3,075,000
Share issuance costs	(282,764)	88,444	-	-	(194,320)
Options granted	-	675,500	-	-	675,500
Options exercised	13,500	(4,500)	-	-	9,000
Warrants exercised	1,102,312	(84,321)	-	-	1,017,991
Other comprehensive loss	-	-	(11,798)	-	(11,798)
Net loss	-	-	-	(1,810,781)	(1,810,781)
<b>Balance at September 30, 2021</b>	<b>\$18,744,696</b>	<b>\$ 2,127,968</b>	<b>\$ (329,887)</b>	<b>\$ (9,270,965)</b>	<b>\$11,271,812</b>
Shares issued for property	14,750	-	-	-	14,750
Share issuance costs	(320)	-	-	-	(320)
Options granted	-	36,000	-	-	36,000
Other comprehensive loss	-	-	(35,378)	-	(35,378)
Net loss	-	-	-	(509,215)	(509,215)
<b>Balance at December 31, 2021</b>	<b>\$18,759,126</b>	<b>\$ 2,163,968</b>	<b>\$ (365,265)</b>	<b>\$ (9,780,180)</b>	<b>\$10,777,649</b>
Shares issued for cash	599,000	-	-	-	599,000
Advanced share subscriptions	18,000	-	-	-	18,000
Share issuance costs	(1,564)	270	-	-	(1,294)
Options exercised	70,000	(30,000)	-	-	40,000
Other comprehensive loss	-	-	(261,356)	-	(261,356)
Net loss	-	-	-	(630,660)	(630,660)
<b>Balance at September 30, 2022</b>	<b>\$19,444,562</b>	<b>\$ 2,136,668</b>	<b>\$ (626,621)</b>	<b>\$ (630,660)</b>	<b>\$10,541,339</b>

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

ALTIPLANO METALS INC.  
Consolidated Condensed Interim Statements of Cash Flows  
(Expressed in Canadian Dollars)

(unaudited)

<b>For the nine months ended</b>	<b>September 30 2022</b>	<b>September 30 2021</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss for the period	\$ (630,660)	\$ (1,810,781)
Items not affecting cash:		
Interest payable on promissory notes	-	14,728
Share-based payments	-	675,500
Changes in non-cash working capital:		
VAT and sales tax receivable	(179,980)	(108,343)
Accounts receivable and prepaids	(253,397)	353,633
Accounts payable and accrued liabilities	624,680	35,490
Cash used in operating activities	<u>(403,579)</u>	<u>(839,773)</u>
<b>Investing activities</b>		
Exploration and evaluation property exploration expenditures	(3,151,346)	(2,070,651)
Exploration and evaluation property exploration recoveries	2,517,434	1,612,993
Repayment of lease liability	(51,264)	(56,376)
Purchase of equipment	(671,043)	(1,814,033)
Cash used in investing activities	<u>(1,356,219)</u>	<u>(2,328,067)</u>
<b>Financing activities</b>		
Proceeds from private placements	599,000	3,075,209
Proceeds from options exercised	40,000	9,000
Cash share issuance costs	(1,294)	(194,320)
Share subscription received	18,000	-
Proceeds from warrants exercised	-	1,097,991
Repayment of promissory notes and interest	-	(864,000)
Cash provided by financing activities	<u>655,706</u>	<u>3,123,880</u>
Foreign exchange effect on cash	(44,789)	294,462
<b>Net (decrease) increase in cash</b>	<b>(1,148,881)</b>	<b>250,502</b>
Cash, beginning	<u>1,459,247</u>	<u>1,863,039</u>
<b>Cash, ending</b>	<b>\$ 310,366</b>	<b>\$ 2,113,541</b>

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

**1. Nature of operations**

Altiplano Metals Inc. (“Altiplano” or the “Company”) was incorporated under the Business Corporations Act (Alberta) on March 5, 2010. On November 10, 2010, the Company was continued into the Province of British Columbia under the *Business Corporations Act* (British Columbia). The Company’s common shares are listed for trading on the TSX Venture Exchange (the “Exchange”) under the trading symbol “APN”, on the OTC Pink Venture Market under the trading symbol “ALTPF”, and on the Frankfurt Stock Exchange under the trading symbol “9AJ1”. The Company’s head office is at Suite 300, 250 Southridge NW, Edmonton, Alberta, T6H 4M9. The Company’s registered records office is at 3200 Vancouver Centre, 650 West Georgia Street, Vancouver, BC V6B 4P7.

