



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2022

(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 Silver Gold Corp. for the three months ended March 31, 2022 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 Silver Gold Corp.

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at	March 31,	December 31,
	Note(s)	2022	2021
		\$	\$
ASSETS			
Current assets			
Cash		673,503	903,215
GST receivable		98,310	88,366
Loan receivable	3	-	554,353
Prepaid expenses		99,435	105,051
		871,248	1,650,985
Non-current assets			
Value-added tax receivable		1,018,304	957,335
Equipment	4	79,679	85,027
Exploration and evaluation assets	5	3,557,658	3,332,394
		4,655,641	4,374,756
TOTAL ASSETS		5,526,889	6,025,741
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	104,810	220,408
Due to related party	8	111,371	22,663
TOTAL LIABILITIES		216,181	243,071
SHAREHOLDERS' EQUITY			
Share capital	7	18,592,615	18,592,615
Reserves	7	681,633	547,888
Foreign currency translation reserve		(26,713)	(92,926)
Deficit		(13,936,827)	(13,264,907)
TOTAL SHAREHOLDERS' EQUITY		5,310,708	5,782,670
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,526,889	6,025,741
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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/ Roger Scammell Director

/s/ David W. Smalley Director

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

Fabled Silver Gold Corp.

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

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended	
		March 31, 2022	March 31, 2021
		\$	\$
Expenses (Income)			
Consulting fees		13,292	-
Depreciation	4	2,460	198
Exploration and evaluation costs	5	203,313	415,702
Foreign exchange loss (gain)		12,680	(986)
General and administrative expenses		9,394	13,950
Investor relations and promotion		106,948	129,301
Management fees	8	30,000	30,000
Professional fees	8	128,544	94,019
Regulatory and filing fees		26,307	33,679
Share-based payments	7, 8	133,745	116,446
Travel		5,237	2,577
Net loss for the period		(671,920)	(834,886)
Other comprehensive income (loss)			
Foreign currency translation differences for foreign operations		66,213	(44,228)
Total comprehensive loss		(605,707)	(879,114)
Basic and diluted loss per share for the period attributable to common shareholders (\$ per common share)		(0.00)	(0.01)
Weighted average number of common shares outstanding - basic and diluted		208,533,577	168,977,247

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

Fabled Silver Gold Corp.

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

	Note(s)	Share capital			Foreign currency translation reserve	Deficit	Total
		Number of shares	Amount	Reserve			
Balance at December 31, 2021		208,533,577	18,592,615	547,888	(92,926)	(13,264,907)	5,782,670
Share-based payments	7	-	-	133,745	-	-	133,745
Other comprehensive loss		-	-	-	66,213	-	66,213
Loss for the period		-	-	-	-	(671,920)	(671,920)
Balance at March 31, 2022		208,533,577	18,592,615	681,633	(26,713)	(13,936,827)	5,310,708
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		54,138,500	5,049,850	-	-	-	5,049,850
Reclassification of grant-date fair value on exercise of warrants		-	413,089	(413,089)	-	-	-
Share-based payments		-	-	116,446	-	-	116,446
Other comprehensive income		-	-	-	(44,228)	-	(44,228)
Loss for the period		-	-	-	-	(834,886)	(834,886)
Balance at March 31, 2021		194,190,403	19,212,993	332,115	(35,506)	(12,686,753)	6,822,849

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

Fabled Silver Gold Corp.

