



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2023

(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 six months ended June 30, 2023 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	June 30,	December 31,
	Note(s)	2023	2022
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	3	42,302	100,591
Amounts receivable		3,721	35,545
Prepaid expenses		20,419	121,510
		66,442	257,646
Non-current assets			
Equipment	4	33,038	66,449
		33,038	66,449
TOTAL ASSETS		99,480	324,095
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	353,532	141,513
Due to related parties	9	262,065	243,194
TOTAL LIABILITIES		615,597	384,707
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	8	18,924,868	18,924,868
Foreign currency translation reserve		136,090	105,531
Reserves	8	1,007,335	977,904
Accumulated deficit		(20,584,410)	(20,068,915)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		(516,117)	(60,612)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		99,480	324,095
Corporate information and continuance of operations	1		
Segmented information	10		

These condensed consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Luc Pelchat Director

/s/ Peter Hawley Director

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		For the six months ended	
		June 30,	June 30,	June 30,	June 30,
		2023	2022	2023	2022
		\$	\$	\$	\$
Expenses (Income)					
Consulting fees		-	13,327	-	26,619
Depreciation	4, 6	2,261	2,535	4,556	4,995
Exploration and evaluation costs	6	22,901	130,056	100,952	333,369
Foreign exchange loss		453	(7,239)	11,625	5,441
Gain on disposal of property, plant and equipment	4	(16,546)	-	(34,826)	-
General and administrative expenses		10,136	7,458	20,248	16,852
Investor relations and promotion		69,902	107,155	145,709	214,103
Management fees	9	30,000	30,000	60,000	60,000
Professional fees	9	76,912	79,424	115,608	207,968
Regulatory and filing fees		13,750	19,906	61,963	46,213
Share-based payments	8, 9	6,985	86,682	29,431	220,427
Travel		-	5,059	229	10,296
Total expenses		(216,754)	(474,363)	(515,495)	(1,146,283)
Net loss		(216,754)	(474,363)	(515,495)	(1,146,283)
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations		3,739	76,360	30,559	142,573
Total comprehensive loss		(213,015)	(398,003)	(484,936)	(1,003,710)
Basic and diluted loss per share for the period attributable to common shareholders (\$ per common share)		(0.01)	(0.01)	(0.01)	(0.03)
Basic and diluted loss per share for the period attributable to common shareholders (\$ per common share)		43,089,330	41,722,326	43,089,330	41,714,564

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	Reserves	Accumulated deficit	TOTAL
		#	\$	\$	\$	\$	\$
Balance as of December 31, 2022	1	43,089,330	18,924,868	105,531	977,904	(20,068,915)	(60,612)
Share-based payments	8	-	-	-	29,431	-	29,431
Loss and comprehensive loss		-	-	30,559	-	(515,495)	(484,936)
Balance as of June 30, 2023		43,089,330	18,924,868	136,090	1,007,335	(20,584,410)	(516,117)
Balance as of December 31, 2021	1	41,706,715	18,592,615	(92,926)	547,888	(13,264,907)	5,782,670
Shares issued for services	8	32,285	16,950	-	-	-	16,950
Share-based payments	8	-	-	-	220,427	-	220,427
Loss and comprehensive loss		-	-	142,573	-	(1,146,283)	(1,003,710)
Balance as of June 30, 2022		41,739,000	18,609,565	49,647	768,315	(14,411,190)	5,016,337

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 six months ended	
		June 30, 2023	June 30, 2022
		\$	\$
Cash flow from (used in)			
OPERATING ACTIVITIES			
Net loss		(515,495)	(1,146,283)
Depreciation	4, 6	8,575	12,893
Impairment of exploration and evaluation assets	8	-	-
Gain on disposal of property, plant and equipment	4	(34,826)	-
Share-based payments	8	29,431	220,427
Shares issued for services	10	-	16,950
Net changes in non-cash working capital items:			
Amounts receivable		31,918	(20,247)
Prepaid expenses		103,982	37,794
Value-added tax receivable		-	(60,370)
Accounts payable and accrued liabilities		(30,751)	(90,633)
Due to related parties		262,065	123,221
Cash flow used in operating activities		(145,101)	(906,248)
INVESTING ACTIVITIES			
Acquisition costs on exploration and evaluation assets		-	(177,683)
Proceeds from disposal of property, plant and equipment	4	70,041	-
Cash flow provided by (used in) investing activities		70,041	(177,683)
FINANCING ACTIVITIES			
Repayment of loan payable from Fabled Copper Corp.		-	554,353
Cash flow provided by financing activities		-	554,353
Effects of exchange rate changes on cash		16,771	3,067
Decrease in cash and cash equivalents		(58,289)	(526,511)
Cash and cash equivalents, beginning of period	3	100,591	903,215
Cash and cash equivalents, end of period	3	42,302	376,704
Supplemental cash flow information			
Cash paid for income taxes		-	-
Cash paid for interest		-	-

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 Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Fabled Silver Gold Corp. (the “Company” or “Fabled Sliver”) 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.

