



## **Nobel Resources Corp.**

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### **Condensed Interim Consolidated Financial Statements**

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**For the three months ended March 31, 2023 and 2022**

**(Expressed in Canadian Dollars)**

**(unaudited)**

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim consolidated financial statements have not been reviewed by an auditor.

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

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada (CPA Canada) for a review of interim financial statements by an entity's auditor.

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# Nobel Resources Corp.

## Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars- Unaudited

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As at:		March 31, 2023	December 31, 2022
	Note	\$	\$
<b>ASSETS</b>			
Current			
Cash		531,314	841,075
Amounts receivable	4	314,758	299,744
Prepaid expenses and advances		46,223	11,157
<b>Total assets</b>		<b>892,295</b>	<b>1,151,976</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	10	1,075,649	817,598
<b>Total liabilities</b>		<b>1,075,649</b>	<b>817,598</b>
<b>SHAREHOLDERS' EQUITY/(DEFICIENCY)</b>			
Common shares	6	14,311,946	14,311,946
Warrant reserve	7	1,557,256	1,953,968
Option reserve	7	3,544,145	3,544,145
Deficit		(19,596,701)	(19,475,681)
<b>Total shareholders' equity/(deficiency)</b>		<b>(183,354)</b>	<b>334,378</b>
<b>Total liabilities and shareholders' equity/(deficiency)</b>		<b>892,295</b>	<b>1,151,976</b>

Nature of operations and going concern (Note 1)

Commitments and contingencies (Notes 4 and 12)

Approved on behalf of the Board of Directors on May 25, 2023:

Signed: "Lawrence Guy", Director

Signed: "David Gower", Director

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

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**Nobel Resources Corp.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss***Expressed in Canadian Dollars- Unaudited*

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		Three months ended	
		March 31,	
	Note	2023	2022
		\$	\$
<b>Expenses</b>			
Exploration and evaluation expenses	5	191,801	1,465,639
Consulting and management fees	10	242,729	204,299
Professional fees		33,736	12,000
Amortization		-	3,583
Shareholder communication and filing fees		21,259	27,823
Promotion		16,010	45,887
Travel expenses		-	2,629
Office expenses		12,959	13,972
<b>(Loss) for the period before other items</b>		<b>(518,494)</b>	<b>(1,775,832)</b>
<b>Other items</b>			
Interest expense		-	(44)
Foreign exchange gain		762	24,027
<b>Net (loss) for the period</b>		<b>(517,732)</b>	<b>(1,751,849)</b>
<hr/>			
<b>Basic and diluted (loss) per share</b>		<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
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<b>Weighted average number of common shares outstanding</b>			
Basic and Diluted		77,132,117	77,132,117

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

# Nobel Resources Corp.

## Condensed Interim Consolidated Statements of Changes in Shareholders' Equity/(Deficiency)

Expressed in Canadian Dollars- Unaudited

	Number of shares #	Common Shares \$	Warrant Reserve \$	Option Reserve \$	Deficit \$	Shareholders' equity/(deficiency) \$
<b>Balance, December 31, 2021</b>	<b>77,132,117</b>	<b>14,311,946</b>	<b>1,954,285</b>	<b>3,544,145</b>	<b>(16,126,184)</b>	<b>3,684,192</b>
Loss and comprehensive loss	-	-	-	-	(1,751,849)	(1,751,849)
<b>Balance, March 31, 2022</b>	<b>77,132,117</b>	<b>14,311,946</b>	<b>1,954,285</b>	<b>3,544,145</b>	<b>(17,878,033)</b>	<b>1,932,343</b>
<b>Balance, December 31, 2022</b>	<b>77,132,117</b>	<b>14,311,946</b>	<b>1,953,968</b>	<b>3,544,145</b>	<b>(19,475,681)</b>	<b>334,378</b>
Warrants expired unexercised (note 7)	-	-	(396,712)	-	396,712	-
Loss and comprehensive loss	-	-	-	-	(517,732)	(517,732)
<b>Balance, March 31, 2023</b>	<b>77,132,117</b>	<b>14,311,946</b>	<b>1,557,256</b>	<b>3,544,145</b>	<b>(19,596,701)</b>	<b>(183,354)</b>

