



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2021

(UNAUDITED)

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Fabled Silver Gold Corp.*(Formerly Fabled Copper Corp.)*

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at	June 30,	December 31,
	Note(s)	2021	2020
		\$	\$
ASSETS			
Current assets			
Cash		5,116,366	1,797,493
Amounts receivable		415,717	169,444
Prepaid expenses		405,346	121,264
		5,937,429	2,088,201
Non-current assets			
Equipment	3	70,659	-
Exploration and evaluation assets	4	3,378,950	716,093
		3,449,609	716,093
TOTAL ASSETS		9,387,038	2,804,294
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	456,764	186,374
Due to related party	7	22,048	77,253
Note payable		-	5,000
TOTAL LIABILITIES		478,812	268,627
SHAREHOLDERS' EQUITY			
Share capital	6	20,063,243	13,750,054
Reserves	6	413,381	628,758
Foreign currency translation reserve		(13,755)	8,722
Deficit		(11,554,643)	(11,851,867)
TOTAL SHAREHOLDERS' EQUITY		8,908,226	2,535,667
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,387,038	2,804,294

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These 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

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Fabled Silver Gold Corp.

(Formerly Fabled Copper Corp.)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended		For the six months ended	
		June 30,	June 30,	June 30,	June 30,
		2021	2020	2021	2020
		\$	\$	\$	\$
Expenses (Income)					
Consulting fees		13,708	-	13,708	-
Depreciation	3	391	-	589	-
Exploration and evaluation costs	4	701,834	-	1,117,536	-
Foreign exchange loss		14,114	39	13,128	39
General and administrative expenses		10,225	418	24,175	9,895
Investor relations and promotion		119,121	1,025	248,422	1,025
Management fees	7	30,000	-	60,000	-
Professional fees	7	92,388	53,031	186,407	58,531
Property investigation costs		-	8,533	-	30,482
Recovery of impairment loss on exploration and evaluation assets		(2,204,913)	-	(2,204,913)	-
Regulatory and filing fees		8,365	17,302	42,044	18,629
Share-based payments	6, 7	81,266	25,430	197,712	25,430
Travel		1,391	-	3,968	-
		1,132,110	(105,778)	297,224	(144,031)
Net income (loss) for the period					
		1,132,110	(105,778)	297,224	(144,031)
Other comprehensive income (loss)					
Foreign currency translation differences for foreign operations		21,751	-	(22,477)	-
Total comprehensive income (loss)					
		1,153,861	(105,778)	274,747	(144,031)
Basic and diluted earnings (loss) per share for the period attributable to common shareholders (\$ per common share)					
- Basic		0.01	(0.00)	0.00	(0.00)
- Diluted		0.01	(0.00)	0.00	(0.00)
Weighted average number of common shares outstanding					
- Basic		196,878,839	44,194,375	183,005,119	44,102,068
- Diluted		217,791,403	44,194,375	203,917,683	44,102,068

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Fabled Silver Gold Corp.*(Formerly Fabled Copper Corp.)*

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	Share capital				Deficit	Total
		Number of shares	Amount	Reserve	Foreign currency translation reserve		
Balance at December 31, 2020		140,051,903	13,750,054	628,758	8,722	(11,851,867)	2,535,667
Shares issued for cash - exercise of warrants	6	62,641,000	5,900,100	-	-	-	5,900,100
Reclassification of grant-date fair value on exercise of warrants	6	-	413,089	(413,089)	-	-	-
Share-based payments	6	-	-	197,712	-	-	197,712
Other comprehensive loss		-	-	-	(22,477)	-	(22,477)
Net income for the period		-	-	-	-	297,224	297,224
Balance at June 30, 2021		202,692,903	20,063,243	413,381	(13,755)	(11,554,643)	8,908,226
Balance at December 31, 2019		44,009,760	10,132,311	143,285	-	(10,434,028)	(158,432)
Shares issued for advisory services		2,800,000	168,000	-	-	-	168,000
Share-based payments		-	-	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)

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Fabled Silver Gold Corp.*(Formerly Fabled Copper Corp.)*

