FABLED COPPER CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2020
(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

The accompanying unaudited interim financial statements of Fabled Copper Corp. for the six months ended June 30, 2020 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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Fabled Copper Corp.
Condensed Consolidated Interim Statements of Financial Position (unaudited)
(Expressed in Canadian Dollars)

As at	Note(s)	June 30, 2020 $	December 31, 2019 $
ASSETS			
Current assets			
Cash		7,632	121,325
Amounts receivable		26,430	37,237
Prepaid expenses	5	182,115	14,115
TOTAL ASSETS		**216,177**	**172,677**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	3	264,322	291,387
Due to related party	6	50,888	29,722
Note payable	4	10,000	10,000
TOTAL LIABILITIES		**325,210**	**331,109**
SHAREHOLDERS' EQUITY			
Share capital	5	10,300,311	10,132,311
Reserves		168,715	143,285
Deficit		(10,578,059)	(10,434,028)
TOTAL SHAREHOLDERS' EQUITY		**(109,033)**	**(158,432)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**216,177**	**172,677**
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These unaudited condensed consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Michael Harrison Director **/s/ David W. Smalley Director**

Fabled Copper Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)
(Expressed in Canadian Dollars)

		For the three months ended		For the six months ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	Note(s)	$	$	$	$
Expenses					
Consulting fees		-	7,875	-	15,750
Foreign exchange loss		39	-	39	-
General and administrative expenses		418	3,947	9,895	4,625
Investor relations and promotion		1,025	-	1,025	-
Professional fees	6	53,031	4,988	58,531	4,988
Property investigation costs		8,533	-	30,482	-
Regulatory and filing fees		17,302	14,603	18,629	25,413
Share-based payments	5	25,430	-	25,430	-
Total comprehensive loss		**(105,778)**	**(31,413)**	**(144,031)**	**(50,776)**
Basic and diluted loss per share for the period attributable to common shareholders ($ per common share)		**(0.00)**	**(0.00)**	**(0.00)**	**(0.00)**
Weighted average number of common shares outstanding - basic and diluted		**44,194,375**	**44,009,760**	**44,102,068**	**44,009,760**

(Expressed in Canadian Dollars)

		Share capital				
	Note(s)	Number of shares	Amount	Reserve	Deficit	Total
Balance at December 31, 2019		**44,009,760**	**10,132,311**	**143,285**	**(10,434,028)**	**(158,432)**
Shares issued for advisory services	5	2,800,000	168,000	-	-	**168,000**
Share-based payments	5	-	-	25,430	-	**25,430**
Loss for the period		-	-	-	(144,031)	**(144,031)**
Balance at June 30, 2020		**46,809,760**	**10,300,311**	**168,715**	**(10,578,059)**	**(109,033)**

Balance at December 31, 2018		**44,009,760**	**10,132,311**	**22,840**	**(1,879,238)**	**8,275,913**
Loss for the period		-	-	-	(50,776)	**(50,776)**
Balance at June 30, 2019		**44,009,760**	**10,132,311**	**22,840**	**(1,930,014)**	**8,225,137**

(Expressed in Canadian Dollars)

	Note(s)	For the six months ended June 30, 2020 $	June 30, 2019 $
Cash flow provided from (used by)			
OPERATING ACTIVITIES			
Loss for the period		(144,031)	(50,776)
Adjustments for items not affecting cash:			
Share-based payments	5	25,430	-
Change in non-cash working capital			
Amounts receivable		10,807	-
Accounts payable and accrued liabilities		(56,787)	(5,465)
Due to related parties		50,888	-
Cash flow used in operating activities		**(113,693)**	**(56,241)**
INVESTING ACTIVITIES			
Acquisition costs on exploration and evaluation assets		-	(55,251)
Cash flow used in investing activities		**-**	**(55,251)**
Decrease in cash		**(113,693)**	**(111,492)**
Cash, beginning of period		**121,325**	**712,895**
Cash, end of period		**7,632**	**601,403**
SUPPLEMENTAL CASH FLOW			
Shares issued for advisory services	5	168,000	-
Cash paid during the year for interest		-	-
Cash paid during the year for income taxes		-	-

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Fabled Copper Corp. (formerly Flying Monkey Capital Corp.) (the "Company") was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on December 15, 2014 and changed its name from Flying Monkey Capital Corp. to Fabled Copper Corp. on September 27, 2018. The Company is listed on the TSX Venture Exchange (the "Exchange") under the symbol "FCO". The Company is currently engaged in exploration of mineral properties and holds a 100% interest in copper properties located in British Columbia, Canada.