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, 2023, the Company had working capital deficiency of \$549,155 (December 31, 2022 – 127,061), 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.

Share Consolidation

On January 26, 2023, the Company completed a consolidation of its common shares on the basis of one post-consolidation common share for every five pre-consolidation common shares (the “Consolidation”). The exercise price and number of common shares issuable pursuant to the exercise of any outstanding convertible securities, including incentive stock options and warrants, were also adjusted in accordance with the Consolidation. The numbers of outstanding securities and other relevant information including but not limited to price per share, and exercise prices of convertible securities presented in these financial statements have been retroactively adjusted accordingly, unless otherwise specified.

Proposed Financings

On May 18, 2023, the Company announced a non-brokered private placement financing of units (“Unit”) for gross proceeds of up to \$500,000 at a price of \$0.05 per Unit (the “Offering”).

Each Unit will consist of one common share of the Company and one common share purchase warrant of the Company. Each warrant will entitle the holder thereof to acquire one additional common share of the Company at a price of \$0.10 per common share for a period of 24 months from the date of issuance, subject to certain acceleration provisions in favor of the Company.

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (CONTINUED)

Financial Reporting and Disclosure during Economic Uncertainty

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic; the Company has not been significantly impacted by the spread of COVID-19. However, the ongoing COVID-19 pandemic, inflationary pressures, rising interest rates, the global financial climate and the conflict in Ukraine are affecting current economic conditions and increasing economic uncertainty, which may impact the Company's operating performance, financial position and the Company's ability to raise funds at this time.

These unaudited condensed consolidated interim financial statements of the Company for the six months ended June 30, 2023 were approved by the Board of Directors on August 28, 2023.

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 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, 2022.

New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2023 that impacted these unaudited condensed consolidated interim financial statements.

3. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents are broken down as follows:

	June 30, 2023	December 31, 2022
	\$	\$
Cash	13,552	46,841
Cash equivalents	28,750	53,750
	42,302	100,591

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

4. EQUIPMENT

	Computer equipment \$	Field equipment \$	Office equipment \$	Vehicles \$	Total \$
COST					
As of December 31, 2022	2,642	17,865	38,689	61,984	121,180
Disposal	-	-	-	(74,014)	(74,014)
Effect of movements on exchange rates	-	2,054	4,447	12,030	18,531
As of June 30, 2023	2,642	19,919	43,136	-	65,697
ACCUMULATED DEPRECIATION					
As of December 31, 2022	(1,345)	(8,534)	(14,325)	(30,527)	(54,731)
Addition	(192)	(1,671)	(4,364)	(2,348)	(8,575)
Disposal	-	-	-	38,799	38,799
Effect of movements on exchange rates	-	(870)	(1,358)	(5,924)	(8,152)
As of June 30, 2023	(1,537)	(11,075)	(20,047)	-	(32,659)
Net book value as of June 30, 2023	1,105	8,844	23,089	-	33,038

During the six months ended June 30, 2023, the Company charged \$8,575 (June 30, 2022 – \$12,893) in depreciation of which \$4,019 was recognized as exploration and evaluation costs in the statements of loss (Note 6) (June 30, 2022 – \$7,898).

During the six months ended June 30, 2023, the Company disposed a vehicle with a carrying value of \$35,215 (Mex\$424,843) for cash proceeds of \$70,041 (Mex\$845,000); as a result, the Company recognized a gain of disposal of \$34,826 (Mex\$420,157) in the statements of loss and comprehensive loss.

5. VALUE-ADDED TAX RECEIVABLE

During the year ended December 31, 2022, the Company reassessed the timing of collection and the collectability of the value-added tax receivable and determined significant uncertainties existed; as a result, the Company impaired the carrying value of the value-added tax receivable to \$nil.