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the six months ended	
		June 30, 2021	June 30, 2020
		\$	\$
Cash flow provided from (used by)			
OPERATING ACTIVITIES			
Net income (loss) for the period		297,224	(144,031)
Adjustments for items not affecting cash:			
Depreciation	3, 4	9,191	-
Share-based payments	6	197,712	25,430
Recovery of impairment loss on exploration and evaluation assets	4	(2,204,913)	-
Change in non-cash working capital			
Amounts receivable		(246,992)	10,807
Prepaid expenses		(284,515)	-
Accounts payable and accrued liabilities		267,297	(56,787)
Due to related parties		(55,205)	50,888
Cash flow used in operating activities		(2,020,201)	(113,693)
INVESTING ACTIVITIES			
Purchase of equipment	3	(78,733)	-
Acquisition costs on exploration and evaluation assets	4	(478,975)	-
Cash flow used in investing activities		(557,708)	-
FINANCING ACTIVITIES			
Proceeds from share issuance	6	5,900,100	-
Repayment of note payable		(5,000)	-
Cash flow from financing activities		5,895,100	-
Effects of exchange rate changes on cash		1,682	-
Increase (decrease) in cash		3,318,873	(113,693)
Cash, beginning of period		1,797,493	121,325
Cash, end of period		5,116,366	7,632
SUPPLEMENTAL CASH FLOW			
Fair value of shares issued for advisory services		-	168,000
Reclassification of the fair value of warrants exercised	6	413,089	-
Cash paid during the period for interest		-	-
Cash paid during the period for income taxes		-	-

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Fabled Silver Gold Corp.

(Formerly Fabled Copper Corp.)

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Fabled Silver Gold 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 26, 2018 and from Fabled Copper Corp. to Fabled Silver Gold Corp. on October 19, 2020.

The Company is listed on the TSX Venture Exchange (the “Exchange”) under the symbol “FCO”, on the Frankfurt Stock Exchange under the symbol “7NQ” since December 18, 2020 and on the OTCQB under the symbol “FBSGF” since March 22, 2021. The Company is currently engaged in exploration of mineral properties and holds a combination of ownership and option interests in copper properties located in British Columbia, Canada and an option interest in Mexico as discussed below.

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

These unaudited condensed consolidated interim 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, 2021, the Company had working capital of \$5,458,617 (December 31, 2020 – \$1,819,574), 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 results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to fund operating costs over the next twelve months with cash and may through further equity financings. Management believes that the Company has sufficient working capital to meet its liabilities for the next twelve months.

Proposed Transaction

On May 18, 2021, the Board of Directors of the Company (the “Board”) unanimously authorized the Company to proceed with a corporate restructuring by way of a statutory plan of arrangement under the Business Corporations Act (“BCBCA”), pursuant to which the Company and the Company’s wholly-owned subsidiary, Fabled Copper Corp. (“Fabled Copper”), will participate in a series of transactions whereby, amongst other things, the Company will distribute all of the common shares it holds of Fabled Copper (the “SpinCo Shares”) such that, on completion, the Company’s shareholders, other than the dissenting shareholders, will be the holders of all of the SpinCo Shares (the “Proposed Arrangement”).

The purpose of the Proposed Arrangement and the related transactions is to reorganize the Company into two separate publicly-traded companies:

- The Company, which will be an exploration company focused on Mexico and holding the rights to and option to acquire the Santa Maria silver gold Project; and
- Fabled Copper, which will be an exploration company focused on British Columbia and holding the rights to and options to acquire the Muskwa copper Project and the non-material Bronson Property.

Fabled Silver Gold Corp.

(Formerly Fabled Copper Corp.)