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended	
		March 31, 2022 \$	March 31, 2021 \$
Cash flow provided from (used by)			
OPERATING ACTIVITIES			
Net loss for the period		(671,920)	(834,886)
<i>Adjustments for items not affecting cash:</i>			
Depreciation	4, 5	6,346	3,664
Share-based payments	7	133,745	116,446
Change in non-cash working capital			
Amounts receivable		(9,925)	(110,512)
Value-added tax receivable		(47,292)	-
Prepaid expenses		5,783	15,538
Accounts payable and accrued liabilities		(115,279)	(4,776)
Due to related parties		88,708	7,429
Cash flow used in operating activities		(609,834)	(807,097)
INVESTING ACTIVITIES			
Purchase of equipment		-	(71,137)
Acquisition costs on exploration and evaluation assets	5	(177,683)	(153,383)
Cash flow used in investing activities		(177,683)	(224,520)
FINANCING ACTIVITIES			
Proceeds from share issuance	7	-	5,049,850
Repayment of loan payable from Fabled Copper Corp.	3	554,353	-
Cash flow from financing activities		554,353	5,049,850
Effects of exchange rate changes on cash		3,452	(5,982)
Increase (decrease) in cash		(229,712)	4,012,251
Cash, beginning of period		903,215	1,797,493
Cash, end of period		673,503	5,809,744
SUPPLEMENTAL CASH FLOW			
Reclassification of the fair value of warrants exercised	7	-	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.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Fabled Silver Gold Corp. (the “Company” or “Fabled Silver”) 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 an option interest in the Santa María Project located 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 March 31, 2022, the Company had working capital of \$655,067 (December 31, 2021 – \$1,407,914), 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 unaudited condensed consolidated interim 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.

Arrangement

On December 21, 2021, the Company, and its former wholly owned subsidiary Fabled Copper Corp. (“Fabled Copper”) completed a statutory plan of arrangement (the “Arrangement”) under the Business Corporations Act (“BCBCA”). The purpose of the Arrangement and the related transactions was to reorganize the Company and Fabled Copper into two separate publicly traded companies:

- Fabled Silver, which is a silver gold exploration company focused on exploring and developing the Santa María Project; and
- Fabled Copper, which is an exploration company focused on British Columbia copper assets, which holds an option interest in the Muskwa Project and the Bronson Property.

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2022

(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.

These unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2022 were approved by the Board of Directors on May 27, 2022.

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, 2021.

c) New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2022 that impacted these condensed consolidated interim financial statements.

3. LOAN RECEIVABLE

In connection with the Arrangement (Note 1), the Company entered into a loan agreement with Fabled Copper for a principal amount of \$2,810,228. The loan is non-interest bearing and payable on demand.

During the year ended December 31, 2021, Fabled Copper made a repayment of \$2,255,875.

During the three months ended March 31, 2022, Fabled Copper made a repayment of \$554,353.

As of March 31, 2022, the balance of the loan receivable was \$nil (December 31, 2021 – \$554,353).

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

4. EQUIPMENT

	Computer equipment	Field equipment	Office equipment	Vehicles	Total
	\$	\$	\$	\$	\$
Cost					
As at December 31, 2021	2,642	15,966	34,576	55,393	108,577
Effect of movements in exchange rates	-	213	462	741	1,416
As at March 31, 2022	2,642	16,179	35,038	56,134	109,993
Depreciation					
As at December 31, 2021	(793)	(4,053)	(3,471)	(15,233)	(23,550)
Charged for the period	(139)	(889)	(2,321)	(2,997)	(6,346)
Effect of movements in exchange rates	-	(71)	(89)	(258)	(418)
As at March 31, 2022	(932)	(5,013)	(5,881)	(18,488)	(30,314)
Net book value					
As at December 31, 2021	1,849	11,913	31,105	40,160	85,027
As at March 31, 2022	1,710	11,166	29,157	37,646	79,679

During the three months ended March 31, 2022, the Company charged \$6,346 (March 31, 2021 – \$3,664) in depreciation of which \$3,886 was recognized as exploration and evaluation costs in the statements of loss (Note 5) (March 31, 2021 – \$3,466).

5. EXPLORATION AND EVALUATION ASSETS

The Company is engaged in the business of exploration and development of mineral projects. The Company's primary and only mineral project is the Santa María Project (the "Santa María Project") located in Parral, Chihuahua, Mexico.

