(An exploration stage business)

TIER ONE SILVER INC.

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2022

(Unaudited)

Tier One Silver Inc.

Condensed Consolidated Interim Statements of Financial Position
Unaudited (Expressed in Canadian dollars)

	As at March 31, 2022	As at December 31, 2021
Assets		
Current assets:		
Cash	**$ 994,245**	$ 2,589,858
Accounts receivable	**44,267**	22,911
Prepaid expenses and deposits (Note 3)	**733,508**	764,328
	1,772,020	3,377,097
Non-current assets:		
Prepaid expenses and deposits (Note 3)	**62,831**	100,282
Equipment	**52,548**	57,346
Mineral property interests (Note 4)	**2,520,820**	2,546,431
Total assets	**$ 4,408,219**	$ 6,081,156
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 929,098**	$ 798,753
Provision for site reclamation and closure	**278,844**	282,905
	1,207,942	1,081,658
Non-current liabilities:		
Provision for site reclamation and closure	**$ 194,656**	$ 197,490
Total liabilities	**1,402,598**	1,279,148
Equity:		
Share capital (Note 5)	**21,103,601**	21,103,601
Share option reserves	**3,322,890**	3,020,459
Accumulated other comprehensive loss	**(212,910)**	(193,647)
Deficit	**(21,207,960)**	(19,128,405)
Total equity	**3,005,621**	4,802,008
Total liabilities and equity	**$ 4,408,219**	$ 6,081,156

Going concern (Note 1(c)); Commitment (Note 7(a)); Subsequent events (Notes 7(a) and 11)

Approved on behalf of the Board of Directors:

"Peter Dembicki" — CEO, President & Director

"Steve Cook" — Director

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

Tier One Silver Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
Unaudited (Expressed in Canadian dollars)

	Three months ended March 31,	
	2022	2021
Operating expenses:		
Exploration and evaluation	**$ 811,532**	$ 525,946
Fees, salaries and other employee benefits	**663,380**	278,665
Legal and professional fees	**57,906**	140,177
Marketing and investor relations	**412,545**	155,820
Office and administration	**99,444**	91,715
Project investigation	**11,751**	4,947
Regulatory and transfer agent	**16,383**	66,177
Mineral property impairment (Note 4(iii))	**-**	1,689,719
	2,072,941	2,953,166
Other expenses:		
Foreign exchange loss, net	**6,614**	10,808
Loss for the period	**$ 2,079,555**	$ 2,963,974
Other comprehensive loss		
Unrealized currency loss on translation	**19,263**	43,759
Comprehensive loss for the period	**$ 2,098,818**	$ 3,007,733
Basic and diluted loss per share	**$ 0.02**	$ 0.03
Basic and diluted weighted average number of shares outstanding	**125,794,897**	116,724,473

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

Tier One Silver Inc.
Condensed Consolidated Interim Statements of Changes in Equity
Unaudited (Expressed in Canadian dollars, except share amounts)

	Number of common shares	Share capital	Share option reserve	Accumulated other comprehensive loss	Deficit	Total
Balance at December 31, 2020	**112,340,434**	**$ 7,980,154**	**$ -**	**$ (124,416)**	**$ (1,643,203)**	**$ 6,212,535**
Shares issued pursuant to offering, net of share issue costs	13,454,463	13,141,813	-	-	-	13,141,813
Other comprehensive loss	-	-	-	(43,759)	-	(43,759)
Loss for the period	-	-	-	-	(2,963,974)	(2,963,974)
Balance at March 31, 2021	**125,794,897**	**$ 21,121,967**	**$ -**	**$ (168,175)**	**$ (4,607,177)**	**$ 16,346,615**
Balance at December 31, 2021	**125,794,897**	**$ 21,103,601**	**$ 3,020,459**	**$ (193,647)**	**$ (19,128,405)**	**$ 4,802,008**
Share-based compensation (Note 6)	**-**	**-**	**302,431**	**-**	**-**	**302,431**
Other comprehensive loss	**-**	**-**	**-**	**(19,263)**	**-**	**(19,263)**
Loss for the period	**-**	**-**	**-**	**-**	**(2,079,555)**	**(2,079,555)**
Balance at March 31, 2022	**125,794,897**	**$ 21,103,601**	**$ 3,322,890**	**$ (212,910)**	**$ (21,207,960)**	**$ 3,005,621**