The Company is focused on evaluating and acquiring exploration projects with significant potential for advancement from discovery through to production.

While these consolidated condensed interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations for the foreseeable future, there are significant uncertainties related to certain adverse conditions and events that may cast doubt on the validity of this assumption. As at September 30, 2022, the Company had working capital deficit of \$456,652 (December 31, 2021 - \$1,115,328) and an accumulated deficit of \$10,410,840 (December 31, 2021 - \$9,780,180). The Company is dependent upon obtaining additional equity or debt financing to fund any operating expenditures or acquisition opportunities in order to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

**2. Basis of presentation**

These consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial reporting Issues Committee (“IFRIC”).

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Company on November 29, 2022.

These consolidated condensed interim financial statements include the accounts of the Company, and its wholly owned subsidiaries Altiplano Minerals Chile SPA, and SCM Comet Exploration Chile. All intercompany transactions and balances have been eliminated.

<b>Name of Subsidiary</b>	<b>Place of Incorporation</b>	<b>Proportion of Ownership Interest</b>	<b>Principal Activity</b>
Altiplano Metals Chile SPA	Chile	100%	Holding company
Altiplano Minerals Chile SPA	Chile	100%	Holding company
SCM Comet Exploration Chile	Chile	100%	Holds mineral interests in Chile
Andes Metals Chile SPA	Chile	100%	Holds mineral interests in Chile

## ALTIPLANO METALS INC.

### Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

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These consolidated condensed interim financial statements are prepared using the functional currency of the Company and each of its subsidiaries. Functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of Altiplano is the Canadian Dollar and the functional currency of its wholly owned subsidiaries is the Chilean Peso. The Canadian dollar is the presentation currency of the Company unless otherwise noted.

These consolidated condensed interim financial statements have been prepared on a historical cost basis, unless otherwise noted. In addition, these consolidated condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

### 3. Management estimates and judgments

The preparation of these consolidated condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its consolidated condensed interim financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The areas which require management to make significant estimates, judgments and assumptions in determining carrying values are consistent with those applied and disclosed in the Company's financial statements for the year ended December 31, 2020, unless otherwise stated.

### 4. Exploration and evaluation properties

#### Farellon and Maria Luisa Properties

The Company has a 100% interest in the Farellon and Maria Luisa projects, located near the town of La Serena, Republic of Chile (collectively, the "Projects").

During the year ended December 31, 2020, the Company negotiated an amendment to the terms of the 10% NPI which is capped at \$1.5 million, due to Comet from profits derived from its Chilean projects under the purchase agreement. Under the terms of the amendment, the Company will eliminate the NPI obligation, which was capped at \$1,500,000, by making payments totaling \$200,000 as follows:

- Payment of \$50,000 to Comet by April 20, 2020 (paid);
- Payment of \$50,000 to Comet by October 2, 2020 (paid);
- Payment of \$100,000 to Comet by April 1, 2021 (paid); and
- Return to Comet for cancellation 500,000 ordinary shares of Comet held by Altiplano (returned).

On July 5, 2021, the Company completed an option agreement (the "Option Agreement") on the Maria Luisa property, whereby the Company may acquire a 100% undivided interest in the property for US\$2,000,000 as follows:

- US\$200,000, paid in 12 equal monthly payments starting July 5, 2021 (paid US\$200,000);
- US\$800,000, paid on the first-year anniversary of closing the Option Agreement\*;
- US\$500,000, paid on the second-year anniversary of closing the Option Agreement;
- US\$500,000, paid on the third-year anniversary of closing the Option Agreement.