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (CONTINUED)

Proposed Transaction (continued)

Pursuant to the Proposed Arrangement on the effective date the Company expects that:

- (i) the existing common shares of the Company (see Note 6) will be re-designated as Class A common shares (the "Class A Shares");
- (ii) the Company will create a new class of common shares known as the "New Fabled Shares";
- (iii) each Class A Share will be exchanged for one New Fabled Share and 1/5 of a SpinCo Share;
- (iv) the Class A Shares will be cancelled;
- (v) the exercise price of all outstanding stock options of the Company (Note 6) will be adjusted by amounts reflective of the relative fair market values of the Company and SpinCo at the effective time; and
- (vi) all outstanding Warrants of the Company (Note 6) will be adjusted to allow holders to acquire, upon exercise, New Fabled Shares and SpinCo Shares in amounts reflective of the relative fair market values of Fabled and SpinCo at the effective time.

The Proposed Arrangement and its terms are subject to shareholder and TSX Venture Exchange ("TSX-V") approval.

In connection with the Proposed Arrangement, the Company and Fabled Copper have entered into an agreement with Research Capital Corporation as sole agent and sole bookrunner (the "Agent"), in connection with a best efforts private placement for aggregate gross proceeds of up to \$6,000,000 (subject to a 15% increase option that the Agent may exercise up to 24 hours prior to closing) (the "Offering"), to consist of a combination of (i) conventional subscription receipts of Fabled Copper (each, a "Conventional Unit Subscription Receipt") at a price of \$0.05 per Conventional Unit Subscription Receipt, and (ii) flow-through subscription receipts of Fabled Copper (each, a "Flow-Through Subscription Receipt") at a price of \$0.06 per Flow-Through Subscription Receipt.

Each Conventional Unit will consist of one SpinCo Share and one SpinCo Share purchase warrant ("SpinCo Warrant").

Each Flow-Through Subscription Receipt will entitle the holder to receive one flow-through unit of securities of the Company (an "FT Unit"). Each FT Unit will consist of one SpinCo Share that will qualify as a "flow-through share" within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the "Tax Act") and one SpinCo Warrant.

Each SpinCo Warrant will entitle the holder thereof to purchase one SpinCo Share at an exercise price of \$0.10, at any time up to 24 months from the date of satisfaction of the escrow release conditions.

For further information regarding the Proposed Arrangement and the Offering please see the Company's news releases dated May 18, 2021 (for the Proposed Arrangement) and June 16, 2021 (for the Offering) each of which are available on the Company's SEDAR profile at www.sedar.com.

Fabled Silver Gold Corp.

(Formerly Fabled Copper Corp.)

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (CONTINUED)

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, 2021 were approved by the Board of Directors on August 30, 2021.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION

a) 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.

b) Basis of preparation

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, 2020.

c) New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2021 that impacted these condensed consolidated interim financial statements.

Fabled Silver Gold Corp.*(Formerly Fabled Copper Corp.)*

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

3. EQUIPMENT

	Computer equipment \$	Field equipment \$	Office equipment \$	Vehicles \$	Total \$
Cost					
As at December 31, 2020	-	-	-	-	-
Additions	2,642	14,018	7,596	54,477	78,733
Effect of movements in exchange rates	-	(223)	194	1,234	1,205
As at June 30, 2021	2,642	13,795	7,790	55,711	79,938
Depreciation					
As at December 31, 2020	-	-	-	-	-
Charged for the period	(396)	(1,707)	(193)	(6,895)	(9,191)
Effect of movements in exchange rates	-	(17)	(2)	(69)	(88)
As at June 30, 2021	(396)	(1,724)	(195)	(6,964)	(9,279)
Net book value					
As at December 31, 2020	-	-	-	-	-
As at June 30, 2021	2,246	12,071	7,595	48,747	70,659

During the six months ended June 30, 2021, the Company charged \$9,191 (June 30, 2020 – \$nil) in depreciation of which \$8,602 was recognized as exploration and evaluation costs in the statements of loss (Note 4) (June 30, 2020 – \$nil).