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

Unaudited (Expressed in Canadian dollars)

	Three months ended March 31, 2022	2021
Operating activities:		
Loss for the period	$ **(2,079,555)**	$ (2,963,974)
Non-cash transactions:		
Impairment of mineral property (Note 4(iii))	**-**	1,689,719
Share-based compensation (Note 6)	**302,431**	-
Depreciation	**4,026**	128
Unrealized foreign exchange (gain) loss	**(15,584)**	8,163
Changes in non-cash working capital:		
Accounts receivable	**(21,356)**	(5,768)
Prepaid expenses and deposits	**73,793**	(126,492)
Deferred acquisition costs	**-**	(107,985)
Accounts payable and accrued liabilities	**143,827**	(36,529)
Cash used in operating activities	**(1,592,418)**	(1,542,738)
Investing activities:		
Mineral property additions (Note 4)	**(594)**	(207,789)
Cash used in investing activities	**(594)**	(207,789)
Financing activities:		
Proceeds from issuance of common shares, net of cash issuance costs	**-**	13,141,813
Cash provided by financing activities	**-**	13,141,813
Effect of foreign exchange rate changes on cash	**(2,601)**	(6,844)
(Decrease) increase in cash	**(1,595,613)**	11,384,442
Cash, beginning of the period	**2,589,858**	2,729,338
Cash, end of the period	$ **994,245**	$ 14,113,780

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

1. Business Overview

(a) Corporate information

Tier One Silver Inc. (the “Company” or “Tier One”) was incorporated under the British Columbia Business Corporations Act and is listed on the TSX Venture exchange. The Company’s common shares trade under the symbol TSLV in Canada and on the OTCQB Venture Market under the US symbol TSLVF. Tier One’s head office and principal address is located at 1177 West Hastings Street, Suite 1630, Vancouver, British Columbia, Canada, V6E 2K3.

The Company is principally engaged in the acquisition and exploration of mineral property interests with a focus on Peru.

(b) Nature of operations

The Company’s primary assets are the 100% owned Curibaya property in southern Peru, which was originally staked by the Company in 2015 and has since been expanded through a combination of acquisitions and additional staking, and the Hurricane Silver project in southern Peru which the Company has the option to acquire (Note 4(ii)).

The Company has not yet determined whether its properties contain mineral reserves where extraction is both technically feasible and commercially viable. Tier One operates in one reportable operating segment, being the acquisition and exploration of mineral resource properties in Peru.

As a normal part of the exploration process, Tier One seeks to establish access and use agreements with local communities surrounding its projects. The process of securing such agreements requires achieving local community consensus and can be challenging; however, positive dialogue continues with the communities and management believes that agreements will continue to be maintained and updated, although there can be no certainty at this time about their timing or extent. The Company continues to actively engage with the local communities surrounding its projects and has obtained access rights through community agreements to complete work at both the Curibaya and Hurricane Silver projects.

(c) Going Concern

As at March 31, 2022, the Company had net working capital of $564,078 and incurred a loss of $2,079,555 for the three months then ended. The Company has no operating revenue to date and no operating revenue to support its activities. With no source of operating cash flow, there is no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. Although the Company has had success raising capital in the past, and on May 20, 2022, announced a non-brokered private placement for gross proceeds of $3.0 million (Note 11), the ability to continue as a going concern remains dependent upon its continued ability to obtain the financing necessary to fund its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. These conditions create a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

These 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.

These condensed consolidated interim financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

(d) Ongoing response to COVID-19

The situation in Canada and Peru with respect to the management of COVID-19 remains fluid and permitted activities are subject to change; the Company is continually monitoring the situation along with government guidelines and allowing work to be undertaken as long as it is confident that its employees and communities are safe to do so. The Company did not experience any significant disruptions in its operations as a result of the pandemic during the first quarter of 2022.

2. Basis of presentation

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's audited consolidated financial statements for the year ended December 31, 2021.

These condensed consolidated interim financial statements were approved and authorized for issuance on May 27, 2022, by the Board of Directors.

(b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis.

(c) Basis of consolidation

Subsidiaries are consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company's returns. These condensed consolidated interim financial statements reflect adjustments in all historical periods as if the subsidiaries had always been controlled by the Company.