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

**Nobel Resources Corp.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
*Expressed in Canadian Dollars- Unaudited*

	Three months ended March 31,	
	2023	2022
	\$	\$
<b>Cash (used in)/provided by:</b>		
<b>Operating activities</b>		
Net loss	(517,732)	(1,751,849)
Items not involving cash:		
Amortization	-	3,583
Interest payable	-	44
Changes in non-cash working capital	207,971	(371,617)
<b>Net cash flows (used in) operating activities</b>	<b>(309,761)</b>	<b>(2,119,839)</b>
<b>Financing activities</b>		
Principal payments on lease liability	-	(3,780)
<b>Net cash flows (used in) financing activities</b>	<b>-</b>	<b>(3,780)</b>
<b>Net increase (decrease) in cash during period</b>	<b>(309,761)</b>	<b>(2,123,619)</b>
<b>Cash, beginning of period</b>	<b>841,075</b>	<b>4,075,028</b>
<b>Cash, end of period</b>	<b>531,314</b>	<b>1,951,409</b>

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

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# Nobel Resources Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

Expressed in Canadian Dollars- Unaudited

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Nobel Resources Corp. (the “Company”, or “Nobel”) was incorporated on August 20, 2020 under the laws of the Province of Ontario. The Company commenced trading as a Tier 2 Mining Issuer on the TSX Venture Exchange (“TSXV”) on April 20, 2021 under the new trading symbol “NBLC”. The Company also trades on the OTCQB Venture Market in the United States under the symbol “NBTRF”.

The Company owns the following subsidiaries:

- A 100% interest in Grupo Los Nogales S.A. (“Nobel Panama”), a company incorporated on July 20, 2010 in Panama which in turn owns 100% of Mantos Grandes Resources Chile SpA, a company incorporated on June 22, 2018 in the Republic of Chile.

The Company is currently engaged in the acquisition, exploration and development of mineral properties. The head office and principal address of the Company is 36 Lombard Street, 4<sup>th</sup> Floor, Toronto, Ontario, M5C 2X3.

On April 14, 2021, the Company closed its previously announced reverse takeover transaction (the “Transaction”) with Novo19 Capital Corp. (“Novo19”). The Transaction was completed by way of a “three-cornered” amalgamation pursuant to the provisions of the *Business Corporations Act* (Ontario). Prior to the completion of the Transaction, Novo19: (i) completed a consolidation of its issued and outstanding common shares on the basis of one post-consolidation share for every 6.6667 pre-consolidation shares; and (ii) changed its name from “Novo19 Capital Corp.” to “Nobel29 Resources Corp.” (“Nobel29”). Pursuant to the Transaction, all common shares of the Company were exchanged for post-consolidation shares on a one-for-one basis for common shares of Nobel29 and the Company and 2791419 Ontario Inc., a wholly owned subsidiary of the Company newly incorporated under the *Business Corporations Act* (Ontario) for the sole purpose of effecting the Transaction, amalgamated with the resulting entity continuing as a wholly owned subsidiary of the Company under the name “Nobel Resources Corp.”

The business of exploring for minerals involves a high degree of risk and there can be no assurance that the current exploration programs will result in profitable operations.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of exploration and evaluation expenditures is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete development, and upon future profitable production or proceeds from the disposition of these property interests.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements. The Company’s exploration property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

At March 31, 2023, the Company had a working capital deficit of \$(183,354) (December 31, 2022: working capital of \$334,378), and a deficit of \$19,596,701 (December 31, 2022: \$19,475,681). The Company has a need for equity financing for working capital and exploration and development of its properties. Because of continuing operating losses, the Company’s continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. Material uncertainties as mentioned above cast significant doubt upon the Company’s ability to continue as a going concern.