4. EXPLORATION AND EVALUATION ASSETS**Exploration and evaluation assets as of June 30, 2021**

	Muskwa Project \$	Santa María Property \$	Total \$
Balance as at December 31, 2020	-	716,093	716,093
Acquisition costs			
- cash	200,000	278,975	478,975
Recovery of impairment	2,204,913	-	2,204,913
Effect of movements in exchange rate	-	(21,031)	(21,031)
Balance as at June 30, 2021	2,404,913	974,037	3,378,950

Fabled Silver Gold Corp.*(Formerly Fabled Copper Corp.)*

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**Exploration and evaluation costs incurred by the Company during the period ended June 30, 2021**

	Muskwa Project \$	Santa María Property \$	Total \$
During the period ended June 30, 2021			
Depreciation	-	8,602	8,602
Drilling	-	664,678	664,678
Equipment rental	-	26,387	26,387
Field	10,802	147,644	158,446
Geological	25,152	56,346	81,498
Sample analysis	-	177,925	177,925
	35,954	1,081,582	1,117,536

The Company is engaged in the business of exploration and development of mineral projects. The Company's primary mineral project is the Santa María Project (the "Santa María Property") located in Parral, Chihuahua, Mexico. The Company also has the rights to acquire and explore the "Muskwa Project" (currently comprised of the previously referred to and contiguous Neil Ram/Creek Property, Ribbon Property and ChurchKey Property, and the Toro Property) and the non-material Bronson Property, each of which is located in the Liard Mining Division in northern British Columbia.

Muskwa Project

On April 8, 2021, the Company and Fabled Copper entered into an amended and restated option agreement (the "Amended MP Option Agreement") with High Range Exploration Ltd (the "MP Optionor").

The Amended Option Agreement superseded and replaced the following agreements entered previously:

- An option agreement, as amended, related to the Neil/Ram Creek Property assigned to the Company on January 23, 2017 (the "Neil/Ram Creek Agreement");
- An option agreement, as amended, related to the Ribbon Property, assigned to the Company on March 4, 2017 (the "Ribbon Agreement"); and
- An option agreement, as amended, related to the Toro Property assigned to the Company on March 4, 2017 (the "Toro Assignment Agreement") (collectively the "Pre-Amended Option Agreements").

Pursuant to the Amended MP Option Agreement, the Company has the right and option (the "MP Option") to acquire an undivided 100% interest of the following properties:

- Neil/Ram Creek Property in which the Company owns a 50% interest;
- Toro Property in which the Company owns a 50% interest; and
- An additional 3,842 hectares, including 2 claims which are contiguous with the Neil/Ram Creek Property, and 4 mineral claims located in the same geographical area and with the same geophysical profile as the Muskwa Project, and referred to as the Bronson Property (the "MP Properties").

Fabled Silver Gold Corp.

(Formerly Fabled Copper Corp.)

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Muskwa Project (continued)

To exercise the MP Option, the Company is required to make the following payments:

- (i) \$200,000 on April 8, 2021 (paid);
- (ii) \$500,000 on April 8, 2022;
- (iii) \$750,000 on April 8, 2023;
- (iv) \$1,000,000 on April 8, 2024; and
- (v) \$2,000,000 on April 8, 2025.

The Company owns a 100% interest in the Ribbon Property which forms part of the Muskwa Project and was previously acquired pursuant to the Pre-Amended Option Agreements;

The Company has granted (on those properties and portions thereof owned by the Company) and upon exercise of the MP Option, will grant, a 2% net smelter return royalty interest (the "NSR") on the MP Properties and the Ribbon Property to the MP Optionor.

ChurchKey Property

On August 6, 2019, Fabled Copper entered into an option agreement (the "CP Option Agreement") with ChurchKey Mines Inc. ("ChurchKey") and the legal owners (collectively the "CP Vendors") to acquire 100% interest of the ChurchKey Property (the "CP Option").

In order to exercise the CP Option, the Company is required to make the following payments:

- \$50,000 (paid) in cash on August 6, 2019;
- \$50,000 in cash on or before November 4, 2019 (paid) ⁽¹⁾;
- \$100,000 in cash on or before August 6, 2020 (paid) ⁽¹⁾;
- \$250,000 in cash on or before August 6, 2021; (paid subsequent to June 30, 2021)
- \$300,000 in cash on or before August 6, 2022;
- \$500,000 in cash on or before August 6, 2023; and
- \$750,000 in cash on or before August 6, 2024.