As a result of the decision made during the year ended December 31, 2022, from January 1, 2023, the Company expensed the value-added tax in the statement of loss and comprehensive loss as incurred.

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

The Company is engaged in the business of exploration and development of mineral projects.

Santa María Property

During the six months ended June 30, 2023, the Company incurred the following exploration and evaluation costs on the Santa María Project:

	\$
Depreciation	4,019
Equipment rental	13,144
Field	15,385
Geological	55,426
Sample analysis	1,109
Salaries and wages	4,562
Value added tax	7,307
	100,952

During the six months ended June 30, 2022, the Company incurred the following exploration and evaluation costs on the Santa María Project:

	\$
Depreciation	7,898
Drilling	18,872
Equipment rental	20,038
Field	73,514
Geological	83,849
Sample analysis	44,120
Salaries and wages	51,665
Technical studies	33,413
	333,369

On December 4, 2020, the Company entered into an option agreement with Golden Minerals Company (“Golden Minerals”), which was amended on each of May 17, 2022 and December 19, 2022 (“Amended Option Agreement”). Pursuant to the Amended Option Agreement, the Company could have acquired a 100% interest in Santa María Project by making the following payments to Golden Minerals:

- December 4, 2020: US\$500,000 cash (paid) and 100,000 common shares (issued with a fair value of \$70,000)
- December 4, 2021: US\$1,500,000 (paid)
- January 31, 2023: US\$250,000
- March 31, 2023: US\$250,000
- June 30, 2023: US\$250,000
- September 30, 2023: US\$250,000
- December 31, 2023: US\$250,000
- March 31, 2024: US\$250,000
- June 30, 2024: US\$250,000
- September 30, 2024: US\$250,000

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Santa María Property (continued)

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

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

Under the Amended Option Agreement, the Company was obligated to grant Golden Minerals a 1% net smelter royalty with respect to the Santa María Project upon exercise of the option under the Amended Option Agreement and to 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.

On February 21, 2023, the Company announced the termination of the Amended Option Agreement; as a result, the Company recognized an impairment of exploration and evaluation assets of \$3,661,652 in the statement of loss and comprehensive loss during the year ended December 31, 2022.

In addition, as a result of the termination of the Amended Option Agreement, the Company is no longer obligated to make the remaining payments to Golden Minerals.

Mecatona Property

On February 17, 2023, the Company entered into a binding letter of intent (the "Mecatona Agreement") with an arm's length vendor, Kootenay Silver Inc. (TSXV: KTN) ("Kootenay" or the "Vendor") to acquire the Mecatona Property (the "Mecatona Property") located in Chihuahua, Mexico (the "Proposed Transaction").

Pursuant to the Mecatona Agreement, in consideration for acquiring 100% of the Mecatona Property, the Company will have to issue to the Vendor, on closing of the Proposed Transaction, 2,000,000 common shares of the Company. The Company will also make a periodic payment of US\$10,000 to the Vendor on January 13 and July 13, of each year (the "Periodic Payments") and upon commencement of commercial production pay to the Vendor the greater of US\$15,000 or a 2% net smelter royalty ("NSR"), each paid on a quarterly basis.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	June 30, 2023	December 31, 2022
	\$	\$
Trade payables	309,096	87,688
Accrued liabilities	44,436	53,825
	353,532	141,513

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

8. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At June 30, 2023 and December 31, 2022, the Company had 43,089,330 common shares issued and outstanding with a value of \$18,924,868.

During the six months ended June 30, 2023, no share capital transactions occurred.

During the six months ended June 30, 2022, the Company issued 32,285 common shares with fair value of \$16,950 pursuant to a consulting agreement entered during the year ended December 31, 2021.

Warrants

During the six months ended June 30, 2023 and 2022, no warrants were issued, exercised or expired.

The following summarizes information about warrants outstanding as of June 30, 2023:

Expiry date	Exercise price (\$)	Warrants outstanding	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
July 20, 2024	0.60	1,188,000	118,800	1.06
		1,188,000	118,800	1.06
Weighted average exercise price (\$)		0.60		

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, 2023 are as follows:

	Number outstanding	Weighted average exercise price (\$)
Balance, opening	2,139,081	0.48
Cancelled	(490,000)	0.42
Balance, closing	1,649,081	0.46

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (CONTINUED)

Stock options (continued)

During the six months ended June 30, 2023, 490,000 stock options were cancelled.

During the six months ended June 30, 2022, 350,000 were cancelled.

During the six months ended June 30, 2023 and 2022, the Company recognized share-based payments expense of \$29,431 and \$220,427, respectively.

The following summarizes information about stock options outstanding and exercisable as at June 30, 2023:

Expiry date	Exercise price (\$)	Options outstanding	Options exercisable	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
June 12, 2025	1.35	37,414	37,414	-	1.95
November 21, 2028	0.45	111,667	111,667	35,528	5.40
November 21, 2028	0.68	120,000	120,000	37,373	5.40
December 18, 2030	0.36	430,000	430,000	147,400	7.47
January 6, 2031	0.45	40,000	40,000	16,440	7.53
October 28, 2031	0.45	910,000	910,000	420,858	8.33
		1,649,081	1,649,081	657,599	7.53
Weighted average exercise price (\$)		0.46	0.46		

9. 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 six months ended June 30, 2023, the Company incurred \$60,000 (June 30, 2022 – \$60,000) in management fees related to the Company's President and Chief Executive Officer.
- During the six months ended June 30, 2023, the Company incurred \$60,000 (June 30, 2022 – \$67,750) 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, 2023, the Company incurred \$1,380 (June 30, 2022 – \$99,683) in professional legal fees from a private company owned by a former director of the Company.
- During the six months ended June 30, 2023, the Company recognized \$25,939 (June 30, 2022 – \$191,146) 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 \$262,065 as at June 30, 2023 (December 31, 2022 – \$243,194). Unless otherwise noted, all related party balances are unsecured, non-interest bearing with no fixed terms of repayment.

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2023

(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 six months ended June 30, 2023 and 2022, no revenue was generated from the reportable segment.

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

	June 30, 2023	Canada	Mexico
	\$	\$	\$
Non-current assets			
Equipment	33,038	1,105	31,933

	December 31, 2022	Canada	Mexico
	\$	\$	\$
Non-current assets			
Equipment	66,449	1,297	65,152

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 six months ended June 30, 2023.

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 Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS**Fair value**

The carrying values of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and due to related parties 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, 2023 and December 31, 2022, 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, 2023		FVTPL	Amortized costs		FVTOCI
	\$		\$	\$		\$
FINANCIAL ASSETS						
ASSETS						
Cash and cash equivalents	42,302		-	42,302		-
Amounts receivable	3,721		-	3,721		-
FINANCIAL LIABILITIES						
LIABILITIES						
Accounts payable and accrued liabilities	(353,532)		-	(353,532)		-
Due to related parties	(262,065)		-	(262,065)		-

	December 31, 2022		FVTPL	Amortized costs		FVTOCI
	\$		\$	\$		\$
FINANCIAL ASSETS						
ASSETS						
Cash and cash equivalents	100,591		-	100,591		-
Amounts receivable	35,545		-	35,545		-
FINANCIAL LIABILITIES						
LIABILITIES						
Accounts payable and accrued liabilities	(141,513)		-	(141,513)		-
Due to related parties	(243,194)		-	(243,194)		-

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2023

(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 cash equivalents and amounts receivable. The Company's maximum exposure to credit risk is minimal as cash and cash equivalents are deposited with reputable financial institutions. Amounts 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 June 30, 2023, the Company had accounts payable and accrued liabilities and due to related party of \$353,532 and \$262,065, 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 and cash equivalents, amounts receivable, loan receivable, accounts payable and accrued liabilities and due to related party are held in Canadian Dollars ("CA\$" or "\$"), US Dollars ("US\$"), European Dollar ("€") and Mexican Pesos ("Mex\$"); therefore, US\$, € and Mex\$ accounts are subject to fluctuation against the Canadian dollar.

Fabled Silver Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS (CONTINUED)**Financial risk management (continued)****Market risk (continued)**• **Currency risk (continued)**

The Company had the following balances in foreign currency as at June 30, 2023:

	CA\$	US\$	€	Mex\$
Cash and cash equivalents	37,168	726	-	53,956
Amounts receivable	3,721	-	-	-
Accounts payable and accrued liabilities	(259,629)	(39,309)	(13,050)	(299,750)
Due to related parties	(262,065)	-	-	-
	(480,805)	(38,583)	(13,050)	(245,794)
Rate to convert to \$1.00 CA\$	1.00	1.32	1.44	0.08
Equivalent to CA\$	(480,805)	(50,928)	(18,817)	(19,023)

Based on the above net exposures as at June 30, 2023, 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 \$9,000.

• **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.