The head office and the registered address of the Company are 480 – 1500 West Georgia Street, Vancouver, BC V6G 2Z6, Canada.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As of June 30, 2020, the Company had working capital deficit of $109,033 (December 31, 2018 – 158,432), had not advanced its mineral properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful exercise of its mineral property option agreements, results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating losses. The current cash resources are not adequate to pay the Company's accounts payable and to meet its minimum commitments as at the date the Board of Directors approved these financial statements, including planned corporate and administrative expenses, and other project implementation costs; accordingly, these uncertainties cast a significant doubt on the ability of the Company to continue operations as a going concern. These financial statements do not include any adjustments that might result from this uncertainty.

Proposed Transaction

On July 15, 2020, as amended on September 30, 2020, the Company entered into a letter of intent (the "LOI") with an arm's length vendor, Golden Minerals Company ("Golden Minerals"), for a proposed transaction (the "Proposed Transaction") under which Golden Minerals will grant the Company an option to acquire a 100% interest in the Santa María Mine in the State of Chihuahua, Mexico ("Santa María Project") (Note 11).

Financing

On August 14, 2020, the Company completed a private placement of subscription receipts of the Company at a price of $0.05 per Subscription Receipt for aggregate gross proceeds of $4,600,000 (Note 11).

COVID-19

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 results of operations at this time.

The unaudited condensed consolidated interim financial statements of the Company for the six months ended June 30, 2020 were approved by the Board of Directors on October 5, 2020.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards
These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

Basis of presentation
These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2019.

New accounting standards
There were no new or amended IFRS pronouncements effective January 1, 2020 that impacted these condensed consolidated interim financial statements.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

	June 30, 2020	December 31, 2019
	$	$
Trade payables	211,705	291,387
Accrued liabilities	52,617	-
	264,322	**291,387**

4. NOTE PAYABLE

As at June 30, 2020 and December 31, 2019, the Company owed $10,000 to a director of the Company. The loan is interest free and unsecured with no fixed terms of repayment.

5. SHARE CAPITAL

Authorized share capital
Unlimited number of common shares without par value.

Issued share capital
At June 30, 2020, the Company had 46,809,760 (December 31, 2019 – 44,009,760) common shares issued and outstanding with a value of $10,300,311 (December 31, 2019 – 10,132,311).

During the six months ended June 30, 2020, the Company issued 2,800,000 common shares with a fair value of $168,000 to Mackie Research Capital Corporation for advisory services. The fair value of the shares issued was recorded as Prepaid expenses as of June 30, 2020 and will be reclassified as share issuance costs.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (CONTINUED)

Stock options

e Company maintains a Stock Option Plan (the "Plan") under which it is authorized to grant stock options to executive officers, directors, employees, and consultants. Under the Plan, the number of options that may be issued is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant. The exercise price of each stock option shall equal the market price of the Company's shares, less any applicable discount, as calculated on the date of grant. Options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

Options to purchase common shares have been granted to directors, employees, consultants and advisors at exercise prices determined by reference to the market value of the Company's common shares on the date of the grant. The changes in options during the six months ended June 30, 2020 are as follows:

	Number outstanding	Weighted average exercise price ($)
Balance, beginning of period	**3,391,055**	**0.13**
Cancelled	(41,670)	0.13
Forfeited	(58,330)	0.13
Balance, end of period	**3,291,055**	**0.13**

During the six months ended June 30, 2020 and 2019, the Company recognized share-based payments expense of $25,430 and $nil, respectively.

The following summarizes information about stock options outstanding and exercisable at June 30, 2020:

Expiry date	Exercise price ($)	Options outstanding	Options exercisable	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
June 16, 2025	0.30	187,067	187,067	-	4.96
November 21, 2028	0.10	1,551,994	776,004	98,757	8.40
November 21, 2028	0.15	1,551,994	776,004	96,673	8.40
		3,291,055	**1,739,075**	**195,430**	**8.20**
Weighted average exercise price ($)		**0.13**	**0.16**		

Subsequent to June 30, 2020:

- 50,000 options with an average exercise price $0.10 were cancelled.
- 50,000 options with an average exercise price $0.15 were cancelled.

6. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

During the six months ended June 30, 2020, the Company incurred $13,930 (June 30, 2019 – $nil) in professional legal fees from a private company owned by a director of the Company.

During the six months ended June 30, 2020, the Company recognized $25,521 (June 30, 2020 – $nil) share-based payments related to options granted to the Company's officers and directors.

As at June 30, 2020, the Company owed $45,888 (December 31, 2018 – $29,722) to a director of the Company and a company controlled by the director for fees for services, and for disbursements made on behalf of the Company for regulatory and filing fees.

As at June 30, 2020, the Company owed $5,000 (December 31, 2018 – $5,000) to a director of the Company for disbursements made on behalf of the Company.

See Note 4 for further related party disclosure.

Unless otherwise noted, all related party balances are unsecured, non-interest bearing with no fixed terms of repayment.

7. COMMITMENTS

As of June 30, 2020, the Company had the following commitments relating to exploration and evaluation assets which were impaired during the year ended December 31, 2019:

ChurchKey Property

On August 6, 2019 the Company, through its wholly owned subsidiary, Fabled Copper and Gold Corp. ("Fabled"), completed the acquisition of the ChurchKey Property. Pursuant to the option agreement, the Company is required to make the following payments to ChurchKey Mines Inc. ("ChurchKey"):

- $50,000 (paid) in cash on August 6, 2019;
- $50,000 in cash on or before November 4, 2019;
- $100,000 in cash on or before August 6, 2020;
- $250,000 in cash on or before August 6, 2021;
- $300,000 in cash on or before August 6, 20202;
- $500,000 in cash on or before August 6, 2023; and
- $750,000 in cash on or before August 6, 2024.

On June 15, 2020, Fabled entered an extension agreement with ChurchKey to extend the payment date of $50,000 which became due on November 4, 2019 to October 31, 2020 and the due date of $100,000 which was originally due on August 6, 2020, to October 4, 2020 and the payment date of the said $100,000 to October 31, 2020. In consideration of such extensions an additional payment of $50,000 will be made to ChurchKey on the date that the Company completes its next financing.

7. COMMITMENTS (CONTINUED)

Toro Property

On March 4, 2017, the Company entered into an assignment agreement (the "Toro Assignment Agreement") with two directors of the Company (the "Assignors") to acquire all of the Assignors' right title and interest in an option agreement (the "Toro Option Agreement") with a third-party company (the "Optionor"). Under the Toro Option Agreement, the Company has an option to acquire an undivided 100% interest in nine mineral claims located within the Omineca mining division, British Columbia, Canada (the "Toro Property"). Pursuant to the Toro Assignment Agreement, the Company issued 11,219,515 common shares of the Company valued at $3,000,000 to the Assignors during the year ended September 30, 2017.

The Toro Option Agreement, dated March 3, 2017, requires the Company to pay $100,000 within 180 days of March 3, 2017 (paid) to acquire an undivided 50% interest in the Toro Property (the "First Option"). To acquire the remaining 50% interest (the "Second Option"), the Company shall pay $5,000,000 by March 3, 2022. Commencing on March 3, 2018, the Company shall pay a non-refundable annual advance royalty payment of $100,000 to the Optionor on March 3, 2019. The Optionor retains a royalty of 2% of Net Smelter Return ("NSR").

With respect to the advance royalty payment of $100,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Company completes a financing or series of financings for a total of not less than $1,500,000. Subsequently, the Company and the Optionor further extended the date for the payment to March 31, 2021 in consideration of an additional payment of combined $50,000 to be made to the Optionor's of the Neil/Ram Creek, Ribbon and Toro properties on the date that the Company completes a financing for not less than $2,500,000.