⁽¹⁾ (Collectively the "CP 2nd and 3rd Payments").

The Company has granted the CP Vendors a 2% NSR with respect to the ChurchKey Property upon commencement of commercial production. In addition, the Company had the exclusive right to purchase 1% of the NSR at any time in the first four years following closing for \$425,000 if it makes an annual payment of \$25,000 on each of the 4 anniversaries of closing. The Company has not made such payments to date. If such option is not exercised, the Company will have the non-exclusive right to purchase that 1% of the NSR for the equivalent of 275,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. The Company will also have the non-exclusive right to purchase the remaining 1% of the NSR for the equivalent of 400,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. No shares issuable in connection with this agreement.

Fabled Silver Gold Corp.

(Formerly Fabled Copper Corp.)

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Muskwa Project (continued)

ChurchKey Property (continued)

On June 15, 2020, Fabled Copper entered into an extension agreement with ChurchKey (the “1st CP Extension Agreement”) to extend the payment date of the CP 2nd and 3rd Payments to October 31, 2020. In consideration of such extension the Company agreed to make an additional payment of \$50,000 (the “1st CP Extension Cost”) to ChurchKey on the date that the Company completed its next financing.

On October 21, 2020, Fabled Copper entered into a second extension agreement with ChurchKey (the “2nd CP Extension Agreement”) to extend the payment due date agreed pursuant to the 1st CP Extension Agreement as follows:

- The 1st CP Extension Cost would be paid at the date of signing the 2nd CP Extension Agreement (paid); and
- The CP 2nd and 3rd Payments to be paid upon completion of the acquisition of the Santa Maria Project (paid).

In consideration of such extensions the Company agreed to make an additional payment of \$50,000 (the “2nd CP Extension Cost”) (paid) on the completion of the acquisition of the Santa Maria Project.

The 1st CP Extension Cost and the 2nd CP Extension were recognized as finance costs in the statement of loss and comprehensive loss during the year ended December 31, 2020.

Following the Amended MP Option Agreement, the Company has renamed its mineral title holdings in Northern BC to be collectively called the Muskwa Project. The Muskwa Project consists of three separate mineral claim blocks being the previously referred to and contiguous Neil Ram/Creek Property, Ribbon Property and ChurchKey Property and the Toro Property. The Company also holds the non-material Bronson Property pursuant to the Amended MP Option Agreement.

As discussed in Note 1, the Board approved the Proposed Arrangement to spinout Fabled Copper as a separate entity; the Company partially reversed the impairment loss recorded for the Muskwa Project during the year ended December 31, 2020, and 2019 according to IAS 36, Impairment of Loss, and recognized a recoverable amount of \$2,204,913 as a recovery of impairment loss on exploration and evaluation assets during the six months ended June 30, 2021. The recoverable amount was determined based on the Share Exchange under the Arrangement.

Fabled Silver Gold Corp.

(Formerly Fabled Copper Corp.)

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Santa María Property

On December 4, 2020, the Company entered into an option agreement with Golden Minerals Company ("Golden Minerals"). Pursuant to the option agreement, the Company will acquire a 100% interest in Santa María Property by making the following payments to Golden Minerals:

- December 4, 2020: US\$500,000 cash (paid) and
1,000,000 common shares (issued with a fair value of \$70,000)
- December 4, 2021: US\$1,500,000
- December 4, 2022: US\$2,000,000

In addition, the Company is also required to make the following option payments to the optionors of in Santa María Property:

- December 4, 2020: US\$100,000 (Paid)
- On February 4, 2021: US\$120,000 (Paid)
- On August 4, 2021: US\$120,000 (paid subsequent to June 30, 2021)
- On February 4, 2022: US\$140,000

The Company will grant Golden Minerals a 1% net smelter royalty with respect to the Santa María Property upon exercise of the option under the option agreement and will assume from Golden Minerals the obligations in respect of an existing 2% net smelter royalty that exists over 3 of the 5 mineral claims that comprise the Santa María Property.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	June 30, 2021	December 31, 2020
	\$	\$
Trade payables	431,209	96,505
Accrued liabilities	25,555	89,869
	456,764	186,374

Fabled Silver Gold Corp.