\*During the nine months ended September 30, 2022, the Company amended the agreement to delay the first-year anniversary payment of US\$800,000, to January 2023. The Company has continued making monthly payments, which will be applied against the US\$800,000 (paid US\$12,504 at September 30).

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Pastillas Gold Project

On August 18, 2021, the Company entered into an agreement (the “Pastillas Agreement”), to acquire the Pastillas gold exploration project located within the prolific Maricunga belt, approximately 116km from Copiapó in the Atacama region of Chile. The agreement provides the Company the opportunity to acquire a 100% undivided interest in the property.

Under the terms of the Pastillas Agreement , Altiplano may acquire a 100% interest in the Property by paying a total of US\$1,230,000 in cash and issuing 1,000,000 in common shares of the Company , as follows:

- US\$30,000 (paid) and 50,000 shares (issued) on October 6, 2021, the date of acceptance of the Pastillas Agreement by the Exchange (the “Approval Date”).
- US\$50,000 and 100,000 shares on the first anniversary of the Approval Date.
- US\$100,000, and 150,000 shares on the second anniversary of the Approval Date.
- US\$250,000 and 300,000 shares on the third anniversary of the Approval Date.
- US\$800,000 and 400,000 shares on the fourth anniversary of Approval Date.

In addition, the Company must incur a minimum total of CND\$2,900,000 in exploration expenditures as follows:

- \$150,000 within the next 12 months from the date of the Pastillas Agreement;
- \$250,000 within 12 months of the first anniversary date of the Pastillas Agreement;
- \$1,000,000 within 12 months of the second anniversary date of the Pastillas Agreement; and
- \$1,500,000 within 12 months of the third anniversary date of the Pastillas Agreement.

The Pastillas Agreement also provides a 2% NSR retained by the optionor with a provision for the Company to buy back one-half for US\$2,000,000 until the 8<sup>th</sup> anniversary of the Pastillas Agreement.

Total costs incurred by the Company on exploration and evaluation assets are summarized as follows:

	Farellon	Maria Luisa	Pastillas	Total
<b>Balance, December 31, 2021</b>	<b>\$ 6,365,078</b>	<b>\$ 277,172</b>	<b>\$ 164,010</b>	<b>\$ 6,806,260</b>
Acquisition	-	112,475	-	112,475
Analysis	-	7,097	26,734	33,828
Drilling	-	15,657	-	15,657
Equipment and supplies	362,104	46,203	20,814	429,121
Fieldwork	1,418,251	401,420	66,686	1,886,357
Geological consulting	422,373	96,254	82,677	601,304
Travel	44,729	-	-	44,729
Recovery on sale of mineralized material	(2,505,350)	(12,084)	-	(2,517,434)
Foreign exchange translation	(47,834)	(871)	(1,833)	(50,538)
<b>Balance, September 30, 2022</b>	<b>\$ 6,059,351</b>	<b>\$ 945,420</b>	<b>\$ 382,607</b>	<b>\$ 7,387,378</b>

ALTIPLANO METALS INC.  
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5. Share capital

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

A summary of changes in common share capital in the period is as follows:

	<b>Number of shares</b>	<b>Amount</b>
<b>Balance at December 31, 2021</b>	<b>113,503,721</b>	<b>\$ 18,759,126</b>
Shares issued for cash	2,995,000	599,000
Shares issued upon exercise of options	200,000	70,000
Advanced share subscription		18,000
Share issuance costs	-	(1,294)
Share issuance costs non-cash	-	(270)
<b>Balance at September 30, 2022</b>	<b>116,698,721</b>	<b>\$ 19,444,562</b>

On September 9, 2022, the Company completed the first tranche of a private placement of 2,995,000 units for gross proceeds of \$599,000. Each unit consists of one common share and one-half warrant. The warrants were valued at \$Nil based on the residual method. The Company also paid finders' fees of \$600 and issued 3,000 agent warrants to certain arm's length finders. Each warrant is exercisable to acquire one additional common share at \$0.30 per share until two years from issuance.