The consolidated financial statements include the financial statements of the Company and its subsidiaries (the "Peruvian Subsidiaries") as follows:

Subsidiary	**Place of incorporation**	**Functional Currency**	**Beneficial Interest**
Corisur Peru, S.A.C.	Peru	USD	100%
Magma Minerals, S.A.C.	Peru	USD	100%

Intercompany balances and transactions have been eliminated on consolidation.

(d) Functional and presentation currency

The Company's functional and presentation currency is the Canadian dollar. These condensed consolidated interim financial statements are presented in Canadian dollars, unless otherwise noted. Amounts denominated in US dollars are denoted as US$.

Unaudited (Expressed in Canadian dollars)

(e) Critical accounting judgments and estimates

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the condensed consolidated interim financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The Company's critical accounting judgments and estimates were presented in Note 2 of the audited annual consolidated financial statements for the year ended December 31, 2021 and have been consistently applied in the preparation of these condensed consolidated interim financial statements. No new estimates and judgments were applied for the period ended March 31, 2022.

3. Prepaid expenses and deposits

		March 31, 2022		December 31, 2021
Prepaid expenses and deposits related to:				
Community and surface agreements	**$**	**180,590**	$	198,079
Exploration and evaluation		**29,027**		71,721
General, administration, and other		**586,722**		594,810
Total prepaid expenses and deposits	**$**	**796,339**	$	864,610
Current portion		**733,508**		764,328
Non-current portion	**$**	**62,831**	$	100,282

The non-current portion of prepaid expenses and deposits relates to community and surface agreements entered in relation to the Corisur claims (previously referred to as the Huilacollo project) and the Curibaya project. Despite the termination of the Huilacollo option agreement, the Company retains the rights under the community and surface agreement which expires in 2024. The Company's surface rights agreement with the local community at the Curibaya project is in place until 2023.

As at March 31, 2022, general, administration and other prepaid expenses and deposits primarily related to amounts advanced to Universal Mineral Services Ltd. ("UMS Canada") and Universal Mineral Services Peru S.A.C. ("UMS Peru") as disclosed in Note 7.

4. Mineral property interests

A continuity of the Company's mineral property interests is as follows:

		Curibaya		Hurricane		Corisur		Other		Total
Balance as at December 31, 2020	$	986,711	$	-	$	2,535,019	$	166,179	$	3,687,909
Mineral property additions		29,402		235,267		4,190		346,734		615,593
Mineral property impairment		-		-		(1,689,719)		(351,718)		(2,041,437)
Recognition of provision for site reclamation and closure		313,312		-		-		-		313,312
Currency translation adjustment		(7,374)		349		(19,726)		(2,195)		(28,946)
Balance as at December 31, 2021	$	1,322,051	$	235,616	$	829,764	$	159,000	$	2,546,431
Mineral property additions		**-**		**196**		**-**		**398**		**594**
Currency translation adjustment		**(11,535)**		**(470)**		**(11,911)**		**(2,289)**		**(26,205)**
Balance as at March 31, 2022	**$**	**1,310,516**	**$**	**235,342**	**$**	**817,853**	**$**	**157,109**	**$**	**2,520,820**

The Company's projects, located in southern Peru, are outlined below:

i) Curibaya

Curibaya is a wholly-owned project that covers approximately 17,000 hectares ("ha") in southern Peru located 48 kilometres ("km") from the provincial capital, Tacna.

The Company incurred $627,194 of exploration and evaluation costs on Curibaya during the three months ended March 31, 2022 ($244,573 during the three months ended March 31, 2021).

ii) Hurricane Silver

On April 28, 2021, the Company entered into a share purchase option agreement (the "Pembrook Option") with Pembrook Copper Corp. ("Pembrook") to acquire Pembrook's Peruvian subsidiary, Compañia Minera Tororume S.A.C. ("Tororume") which owns the Hurricane Silver project located approximately 66 km north of the city of Cusco in southeastern Peru. In addition to the 25,640 ha acquired under the Pembrook Option, the Company staked additional concessions expanding the Hurricane Silver project area to approximately 32,000 ha.

Under the terms of the Pembrook Option, Tier One has the option to acquire 90% or 100% of the shares of Tororume by making certain payments to Pembrook and by incurring certain amounts of exploration work on the project within the five-year period measured from a defined Access Date being the date by which the Company has secured the necessary surface rights and governmental permits ("Rights and Permits") to commence diamond drilling. If after using reasonable efforts to obtain the Rights and Permits for at least 12 months (from April 28, 2021), the Company still has not secured the needed Rights and Permits, it may then terminate the option anytime during the next six months without obligation. If it does not terminate by the end of the 18th month (being October 2022), then the Company is thereupon obligated to incur the first year of work expenditures in the table below (or pay them to Pembrook in lieu) even if it has not yet obtained the Rights and Permits. As at March 31, 2022, the Company has secured surface rights with two communities but not yet obtained the governmental permits.