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# **Nobel Resources Corp.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**For the three months ended March 31, 2023 and 2022**

*Expressed in Canadian Dollars- Unaudited*

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### **1. NATURE OF OPERATIONS AND GOING CONCERN (continued)**

These condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material.

### **2. BASIS OF PRESENTATION**

#### ***Statement of compliance***

These condensed interim consolidated financial statements are in compliance with IAS 34, *Interim Financial Reporting*. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These condensed interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2022.

#### ***Basis of presentation***

These condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and have been prepared using the historical cost basis. Furthermore, these condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. All values are rounded to the nearest dollar.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Generally, the Company has a shareholding of more than one half of the voting rights in its subsidiaries. The effects of potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

The Company has a 100% interest in Grupo Los Nogales S.A. ("Nobel Panama"), a company incorporated on July 20, 2010 in Panama which in turn owns 100% of Mantos Grandes Resources Chile SpA ("Nobel Chile"), a company incorporated on June 22, 2018 in the Republic of Chile. The Company acquired control of Nobel Panama and its subsidiary on September 18, 2020.

#### ***Approval of the consolidated financial statements***

These condensed interim consolidated financial statements of the Company for the three months ended March 31, 2023 and 2022 were reviewed, approved and authorized for issue by the Board of Directors of the Company on May 25, 2023.



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# Nobel Resources Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

Expressed in Canadian Dollars- Unaudited

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### 3. SIGNIFICANT ACCOUNTING POLICIES

#### ***Critical judgements and estimation uncertainties***

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

#### *Income, value added, withholding and other taxes*

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

#### *Share-based payments*

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

#### *Contingencies (see Note 12)*

#### ***Future accounting changes***

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2023. Updates that are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

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# Nobel Resources Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

Expressed in Canadian Dollars- Unaudited

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Future accounting changes (continued)*

IAS 1 – Presentation of Financial Statements (“IAS 1”) was revised in January 2020 and July 2020 to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least twelve months and make explicit that only rights in place “at the end of the reporting period” should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

IAS 12 – Income Taxes (“IAS 12”) was amended in September 2021 to narrow the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

IAS 8 – Definition of Accounting Estimates (“IAS 8”) was amended in February 2021 to replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to management uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves management uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. IAS 8 is effective for annual periods beginning on or after January 1, 2023.

### 4. AMOUNTS RECEIVABLE

	March 31, 2023	December 31, 2022
	\$	\$
Sales taxes receivable- Canada	314,758	291,685
Other receivables	-	8,059
	<b>314,758</b>	<b>299,744</b>

### 5. EXPLORATION AND EVALUATION EXPENDITURES

#### **Pircas Verdes Property, Chile**

On November 9, 2022, the Company entered into a definitive option agreement to acquire 100% interest in the Pircas Verdes Project (“Pircas Verdes”), a property in Coquimbo, Chile.

To fully exercise the option, the Company is required to make the following payments:

- USD\$50,000 in cash on the date the option agreement is registered with the Chilean mining authority (November 22, 2022). This step has been completed and the funds have been paid;
- USD\$200,000 in cash on November 22, 2023;
- USD\$250,000 in cash on November 22, 2024;
- USD\$500,000 in cash on November 22, 2025;
- USD\$1,000,000 in cash on November 22, 2026; and
- USD\$2,000,000 in cash on November 22, 2027.

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# Nobel Resources Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

Expressed in Canadian Dollars- Unaudited

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### 5. EXPLORATION AND EVALUATION EXPENDITURES (continued)

#### Pircas Verdes Property, Chile (continued)

Upon completion of the payments above, the Company will own 100% of Pircas Verdes, subject to a 1.5% NSR on future mineral production on Pircas Verdes. The Company has a right to repurchase 1.0% of the NSR on Pircas Verdes from the optionor for US\$2,000,000 in cash. The Company can, at its sole discretion, decide not to exercise the option and terminate the option agreement.