During the nine months ended September 30, 2022, the Company issued 200,000 shares for gross proceeds of \$40,000 on exercise of stock options.

b) Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options. The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than death, one year after the death of an optionee or on the tenth anniversary of the date the option was granted.

A summary of stock option activity in the period is as follows:

	<b>Number of options</b>	<b>Weighted average exercise price</b>
<b>Outstanding options, December 31, 2021</b>	<b>8,510,750</b>	<b>\$ 0.21</b>
Exercised	(200,000)	0.20
<b>Outstanding options, September 30, 2022</b>	<b>8,310,750</b>	<b>\$ 0.21</b>

ALTIPLANO METALS INC.

Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

A summary of the options outstanding and exercisable is as follows:

Exercise Price	September 30, 2022		Exercise Price	December 31, 2021		
	Number of options	Remaining contractual life (years)		Number of options	Remaining contractual life (years)	
\$ -	-	-	\$ 0.20	200,000	0.4	
0.15	250,000	0.0	0.15	250,000	0.8	
0.14	650,750	0.0	0.14	650,750	0.8	
0.30	1,450,000	0.7	0.30	1,450,000	1.4	
0.10	3,310,000	1.9	0.10	3,310,000	2.6	
0.35	1,200,000	3.3	0.35	1,200,000	4.1	i
0.30	750,000	3.5	0.30	750,000	4.2	ii
0.30	600,000	3.5	0.30	600,000	4.2	iii
0.30	100,000	3.6	0.30	100,000	4.3	iv
<b>\$ 0.21</b>	<b>8,310,750</b>	<b>2.0</b>	<b>\$ 0.21</b>	<b>8,510,750</b>	<b>2.7</b>	

- i On January 28, 2021, the Company granted stock options to acquire up to an aggregate 1,200,000 common shares under the Plan, vesting immediately upon grant. The stock options are exercisable at a price of \$0.35 per common share and have an expiry date of January 28, 2026 or earlier in accordance with the terms of the Plan. The estimated fair value of these options of \$348,000, or \$0.29 per option, has been recorded as share-based compensation expense during the year ended December 31, 2021 and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$0.34; expected life, 5 years; expected volatility, 131%; risk-free rate 0.41%; expected dividends, 0%. The options were issued with an exercise price equal to the quoted market price of the Company's common shares on the date of issuance.
- ii On March 19, 2021 the Company granted stock options to acquire 750,000 common shares under the Plan, vesting immediately upon grant. The stock options are exercisable at \$0.30 per common share and have an expiry date of March 19, 2026 or earlier in accordance with the terms of the Plan. The estimated fair value of these options of \$187,500, or \$0.25 per option, has been recorded as share-based compensation expense during the year ended December 31, 2021 and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$0.29; expected life, 5 years; expected volatility, 129%; risk-free rate 1.0%; expected dividends, 0%. The options were issued with an exercise price equal to the quoted market price of the Company's common shares on the date of issuance.
- iii On March 19, 2021, the Company also granted stock options to acquire 600,000 common shares under the Plan, vesting immediately upon grant. The stock options are exercisable at \$0.30 per common share and have an expiry date of March 19, 2026 or earlier in accordance with the terms of the Plan. The estimated fair value of these options of \$150,000, or \$0.25 per option, has been recorded as share-based compensation expense during the year ended December 31, 2021 and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$0.29; expected life, 5 years; expected volatility, 129%; risk-free rate 1.0%; expected dividends, 0%. The options were issued with an exercise price equal to the quoted market price of the Company's common shares on the date of issuance.

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iv On April 21, 2021, the Company granted stock options to acquire up to an aggregate 100,000 common shares under the Plan, vesting immediately upon grant. The stock options are exercisable at a price of \$0.30 per common share and have an expiry date of April 21, 2026 or earlier in accordance with the terms of the Plan. The estimated fair value of these options of \$26,000, or \$0.26 per option, has been recorded as share-based compensation expense during the year ended December 31, 2021 and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$0.31; expected life, 5 years; expected volatility, 123%; risk-free rate 0.94%; expected dividends, 0%. The options were issued with an exercise price equal to the quoted market price of the Company's common shares on the date of issuance.