(Formerly Fabled Copper Corp.)

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

6. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At June 30, 2021, the Company had 202,692,903 (December 31, 2020 – 140,051,903) common shares issued and outstanding with a value of \$20,063,243 (December 31, 2020 – \$13,750,054).

During the six months ended June 30, 2021

- 55,361,000 warrants were exercised for proceeds of \$5,536,100.
- 7,280,000 broker warrants (the “Broker Warrants”) were exercised for proceeds of \$364,000. Each Broker Warrant consists of one common share and one common share purchase warrant. Each warrant entitles its holder to purchase one additional common share at an exercise price of \$0.10 at any time prior to December 4, 2022.

In addition, the Company reclassified the grant date fair value of the exercised Broker Warrants of \$413,089 from reserve to share capital.

No shares were issued, other than those issued upon exercise of the warrants and Broker Warrants, during the six months ended June 30, 2021.

Warrants

The changes in warrants during the six months ended June 30, 2021 are as follows

	Number outstanding	Weighted average exercise price (\$)
Balance, beginning of period	99,280,000	0.10
Issued	7,280,000	0.10
Exercised	(62,641,000)	0.09
Balance, end of period	43,919,000	0.10

The following summarizes information about warrants outstanding as of June 30, 2021:

Expiry date	Exercise price (\$)	Warrants outstanding	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
December 4, 2022	0.10	43,919,000	-	1.43
		43,919,000	-	1.43

Subsequent to June 30, 2021, 660,000 warrants were exercised for proceeds of \$66,000.

Fabled Silver Gold Corp.

(Formerly Fabled Copper Corp.)

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For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (CONTINUED)

Stock options

The 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 stock options during the six months ended June 30, 2021 are as follows:

	Number outstanding	Weighted average exercise price (\$)
Balance, beginning of period	5,353,729	0.10
Granted	550,000	0.18
Cancelled	(116,662)	0.13
Balance, end of period	5,787,067	0.11

During the six months ended June 30, 2021

- On January 6, 2021, the Company granted 200,000 options with an exercise price of \$0.10 to its consultants. The options are exercisable for a period of ten years. One-fourth vest on the date of grant and one-fourth will vest every six-months thereafter.
- On February 5, 2021, the Company granted 350,000 options with an exercise price \$0.22 to Mars Investor Relations Corp. pursuant to the investor relations agreement entered on September 1, 2020, as amended. The options are exercisable until September 1, 2022 and vest as to 25% on the date of grant and thereafter 25% every three months until fully vested.

The estimated grant date fair value of the options granted during the six months ended June 30, 2021 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Number of options granted	550,000
Risk-free interest rate	0.34%
Expected annual volatility	155%
Expected life (in years)	4.64
Expected dividend yield	0%
Grant date fair value per option (\$)	0.18
Share price at grant date (\$)	0.22

During the six months ended June 30, 2021 and 2020, the Company recognized share-based payments expense of \$197,712 and \$25,430, respectively.

Fabled Silver Gold Corp.

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6. SHARE CAPITAL (CONTINUED)

Stock options (continued)

The following summarizes information about stock options outstanding and exercisable as at June 30, 2021:

Expiry date	Exercise price (\$)	Options outstanding	Options exercisable	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
June 12, 2025	0.30	187,067	187,067	-	3.95
November 21, 2028	0.10	600,000	550,010	38,179	7.40
November 21, 2028	0.15	600,000	550,010	37,374	7.40
December 18, 2030	0.08	3,850,000	1,925,000	263,945	9.47
January 6, 2031	0.10	200,000	50,000	16,438	9.53
September 1, 2022	0.22	350,000	175,000	80,698	1.17
		5,787,067	3,437,087	436,634	8.37
Weighted average exercise price (\$)		0.11	0.13		

Subsequent to June 30, 2021, 291,667 stock options were exercised for proceeds of \$24,167.

7. 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. Other related parties to the Company include companies in which key management has control or significant influence. Key management personnel receive remuneration from the Company summarized as follow:

- During the six months ended June 30, 2021, the Company incurred \$60,000 (June 30, 2020 – \$nil) in management fees related to the Company's Chief Executive Officer.
- During the six months ended June 30, 2021, the Company incurred \$72,000 (June 30, 2020 – \$nil) in professional fees from an accounting firm owned whose incorporated partner is the Chief Financial Officer of the Company.
- During the six months ended June 30, 2021, the Company incurred \$50,012 (June 30, 2020 – \$13,930) in professional legal fees from a private company owned by a director of the Company.
- During the six months ended June 30, 2021, the Company recognized \$79,703 (June 30, 2020 – \$25,521) in share-based payments related to options granted to the Company's officers and directors.

The balances due to the Company's directors and officers were \$22,048 as at June 30, 2021 (December 31, 2020 – \$77,253).

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

Fabled Silver Gold Corp.*(Formerly Fabled Copper Corp.)*

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

8. COMMITMENTS**Agora Internet Relations Corp. (“AGORA”)**

On October 2, 2020, the Company entered into a service agreement (the “Service Agreement”) with AGORA for online advertising, marketing and branding services. Pursuant to the terms of the Service Agreement, the Company will pay AGORA a total fee of \$75,000 plus applicable taxes, to be paid by way of common shares of the Company as follows:

- \$15,000 plus tax on October 1, 2020 (issued)
- \$15,000 plus tax on January 1, 2021;
- \$15,000 plus tax on April 1, 2021;
- \$15,000 plus tax on July 1, 2021; and
- \$15,000 plus tax on September 30, 2021.

9. SEGMENTED INFORMATION

The Company operates in one single reportable segment, being the acquisition and exploration of mineral resource properties.

During the six months ended June 30, 2021, no revenue was generated from the reportable segment.

The Company’s non-current assets are as follow:

	Canada \$	Mexico \$	Total \$
As at June 30, 2021			
Non-current assets			
Equipment	2,246	68,413	70,659
Exploration and evaluation assets	2,404,914	974,036	3,378,950
As at December 31, 2020			
Non-current assets			
Exploration and evaluation assets	-	716,093	716,093

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10. 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.

There were no changes to the Company policy for capital management during the six months ended June 30, 2021.

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 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.

11. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities and due to related party 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, 2021, 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.

Fabled Silver Gold Corp.*(Formerly Fabled Copper Corp.)*

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS (CONTINUED)**Fair value (continued)**

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

	June 30, 2021	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
Financial assets:				
ASSETS				
Cash	5,116,366	5,116,366	-	-
Amounts receivable	415,717	-	415,717	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	456,764	-	456,764	-
Due to related party	22,048	-	22,048	-
<hr/>				
	December 31, 2020	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
Financial assets:				
ASSETS				
Cash	1,797,493	1,797,493	-	-
Amounts receivable	169,444	-	169,444	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	186,374	-	186,374	-
Due to related party	77,253	-	77,253	-
Note payable	5,000	-	5,000	-

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 government agencies.

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Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

11. 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, 2021, the Company had accounts payable and accrued liabilities and due to related party of \$456,764, \$22,048, 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 is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash, amounts receivable, accounts payable and accrued liabilities, due to related party note payable are held in Canadian Dollars ("CAD"), US Dollars ("USD") and Mexican Pesos ("MXN"); therefore, USD and MXN accounts are subject to fluctuation against the Canadian dollar.

The Company had the following balances in foreign currency as at June 30, 2021:

	CA\$	US\$	MXN
Cash	5,049,388	4,353	987,019
Amounts receivable	67,513	-	5,580,910
Accounts payable and accrued liabilities	(48,783)	-	(6,538,982)
Due to related party	(22,048)	-	-
	5,046,070	4,353	28,947
Rate to convert to \$1.00 CAD	1.00	1.24	0.06
Equivalent to CAD	5,046,070	5,396	1,806

Based on the above net exposures as at June 30, 2021, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the CAD against the USD and MXN would increase/decrease comprehensive loss by \$700.

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Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2021

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

- 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.