Nobel will be the operator of Pircas Verdes during the term of the option agreement.

#### Algarrobo Property, Chile

On December 14, 2020, the Company signed an option agreement between a wholly owned subsidiary of the Company, Mantos Grandes Resources Chile SpA and Minera Caldera SCM, an arm's length corporation, whereby the Company had the option, subject to certain conditions therein, to obtain a 100% interest in the mining rights associated with the Algarrobo Property.

On February 6, 2023, the Company terminated the option agreement to acquire the Algarrobo project.

#### La Salvadora Property, Chile

On September 24, 2021, the Company's wholly owned subsidiary, Mantos Grandes Resources Chile SpA, entered into a definitive option agreement to acquire a 100% interest in the mining rights associated with the La Salvadora Project.

On November 24, 2022, after reviewing the technical results to that date, the Company elected to withdraw from its option to acquire the La Salvadora project.

Exploration and evaluation expenditures for the three months ended March 31, 2023 and 2022 were as follows:

	Three months ended	
	March 31,	
	2023	2022
Drilling	-	1,133,540
Topographic surveys	62,555	92,577
Laboratory analysis	4,670	69,408
Field supplies	4,627	29,483
Professional fees	10,965	7,624
Land management fees, taxes and permits	21,163	5,465
Project overhead costs	87,821	127,543
<b>Total exploration and evaluation expenses</b>	<b>\$ 191,801</b>	<b>\$ 1,465,639</b>

See also Note 11.

# Nobel Resources Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

Expressed in Canadian Dollars- Unaudited

### 6. COMMON SHARES

#### Authorized

At March 31, 2023, the authorized share capital consisted of an unlimited number of common shares without par value.

	Number of shares outstanding	Amount
<b>Balance, December 31, 2021, 2022 and March 31, 2023</b>	<b>77,132,117</b>	<b>14,311,946</b>

### 7. EQUITY RESERVES

#### Warrants

The changes in warrants issued during the year ended December 31, 2022 and three months ended March 31, 2023 are as follows:

	Number of warrants	Weighted average exercise price	Value of warrants
<b>Balance, December 31, 2021</b>	<b>7,866,821</b>	<b>\$ 0.55</b>	<b>\$ 1,954,285</b>
Expired, October 2022	(5,200)	0.10	(317)
<b>Balance, December 31, 2022</b>	<b>7,861,621</b>	<b>\$ 0.58</b>	<b>\$ 1,953,968</b>
Expired, January 2023	(1,541,400)	0.40	(373,000)
Expired February 2023	(98,000)	0.40	(23,712)
<b>Balance, March 31, 2023</b>	<b>6,222,221</b>	<b>\$ 0.58</b>	<b>\$ 1,557,256</b>

The following summarizes the warrants outstanding as at March 31, 2023:

Number outstanding #	Number exercisable #	Grant date	Expiry date	Exercise price \$	Estimated grant date fair value \$	Volatility	Risk-free interest rate	Expected life (Yrs) #	Expected dividend yield
1,666,666	1,666,666	20-Sep-21	20-Sep-24	\$0.60	417,251	157%	0.54%	3.00	0%
199,999	199,999	20-Sep-21	20-Sep-24	\$0.45	50,109	157%	0.54%	3.00	0%
3,888,890	3,888,890	23-Sep-21	23-Sep-24	\$0.60	973,062	157%	0.61%	3.00	0%
466,666	466,666	23-Sep-21	23-Sep-24	\$0.45	116,834	157%	0.61%	3.00	0%
<b>6,222,221</b>	<b>6,222,221</b>				<b>1,557,256</b>				

The weighted-average remaining contractual life of the warrants as of March 31, 2023 is 1.48 years (December 31, 2022: 1.38 years).