Neil/Ram Creek Property

On January 23, 2017, the Company entered into an assignment agreement (the "Neil/Ram Creek Assignment Agreement") with an arm's length company (the "Assignor") to acquire all of the Assignor's right title and interest in an option agreement (the "Neil/Ram Creek Option Agreement") with a third-party company (the "Optionor"). Under the Neil/Ram Creek Option Agreement, the Company has an option to acquire an undivided 100% interest in three mineral claims located within the Omineca mining division, British Columbia, Canada (the "Neil/Ram Creek Property"). Pursuant to the Neil/Ram Creek Assignment Agreement, the Company acquired a 50% interest in the three mineral claims and issued 9,349,595 common shares of the Company valued at $2,500,000 to the Assignor during the year ended September 30, 2017.

The Neil/Ram Creek Option Agreement, dated August 17, 2016, requires the Company to pay $5,000,000 to acquire the remaining 50% interest by August 17, 2021. Commencing on March 3, 2018, the Company shall pay a non-refundable annual advance royalty payment of $50,000 to the Optionor on March 3, 2019. The Optionor retains a royalty of 2% of NSR.

In respect of the advance royalty payment of $50,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Company completes a financing or series of financings for a total of not less than $1,500,000. Subsequently, the Company and the Optionor further extended the due date for the payment to March 31, 2021 in consideration of an additional payment of combined $50,000 to be made to the Optionor's of the Neil/Ram Creek, Ribbon and Toro properties on the date that the Company completes a financing for not less than $2,500,000.

7. COMMITMENTS (CONTINUED)

Ribbon Property

On March 4, 2017, the Company entered into an assignment agreement (the "Ribbon Assignment Agreement") with various arm's length individuals and companies (collectively the "Assignors") to acquire all of the Assignors' right title and interest in an option agreement (the "Ribbon Option Agreement") with a third-party company (the "Optionor"). Under the Ribbon Option Agreement, the Company has an option to acquire an undivided 100% interest in two mineral claims located within the Omineca mining division, British Columbia, Canada (the "Ribbon Property"). Pursuant to the Ribbon Assignment Agreement, the Company issued 5,048,781 common shares of the Company valued at $1,350,000 to the Assignors during the year ended September 30, 2017.

The Ribbon Option Agreement, dated March 3, 2017, requires the Company to pay $100,000 within 180 days of March 3, 2017 (paid) to acquire 100% interest in the Ribbon Property. Commencing on March 3, 2018, the Company shall pay a non-refundable annual advance royalty payment of $100,000 to the Optionor on March 31, 2019. The Optionor retains a royalty of 2% of NSR.

In respect of the advance royalty payment of $100,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Company completes a financing or series of financings for a total of not less than $1,500,000. Subsequently, the Company and the Optionor further extended the date for the payment to March 31, 2021 in consideration of an additional payment of combined $50,000 to be made to the Optionor's of the Neil/Ram Creek, Ribbon and Toro properties on the date that the Company completes a financing for not less than $2,500,000.

8. SEGMENTED INFORMATION

The Company operates in one single reportable segment, being the acquisition and exploration of mineral resource properties. All of the Company's non-current assets are located in Canada.

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital, being its share capital, are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company is dependent on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and share purchase warrants. Changes in the equity accounts of the Company are disclosed in the statements of changes in shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. Any issuance of common shares requires approval of the Board of Directors.

The Company anticipates continuing to access equity markets to fund the acquisition and exploration of exploration and evaluation assets and to ensure the future growth of the business.

The Company is not subject to any externally imposed capital restrictions.

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities, due to related party and note payable approximate their fair values due to the relatively short period to maturity of those financial instruments.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted 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 that are not based on observable market data.

As at June 30, 2020, the financial instrument recorded at fair value on the consolidated statement of financial position is cash which is measured using Level 1 of the fair value hierarchy.

Set out below are the Company's financial assets and financial liabilities by category:

	June 30, 2020 $	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash	7,632	7,632	-	-
Amounts receivable	26,430	-	26,430	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	264,322	-	264,322	-
Due to related party	50,888	-	50,888	-
Note payable	10,000	-	10,000	-

Financial risk management

Credit risk

Credit risk is such that a counterparty to a financial instrument will not discharge its obligations resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk.

Company management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to trade and other receivables and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from cash and amounts receivable. The Company's maximum exposure to credit risk is minimal as cash is deposited with reputable financial institutions. Amounts receivable are due from a government agency.

10. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company's expected source of cash flow in the upcoming year will be through equity financings.

At June 30, 2020, the Company had accounts payable and accrued liabilities, due to related party and note payable of $264,322, $50,888 and $10,000, respectively. All of these amounts are current.

Market risk
The significant market risks to which the Company is exposed are interest rate risk, currency risk, other price risk, and commodity price risk.

- Interest rate risk
  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk relating to its note payable, loan payable and due to related party balances.

- Currency risk
  The Company operates domestically in Canada and is exposed to minimal foreign exchange risk.

- Other price risk
  The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in the individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

11. SUBSEQUENT EVENTS

Proposed Transaction
On July 15, 2020, the Company entered into a LOI with Golden Minerals with an option for the Company to acquire a 100% interest of Santa María Project.

The LOI contemplates that the Company and Golden Minerals will enter into a definitive option agreement under which the Company will acquire a 100% interest of Santa María Project by paying cash and issuing shares as follows:

a) US$500,000 in cash and 1,000,000 Common Shares on closing of the Proposed Transaction ("Transaction Closing");
b) US$1,500,000 in cash 12 months after Transaction Closing; and
c) US$2,000,000 in cash 24 months after Transaction Closing.

Fabled will also grant the Vendor a 1% net smelter royalty ("NSR") with respect to the Santa María Project.

11. SUBSEQUENT EVENTS (CONTINUED)

Financing

On August 14, 2020, the Company completed a private placement of subscription receipts of the Company (the "Subscription Receipts") at a price of $0.05 per Subscription Receipt for aggregate gross proceeds of $4,600,000 (the "Offering"). Mackie Research Capital Corporation (the "Agent") was the sole agent for the Offering. The Offering was made in connection with the Proposed Transaction.

The net proceeds of the Offering have been placed in escrow (the "Escrowed Proceeds") and will be released to the Company (together with the interest earned thereon) upon satisfaction of the Escrow Closing Conditions which include:

i. all conditions precedent, undertakings, and other matters to be satisfied, completed and otherwise met at or prior to the completion of the Proposed Transaction (other than delivery of standard closing documentation and the required closing date payment and share issuance) having been satisfied or waived in accordance with the terms of the definitive agreement for the Proposed Transaction including, but not limited to completing the new National Instrument 43-101 compliant technical report on the Santa Maria Project, incorporating a Mexican subsidiary and obtaining a favorable legal opinion as to title and ownership interests of the Company and other relevant persons in the Santa Maria Project;
ii. there having been no material amendments of the terms and conditions of the definitive agreement for the Proposed Transaction which have not been approved by the Agent;
iii. the Company having received all necessary regulatory and other approvals regarding the Proposed Transaction; and
iv. the Company having delivered all such other documents as the Agent may request for a transaction of this nature in a form satisfactory to the Agent.

If (i) the Escrow Release Conditions have not been satisfied by 5:00 p.m. (Toronto time) on November 12, 2020 (or such later date as the Agent may consent to in writing); (ii) the Proposed Transaction is terminated in accordance with its terms; or (iii) the Company has advised the Agent or the public that it does not intend to proceed with the Proposed Transaction (in each case, the earliest of such times being the "Termination Time"), the Company will be required to refund to each holder of Subscription Receipts the aggregate subscription price paid for the holder's Subscription Receipts, together with such holder's pro rata portion of the interest earned on the Escrowed Proceeds.

Each Subscription Receipt entitles the holder, without payment of any additional consideration and without further action on the part of the holder, to receive one unit of securities of the Company (a "Unit"), upon the satisfaction of the Escrow Release Conditions prior to the Termination Time. Each unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at an exercise price of $0.10 until the second anniversary of the date of satisfaction of the Escrow Release Conditions.

In connection with the Offering, the Agent is to receive an aggregate cash fee equal to 8.0% of the gross proceeds from the Offering (of which the Agent received one-half on closing and the other one-half is held as part of the Escrowed Proceeds). In addition, the Company issued to the Agent 7,280,000 nontransferable broker warrants (the "Broker Warrants"). Each Broker Warrant entitles the Agent to purchase one Unit until the second anniversary of the date of satisfaction of the Escrow Release Conditions at an exercise price of $0.05 per Unit.