The following table outlines the required option payments (which the Company can choose to make in cash or Tier One shares subject to any required stock exchange approvals) and the work expenditures required over the five year option period (starting from the Access Date).

Due Dates	Status	Option Payments (in '000 US$)	Work Expenditure (in '000 US$)
By April 28, 2021	Completed	84	-
1st Anniversary of Access Date		250	750
2nd Anniversary of Access Date		350	1,000
3rd Anniversary of Access Date		500	2,000
4th Anniversary of Access Date		1,000	3,000
5th Anniversary of Access Date		2,500	4,000
Total to acquire 90%		**4,684**	**10,750**
Payment to acquire final 10%		10,000	-
Total to acquire 100%		**14,684**	**10,750**

Under the Pembrook Option the Company assumes the obligation to carry all expenses until production and all exploration requirements cease once the option is exercised, which can be done at any time at Tier One's election.

The Company incurred $107,616 of exploration and evaluation costs on the Hurricane Silver project during the three months ended March 31, 2022 ($nil during the three months ended March 31, 2021) and as of March 31, 2022 a total of $279,603 (US$221,643) has been incurred in respect of the US$750,000 work expenditure required by the 1st Anniversary of the Access Date.

iii) Corisur Claims

On April 24, 2021, the Company gave notice to terminate its option to acquire the Huilacollo 1 & 2 concessions thus eliminating any further payments related thereto. As a result, during the three months ended March 31, 2021, the Company recorded an impairment of $1,689,719 against the full value of the mineral property interests related to these two concessions. Furthermore, the Company has recorded a provision of $166,197 (US$133,000) for final costs relating to the termination of the Huilacollo option agreement which is presented within the current portion of the provision for site reclamation and closure costs on the consolidated statement of financial position as at March 31, 2022.

As at March 31, 2022, the Company still holds the rights to certain neighbouring concessions, including the Tacora, Tacora Sur and Andamarca concessions, the costs of which remain on the consolidated statement of financial position within mineral property interest. These concessions are referred to as the Corisur claims and as they are located in the border zone, unconditional ownership can only be achieved in the future by obtaining a Supreme Decree. No assurance can be given with respect to the timing or certainty of receipt of a Supreme Decree.

The Company incurred $22,331 of exploration and evaluation costs on the Corisur claims during the three months ended March 31, 2022 ($28,936 during the three months ended March 31, 2021).

iv) Other

Coastal Batholith

Coastal Batholith is a wholly-owned project that covers approximately 41,000 ha on the coast of Peru. As the project was acquired through staking, there are no work expenditure requirements.

Exploration and Evaluation Costs

On its properties that are grouped as other, the Company incurred $54,391 of exploration and evaluation costs during the three months ended March 31, 2022 ($252,438 during the three months ended March 31, 2021).

5. Share capital

(a) Authorized

Unlimited common shares without par value

(b) Common share issuances

There were no common share issuances during the three months ended March 31, 2022.

On March 2, 2021, Tier One closed a non-brokered private placement for gross proceeds of $13,454,463 which consisted of 13,454,463 common shares priced at CAD$1.00 per share. Share issue costs related to the offering totaled $331,016, of which $312,650 were incurred as at March 31, 2021. A reconciliation of the impact of the offering on share capital is as follows:

Unaudited (Expressed in Canadian dollars)

	Number of common shares	Impact on share capital
Common shares issued at $1.00 per share	13,454,463	$ 13,454,463
Cash share issue costs	-	(331,016)
Proceeds net of share issue costs	**13,454,463**	**$ 13,123,447**

6. Share-based compensation

The Company maintains a rolling share option plan providing for the issuance of share options up to 10% of the Company's issued and outstanding common shares at the time of the grant. The Company may grant share options from time to time to its directors, officers, employees and other service providers. The share options typically vest as to 12½% every three months after the grant date, for a total vesting period of 24 months.

The continuity of the number of share options issued and outstanding is as follows:

	Number of share options	Weighted average exercise price
Outstanding, January 1, 2022	**7,970,000**	**$ 1.01**
Forfeited	**(496,875)**	**1.07**
Outstanding, March 31, 2022	**7,473,125**	**$ 1.01**

As at March 31, 2022, the number of share options outstanding and exercisable was:

	Outstanding			Exercisable		
Expiry date	Number of options	Exercise price	Remaining contractual life (years)	Number of options	Exercise price	Remaining contractual life (years)
April 8, 2026	7,123,125	$ 1.00	4.02	2,829,375	$ 1.00	4.02
April 29, 2026	200,000	1.00	4.08	75,000	1.00	4.08
June 22, 2026	150,000	1.44	4.23	71,875	1.44	4.23
	7,473,125	$ 1.01	4.03	2,976,250	$ 1.01	4.03

The Company uses the fair value method of accounting for all share-based payments to directors, officers, employees and other service providers. There were no share options granted during the three months ended March 31, 2022 (three months ended March 31, 2021: nil), however, 496,875 share options were forfeited and as a result, the Company has reversed the amount of share-based compensation previously recorded in relation to those forfeited share options.

During the three months ended March 31, 2022, the Company recognized share-based compensation expense net of forfeiture recovery as follows:

	March 31, 2022
Recognized in net loss:	
Included in exploration and evaluation	**$ (45,268)**
Included in fees, salaries and other employee benefits	**324,635**
Included in marketing and investor relations	**17,821**
Included in project investigation	**5,243**
	$ 302,431

Unaudited (Expressed in Canadian dollars)

The Company does not have any warrants issued and outstanding, however, Tier One has the obligation to issue up to 500,000 common shares upon the exercise of 337,813 common share purchase warrants of Fury Gold Mines, which expire September 12, 2022. In that event, Tier One will receive cash proceeds of $0.20 per common share issued.

7. Related party transactions and balances

All transactions with related parties have occurred in the normal course of operations. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

(a) Related party transactions

UMS Canada and UMS Peru

	Three months ended March 2022	2021
Exploration and evaluation	**$ 292,401**	$ 54,378
Fees, salaries and other employee benefits	**143,995**	86,302
Legal and professional fees	**15,655**	6,445
Marketing and investor relations	**383**	20,128
Office and administration	**70,498**	80,176
Project investigation	**5,543**	358
Regulatory and transfer agent	**51**	-
Total transactions for the period	**$ 528,526**	$ 247,787

UMS Canada

UMS Canada provides geological, financial, administrative and transactional services to four companies, including Tier One, on an ongoing, full-cost recovery basis. Sharing these services through UMS Canada, on an as needed basis, allows the Company to maintain a more efficient and cost-effective corporate cost structure by hiring fewer full-time employees and engaging outside professional advisory firms less frequently. The agreement has an indefinite term and can be terminated by either party upon providing 180 days' notice. UMS Canada is party to an office lease agreement with a term of ten years, for which certain rent expenses will be payable by the Company. As at March 31, 2022 the Company expects to incur approximately $1.2 million in respect of its share of future rent.

Throughout the year ended December 31, 2021, UMS Canada was owned by Ivan Bebek and Shawn Wallace who are directors of Tier One. On December 31, 2021, these two shareholders sold their shares in UMS Canada for nominal consideration and at the same time resigned as directors of UMS Canada. Steven Cook, who acquired the UMS Canada shares, is also a director of Tier One and on the date of transfer also took over as sole director of UMS Canada. On April 1, 2022, UMS Canada was restructured whereby Mr. Cook transferred his ownership equally to the four public companies which share its services, including Tier One, for nominal consideration. As a result, Tier One now has a 25% shareholding in its shared service company, UMS Canada.

UMS Peru

On April 1, 2021, UMS Peru S.A.C., a company incorporated by UMS Canada under Peruvian law, began providing administrative and geological services to the Peruvian Subsidiaries and the Peruvian subsidiaries of another exploration company (Coppernico Metals Inc. or "Coppernico"). In order to comply with Peruvian transfer pricing rules, UMS Peru charges its services at cost plus a markup of 5% for administrative services and 7% for geological services. On May 1, 2022, UMS Canada transferred its ownership of UMS Peru to be jointly owned 50% by the Company and 50% by Coppernico for nominal consideration.

Unaudited (Expressed in Canadian dollars)

(b) Related party balances

As at March 31, 2022, $67,361 (December 31, 2021 - $111,901) was included in accounts payable and $370,000 (December 31, 2021 - $419,553) in prepaid expenses and deposits relating to transactions with UMS Canada.

As at March 31, 2022, $116,458 (December 31, 2021 - $64,879) was included in accounts payable and $125,335 (December 31, 2021 - $ 64,879) in prepaid expenses and deposits relating to transactions with UMS Peru.

(c) Key management compensation

In addition to the transactions disclosed above, the Company provided the following compensation to key management members, being its five executives and six non-executive directors:

	Three months ended March 31,	
	2022	2021
Salary and benefits provided to executives	**$ 222,255**	$ 160,753
Fees paid to non-executive directors	**58,943**	53,305
Share-based compensation	**186,879**	-
	$ 468,077	$ 214,058

8. Financial instruments

The Company's financial instruments consist of cash, accounts receivable, deposits, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The following summarizes fair value hierarchy under which the Company's financial instruments are valued:

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

As at March 31, 2022 and December 31, 2021 there were no financial instruments measured at fair value.

The Company's financial instruments are exposed to credit risk, liquidity risk and market risk, which includes currency risk. As at March 31, 2022, the primary risks were as follows:

(a) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's primary source of liquidity is equity. The funds are primarily used to finance working capital and to make certain annual payments to ensure that all the Company's mineral properties remain in good standing. As at March 31, 2022, US$292,741 has been recorded within accounts payable related to concession holding fees which are due in June 2022. The Company has working capital of $564,078 (December 31, 2021 - $2,295,439) and cash of $994,245 (December 31, 2021 - $2,589,858), which is entirely unrestricted.

Unaudited (Expressed in Canadian dollars)

(b) Market risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Significant market risk to which the Company is exposed is as follows:

i. Currency risk

The Company is exposed to currency risk by having balances and transactions in currencies that are different from its functional currency (the functional currency of each of Corisur and Magma is the US dollar). As at March 31, 2022 and December 31, 2021, the Company's foreign currency exposure relates primarily to cash, and accounts payable and accrued liabilities that are in either US dollars or Peruvian soles.

The currency risk exposure for financial instruments denominated in foreign currencies is as follows:

	March 31, 2022	December 31, 2021
Financial assets	**$ 9,178**	$ 64,987
Financial liabilities	**(34,119)**	(66,652)
Net exposure	**$ (24,941)**	$ (1,665)

A 10% increase or decrease in either the US dollar or Peruvian soles exchange rate would not have a material impact on the Company's net loss.

9. Segmented information

The Company operates as one operating segment, being the acquisition and exploration of mineral resource properties.

Tier One was not subjected to restrictions on its cash as at March 31, 2022, and December 31, 2021.

10. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition and exploration of resource properties, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The capital of the Company is determined as follows:

	March 31, 2022	December 31, 2021
Equity	**$ 3,005,621**	$ 4,802,008
Less cash	**(994,245)**	(2,589,858)
	$ 2,011,376	$ 2,212,150

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares or debt, acquire or dispose of assets or adjust the amount of cash and investments.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends, does not have any long-term debt and is not subject to any externally imposed capital requirements.

On May 20, 2022, the Company announced a non-brokered private placement for gross proceeds of up to $3.0 million (Note 11) which provides the Company with sufficient working capital to meet its ongoing current obligations as they become due. The Company will require additional capital in the future to meet its company objectives, being the acquisition and exploration of mineral properties. Future liquidity will depend upon the Company's ability to arrange additional debt or equity financing, as the Company relies on equity financings to fund its exploration and corporate activities.

11. Subsequent event

On April 12, 2022, the Company announced a marketed public offering which was subsequently terminated on May 4, 2022, due to market conditions.

On May 20, 2022, the Company announced a non-brokered private placement for up to $3.0 million from the sale of 6,666,667 units at a price of $0.45 per unit. Each unit will consist of one common share and one common share purchase warrant exercisable at a price of $0.75 until the date that is three years from the closing date of the placement, targeted for May 30, 2022. The warrants are subject to accelerated expiry if the closing price of the common shares of the Company is greater than $1.50 for 10 consecutive trading days on the TSX Venture Exchange any time after the first 12 months from the closing date. The placement is subject to receipt of executed subscription agreements and funds as well as customary closing conditions, including conditional approval from the TSXV.