c) Warrants

A summary of share purchase warrant activity in the period is as follows:

	Number of Warrants	Weighted average exercise price
<b>Outstanding warrants, December 31, 2021</b>	<b>16,058,000</b>	<b>\$ 0.31</b>
Issued	1,500,500	0.30
<b>Outstanding warrants, September 30, 2022</b>	<b>17,558,500</b>	<b>\$ 0.31</b>

A summary of the warrants outstanding and exercisable is as follows:

Exercise Price	September 30, 2022		Exercise Price	December 31, 2021	
	Number of warrants	Remaining contractual life (years)		Number of warrants	Remaining contractual life (years)
\$ 0.25	9,285,716	0.0	\$ 0.25	9,285,716	0.8
0.25	102,024	0.0	0.25	102,024	0.8
0.40	6,150,000	0.5	0.40	6,150,000	1.2
0.40	520,260	0.5	0.40	520,260	1.2
0.30	1,500,500	2.0	-	-	-
<b>\$ 0.31</b>	<b>17,558,500</b>	<b>0.4</b>	<b>\$ 0.31</b>	<b>16,058,000</b>	<b>1.0</b>

i On March 19, 2021, 520,260 warrants were issued to agents pursuant to the non-brokered private placement as compensation for services provided by the agents. The estimated fair value of the agents' warrants of \$88,444, or \$0.17 per agents' warrant, has been recorded as a decrease to share capital as a cost of share issuance and an increase to option and warrant reserve, and was calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date stock price \$0.29; expected life, 2 years; expected volatility, 132%; risk free rate, 0.26%; expected dividends, 0%.

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6. Equipment

	Machinery equipment	Furniture and fixtures	Computer hardware	Construction and progress	Total
<b>Balance, December 31, 2021</b>	\$ 430,604	\$ 21,214	\$ 6,440	\$ 1,671,754	\$ 2,130,012
Additions	146,575	-	1,304	523,164	671,043
Depreciation	(62,626)	(6,220)	(1,349)	-	(70,195)
Foreign exchange	(25,555)	(718)	(234)	(67,182)	(93,689)
<b>Balance, September 30, 2022</b>	<b>\$ 488,998</b>	<b>\$ 14,276</b>	<b>\$ 6,161</b>	<b>\$ 2,127,736</b>	<b>\$ 2,637,171</b>

During the nine months ended September 30, 2022, the Company capitalized \$70,195 (2021 - \$11,043) in depreciation to mineral properties.

During the year-end December 31, 2021, the Company has entered into an agreement to construct a mill and processing plant that is under construction as at September 30, 2022. The plant is not available for use, therefore no amortization has been taken on the asset.

7. Right-of-use asset/lease liability

In November 2020, the Company signed lease agreements for land to be used as the location of its future mill and processing facility. The land is approximately 15 kms from the Company's Farellon project and hosts power, water and transportation infrastructure to support the plant. The incremental rate of borrowing for these leases were estimated by management to be 5% per annum.

The Company recognized a lease liability for its lease agreements as follows:

<b>Balance, December 31, 2021</b>	<b>\$ 791,219</b>
Lease payments	<u>(51,264)</u>
<b>Balance, September 30, 2022</b>	<b><u>\$ 739,955</u></b>

The Company's lease liability is presented in the statement of financial position as follows:

As at	September 30 2022	December 31 2021
Current	\$ 338,800	\$ 388,728
Non-current	<u>401,155</u>	<u>402,491</u>
	<b><u>\$ 739,955</u></b>	<b><u>\$ 791,219</u></b>

**8. Prepayments and deposits**

The prepayments and deposits consist of payments made to suppliers for future services to be provided by suppliers.

**9. Financial instruments and risk management**

*Fair value of financial instruments*

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in 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 - Inputs for the asset or liability that are not based on observable market data.