Santa María Project

The changes in exploration and evaluation assets regarding the Santa María Project during the three months ended March 31, 2022 are as follows:

	\$
Balance as at December 31, 2021	3,332,394
Acquisition costs	
- cash	177,683
Effect of movements in exchange rate	47,581
Balance as at March 31, 2022	3,557,658

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

During the three months ended March 31, 2022, the Company incurred the following exploration and evaluation costs on the Santa María Project:

	\$
Depreciation	3,886
Drilling	18,573
Equipment rental	9,628
Field	39,117
Geological	41,626
Salaries and wages	24,610
Sample analysis	32,460
Technical studies	33,413
	203,313

During the three months ended March 31, 2021, the Company incurred the following exploration and evaluation costs on the Santa María Project:

	\$
Depreciation	3,466
Drilling	264,542
Equipment rental	3,547
Field	74,612
Geological	26,082
Sample analysis	43,453
	415,702

On December 4, 2020, the Company entered into an option agreement with Golden Minerals Company (“Golden Minerals”), which was amended by letter agreement dated May 17, 2022 (“Option Agreement”). Pursuant to the amended Option Agreement, the Company will acquire a 100% interest in Santa María Project by making the following payments to Golden Minerals:

- December 4, 2020: US\$500,000 cash (\$641,522) (paid) and 1,000,000 common shares (issued with a fair value of \$70,000)
- December 4, 2021: US\$1,500,000 (\$1,925,865) (paid)
- December 4, 2022: US\$1,000,000
Issue common shares with a fair value of \$75,000
- March 31, 2023: US\$250,000
- June 30, 2023: US\$250,000
- September 30, 2023: US\$250,000
- December 31, 2023: US\$250,000

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

In addition, the Company has made the following payments to the underlying Optionors of Santa María Project:

- December 4, 2020: US\$100,000 (\$125,592) (Paid)
- On February 4, 2021 US\$120,000 (\$153,383) (Paid)
- On August 4, 2021 US\$120,000 (\$150,456) (Paid)
- On February 4, 2022 US\$140,000 (\$177,683) (Paid)

The Company will grant Golden Minerals a 1% net smelter royalty with respect to the Santa María Project 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 Project.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	March 31, 2022	December 31, 2021
	\$	\$
Trade payables	74,329	149,723
Accrued liabilities	30,481	70,685
	104,810	220,408

7. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At March 31, 2022 and December 31, 2021, the Company had 208,533,577 common shares issued and outstanding with a value of \$18,592,615.

During the three months ended March 31, 2022, no share capital transactions occurred.

During the three months ended March 31, 2021

- 46,858,500 warrants were exercised for proceeds of \$4,685,850.
- 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.

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

7. SHARE CAPITAL

Warrants

During the three months ended March 31, 2022, no warrants were issued, exercised or expired.

The following summarizes information about warrants outstanding as of March 31, 2022:

Expiry date	Exercise price (\$)	Warrants outstanding	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
December 4, 2022	0.10	39,059,000	-	0.68
		39,059,000	-	0.68

* Pursuant to the terms of the Arrangement, the warrant holder will receive one common share of the Company and one-fifth of one Fabled Copper Share upon exercise. The Company will pay \$0.01 to Fabled Copper for each whole warrant that is exercised.

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 three months ended March 31, 2022 are as follows:

	Number outstanding	Weighted average exercise price (\$)
Balance, beginning of period	11,295,400	0.10
Cancelled	(350,000)	0.22
Balance, end of period	10,945,400	0.10

During the three months ended March 31, 2022

- 350,000 were cancelled

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (CONTINUED)

Stock options (continued)

During the three months ended March 31, 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.

During the three months ended March 31, 2022 and 2021, the Company recognized share-based payments expense of \$133,745 and 116,446, respectively.

The following summarizes information about stock options outstanding and exercisable as at March 31, 2022:

Expiry date	Exercise price (\$)	Options outstanding	Options exercisable	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
June 12, 2025	0.270	187,067	187,067	-	3.20
November 21, 2028	0.090	558,333	558,333	35,528	6.65
November 21, 2028	0.135	600,000	600,000	37,374	6.65
December 18, 2030	0.072	3,100,000	2,262,500	212,527	8.72
January 6, 2031	0.090	200,000	150,000	16,438	8.78
October 28, 2031	0.090	6,300,000	1,875,000	582,727	9.58
		10,945,400	5,632,900	884,594	8.91
Weighted average exercise price (\$)			0.10	0.12	

8. 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 follows:

- During the three months ended March 31, 2022, the Company incurred \$30,000 (March 31, 2021 – \$30,000) in management fees related to the Company's President and Chief Executive Officer.
- During the three months ended March 31, 2022, the Company incurred \$37,000 (March 31, 2021 – \$31,500) in professional fees from an accounting firm owned whose incorporated partner is the Chief Financial Officer of the Company.

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES (CONTNUED)

- During three months ended March 31, 2022, the Company incurred \$81,065 (March 31, 2021 – \$30,920) in professional legal fees from a private company owned by a director of the Company.
- During three months ended March 31, 2022, the Company recognized \$116,227 (March 31, 2021 – \$41,231) in share-based payments related to options granted to the Company's officers and directors.

The balances due to the Company's directors and officer were \$111,371 as at March 31, 2022 (December 31, 2021 – \$22,663).

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

9. COMMITMENTS

Agora Internet Relations Corp. ("AGORA")

On November 15, 2021, the Company entered into a renewal agreement (the "2021 Service Agreement") with AGORA to continue to provide advertising services to the Company. Pursuant to the terms of the 2021 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 immediately (issued); (issued)
- \$15,000 plus tax on February 15, 2022; (issued subsequent to March 31, 2022)
- \$15,000 plus tax on May 15, 2022;
- \$15,000 plus tax on August 15, 2022; and
- \$15,000 plus tax on November 30, 2022.

Hybrid Financial Ltd. ("Hybrid")

On December 1, 2021, the Company entered into a service agreement Hybrid for marketing and branding services. Hybrid has been engaged by the Company for an initial period of 6 months starting December 1, 2021 (the "Initial Term") and then shall be renewed automatically for successive 3-month periods thereafter, unless terminated by the Company. Hybrid will be paid a monthly fee of \$22,500, plus applicable taxes, during the Initial Term and any subsequent renewal terms, such payment in respect of the Initial Term to be deferred until such time as the Company announces its next financing, or if it does not announce a financing during the Initial Term, at the conclusion of the Initial Term.

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

10. SEGMENTED INFORMATION

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

During the three months ended March 31, 2022, no revenue was generated from the reportable segment.

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

	Canada \$	Mexico \$	Total \$
As at March 31, 2022			
Non-current assets			
Equipment	1,710	77,969	79,679
Exploration and evaluation assets	-	3,557,658	3,557,658
	1,710	3,635,627	3,637,337
As at December 31, 2021			
Non-current assets			
Equipment	1,849	83,178	85,027
Exploration and evaluation assets	-	3,332,394	3,332,394
	1,849	3,415,572	3,417,421

11. 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 three months ended March 31, 2022.

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.

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, GST 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 March 31, 2022 and December 31, 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.

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

	March 31, 2022	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
Financial assets:				
ASSETS				
Cash	673,503	673,503	-	-
GST receivable	98,310	-	98,310	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	104,810	-	104,810	-
Due to related party	111,371	-	111,371	-
	December 31, 2021	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
Financial assets:				
ASSETS				
Cash	903,215	903,215	-	-
GST receivable	88,366	-	88,366	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	220,408	-	220,408	-
Due to related party	22,663	-	22,663	-

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS (CONTINUED)

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 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 GST receivable. The Company's maximum exposure to credit risk is minimal as cash is deposited with reputable financial institutions. GST receivables are due from government agencies.

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 March 31, 2022, the Company had accounts payable and accrued liabilities and due to related party of \$104,810 and \$111,371, 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, GST receivable, loan receivable accounts payable and accrued liabilities, due to related party, and 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.

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

- Currency risk (continued)

The Company had the following balances in foreign currency as at March 31, 2022:

	CA\$	US\$	MXN
Cash	378,605	227,272	170,140
GST receivable	97,177	-	18,022
Value-added tax receivable	-	-	16,198,002
Accounts payable and accrued liabilities	(86,738)	-	(287,446)
Due to related party	(111,371)	-	-
	277,673	227,272	16,098,718
Rate to convert to \$1.00 CAD	1.0000	1.2505	0.0629
Equivalent to CAD	277,673	284,202	1,012,062

Based on the above net exposures as at March 31, 2022, 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 \$130,000.

- 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.