### 7. EQUITY RESERVES

#### Share-based payments

The changes in stock options issued during the year ended December 31, 2022 and three months ended March 31, 2023 are as follows:

# Nobel Resources Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

Expressed in Canadian Dollars- Unaudited

### 7. EQUITY RESERVES (continued)

#### Share-based payments (continued)

	Number of options	Weighted average exercise price	Value of options
<b>Balance, December 31, 2021, 2022 and March 31, 2023</b>	<b>7,285,000</b>	<b>\$ 0.56</b>	<b>\$ 3,544,145</b>

Options outstanding as at March 31, 2023 are as follows:

Number outstanding #	Number exercisable #	Grant date	Expiry date	Exercise price \$	Estimated grant date fair value \$	Expected Volatility	Risk-free interest rate	Expected life (Yrs) #	Expected dividend yield
3,775,000	3,775,000	14-Apr-21	02-Mar-26	\$0.40	1,346,653	144%	0.95%	4.88	0%
1,550,000	1,550,000	22-Apr-21	22-Apr-26	\$0.64	797,282	143%	0.93%	5.00	0%
300,000	300,000	21-Oct-21	21-Oct-26	\$0.60	161,850	145%	1.35%	5.00	0%
1,660,000	1,660,000	29-Oct-21	29-Oct-26	\$0.84	1,238,360	145%	1.50%	5.00	0%
<b>7,285,000</b>	<b>7,285,000</b>				<b>3,544,145</b>				

The weighted-average remaining contractual life of the stock options as of March 31, 2023 is 3.13 years (December 31, 2022: 3.38 years).

### 8. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers its capital to consist of common shares, stock options, and warrants.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and evaluation and pay for administrative costs, the Company must raise additional amounts. The Company may continue to assess new properties and may seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no significant changes in the Company's approach to capital management during the three months ended March 31, 2023 and 2022.

The Company and its subsidiaries are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months. As of March 31, 2023, the Company may not be compliant with the policies of the TSXV. The impact of any such violation is not known and is ultimately dependent on the discretion of the TSXV.

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# Nobel Resources Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

Expressed in Canadian Dollars- Unaudited

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### 9. FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's financial instruments include cash, amounts receivable, and accounts payable and accrued liabilities. The carrying values of these financial instruments reported in the statement of financial position approximate their respective fair values due to the relatively short-term nature of these instruments. As at March 31, 2023 and 2022, the Company had no instruments to classify in the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) *Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

a. *Trade credit risk*

The Company is not exposed to significant trade credit risk.

b. *Cash*

In order to manage credit and liquidity risk the Company's policy is to invest only in highly rated investment grade instruments that have maturities of three months or less. Limits are also established based on the type of investment, the counterparty and the credit rating.

(b) *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises primarily with respect to the Chilean Peso from its property interests in Chile and US dollars from operations. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

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# Nobel Resources Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

Expressed in Canadian Dollars- Unaudited

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### 9. FINANCIAL INSTRUMENTS (continued)

As at March 31, 2023, and December 31, 2022, the Company had the following financial instruments denominated in foreign currency (expressed in Canadian dollars):

	March 31, 2023		December 31, 2022	
	Chilean pesos		Chilean pesos	
Cash	\$	11,548	\$	125,207
Accounts payable and accrued liabilities		(18,677)		(11,498)
	\$	(7,129)	\$	113,709

	March 31, 2023		December 31, 2022	
	United States dollars		United States dollars	
Cash	\$	4,170	\$	4,173
Accounts payable and accrued liabilities		(114,692)		(80,350)
	\$	(110,522)	\$	(76,177)

A 10% strengthening (weakening) of the Canadian dollar against the Chilean peso would decrease (increase) net loss by approximately \$(700) (December 31, 2022: \$11,400).

A 10% strengthening (weakening) of the Canadian dollar against the United States dollar would decrease (increase) net loss by approximately \$(11,000) (December 31, 2022: \$(7,600)).