The Company's cash and cash equivalents and listed equity investments are classified as Level 1, whereas accounts receivable and prepayments, and accounts payable and accrued liabilities are classified as Level 2, and non-listed equity investments are classified as Level 3. As at September 30, 2022, the Company believes that the carrying values of cash, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

*Financial instruments risk*

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, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

## ALTIPLANO METALS INC.

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### Foreign exchange risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and Chilean peso will affect the Company's operations and financial results. The operating results and financial position of the Company are reported in Canadian dollars. The Company's operations are in Canada and Chile. The Company considers this risk to be minimal.

### Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds no interest-bearing financial liabilities; therefore, interest rate risk is limited to potential decreases on the interest rate offered on cash held with its financial institution. The Company considers this risk to be minimal.

### Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily concentrated in its cash and accounts receivable. Cash are held at reputable financial institutions in Canada and Chile. The Company's maximum exposure to credit risk at September 30, 2022, is \$504,549 (December 31, 2021 - \$1,689,207).

### Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company regularly monitors working capital positions and updates spending plans as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board.

As at September 30, 2022, the Company's working capital deficit was \$456,652 (December 31, 2021 – surplus of \$1,115,328). The continuing operations of the Company are dependent upon its ability to obtain adequate financing and to commence profitable operations in the future.

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Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	<b>September 30 2022</b>	<b>December 31 2021</b>
Financial assets at amortized cost:		
Cash	\$ 310,366	\$ 1,459,246
Accounts receivable	194,183	229,961
Financial assets at FVTPL:		
Investments	2,083	2,083
	<b>\$ 506,632</b>	<b>\$ 1,691,290</b>

Financial liabilities included in the statement of financial position are as follows:

	<b>September 30 2022</b>	<b>December 31 2021</b>
Non-derivative financial liabilities:		
Accounts payable and accrued liabilities	\$ 791,578	\$ 405,311
	<b>\$ 791,578</b>	<b>\$ 405,311</b>

Determination of fair value

The statements of financial position carrying amounts for cash, accounts receivable and accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Capital management

In the management of capital, the Company includes components of stockholders' equity. The Company aims to manage its capital resources to ensure financial strength and to maximize its financial flexibility by maintaining strong liquidity and by utilizing alternative sources of capital including equity and debt to fund continued growth. The Company sets the amount of capital in proportion to risk and based on the availability of funding sources. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Issuance of equity has been the primary source of capital to date. Additional debt and/or equity financing may be pursued in future as deemed appropriate to balance debt and equity. To maintain or adjust the capital structure, the Company may issue new shares, take on additional debt or sell assets to reduce debt. There are no external restrictions on the management of capital. There was no change to the Company's approach to capital management during the nine months ended September 30, 2022.

**10. Related party transactions**

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

<b>For the nine months ended</b>	<b>September 30 2022</b>	<b>September 30 2021</b>
Management fees paid to key management and directors	\$ 192,000	\$ 192,000
Rent paid to a corporation controlled by key management	30,150	45,000
Office and admin fees paid to a corporation controlled by key management	37,000	26,800
Investor relations fees paid to a director	-	37,000
	<u>\$ 259,150</u>	<u>\$ 300,800</u>

At September 30, 2022, accounts payable and accrued liabilities include \$20,179 (2021 - \$10,237) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

The Company issued 1,300,000 (2021 – 440,000) common shares for proceeds of \$260,000 (2021 – \$110,000) raised during private placements from key management and directors.

During the comparative period, there were 750,000 options issued to key management and directors resulting in a non-cash share-based compensation expense of \$187,500.

**11. Subsequent events**

Subsequent to September 30, 2022, the Company completed the second tranche of a private placement of 1,625,000 units for gross proceeds of \$325,000. Each unit consists of one common share and one-half warrant. The warrants were valued at \$Nil based on the residual method. The Company also paid finders' fees of \$3,290 and issued 16,450 agent warrants to certain arm's length finders. Each warrant is exercisable to acquire one additional common share at \$0.30 per share until two years from issuance.

Subsequent to September 30, 2022, The Company amended the terms of 9,285,716 outstanding warrants of the Company set to expire October 16, 2022. The Company extended the expiry date for all the Warrants by one year to October 16, 2023. All other terms of the warrants remain the same.