#### (c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At March 31, 2023, the Company had a cash balance of \$531,314 (December 31, 2022: \$841,075) to settle accounts payable and accrued liabilities of \$1,075,649 (December 31, 2022: \$817,598). The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms.

#### (d) Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to gold and copper. Commodity price risk is remote as the Company is not a producing entity.

### 10. RELATED PARTY TRANSACTIONS

#### Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. During the three months ended March 31, 2023 and 2022, the remuneration of directors and other key management personnel was as follows:

	Three months ended March 31,	
	2023	2022
	\$	\$
Consulting fees	296,927	255,978

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# Nobel Resources Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

Expressed in Canadian Dollars- Unaudited

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### 10. RELATED PARTY TRANSACTIONS (continued)

At March 31, 2023, the Company had \$952,992 owing to its key management (December 31, 2022: \$747,256). Such amounts are unsecured, non-interest bearing, with no fixed terms of payment or “due on demand” and included in accounts payable and accrued liabilities.

### 11. SEGMENT INFORMATION

The Company conducts its business as a single operating segment, being mineral exploration and evaluation in Chile. The following tables summarize the total assets and liabilities by geographic segment as at March 31, 2023 and December 31, 2022:

<b>March 31, 2023</b>	<b>Chile</b>	<b>Canada</b>	<b>Total</b>
Cash	\$ 11,548	\$ 519,766	\$ 531,314
Amounts receivable	-	314,758	314,758
Prepaid expenses and advances	22,260	23,963	46,223
<b>Total Assets</b>	<b>\$ 33,808</b>	<b>\$ 858,487</b>	<b>\$ 892,295</b>
Accounts payable and accrued liabilities	\$ 18,677	\$ 1,056,972	\$ 1,075,649
<b>Total liabilities</b>	<b>\$ 18,677</b>	<b>\$ 1,056,972</b>	<b>\$ 1,075,649</b>

  

<b>December 31, 2022</b>	<b>Chile</b>	<b>Canada</b>	<b>Total</b>
Cash	\$ 125,207	\$ 715,868	\$ 841,075
Amounts receivable	-	299,744	299,744
Prepaid expenses and advances	11,157	-	11,157
<b>Total Assets</b>	<b>\$ 136,364</b>	<b>\$ 1,015,612</b>	<b>\$ 1,151,976</b>
Accounts payable and accrued liabilities	\$ 11,498	\$ 806,100	\$ 817,598
<b>Total liabilities</b>	<b>\$ 11,498</b>	<b>\$ 806,100</b>	<b>\$ 817,598</b>

The following tables summarize the loss by geographic segment for the three months ended March 31, 2023 and 2022:

<b>March 31, 2023</b>	<b>Chile</b>	<b>Canada</b>	<b>Total</b>
Project evaluation expenses	\$ 191,801	\$ -	\$ 191,801
General and administrative expenses	-	326,693	326,693
Foreign exchange (gain)	-	(762)	(762)
<b>Loss</b>	<b>\$ 191,801</b>	<b>\$ 325,931</b>	<b>\$ 517,732</b>

  

<b>March 31, 2022</b>	<b>Chile</b>	<b>Canada</b>	<b>Total</b>
Project evaluation expenses	\$ 1,465,639	\$ -	\$ 1,465,639
General and administrative expenses	-	310,237	310,237
Foreign exchange (gain)	-	(24,027)	(24,027)
<b>Loss</b>	<b>\$ 1,465,639</b>	<b>\$ 286,210</b>	<b>\$ 1,751,849</b>



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**Nobel Resources Corp.****Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2023 and 2022***Expressed in Canadian Dollars- Unaudited*

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**12. COMMITMENTS AND CONTINGENCIES**

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately \$630,000 with regards to termination pay and additional contingent payments of up to approximately \$2,080,000 upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements.