



(FORMERLY FABLED COPPER AND GOLD CORP.)

CONDENSED INTERIM FINANCIAL STATEMENTS

**FOR THE SIX MONTHS ENDED JUNE 30, 2022
(UNAUDITED)**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

The accompanying unaudited interim financial statements of Fabled Copper Corp. for the six months ended June 30, 2022 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

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Fabled Copper Corp.

Condensed Interim Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at Note(s)	June 30, 2022 \$	December 31, 2021 \$
ASSETS			
Current assets			
Cash		1,319,346	3,604,211
Amounts receivable		35,700	28,438
Prepaid expenses		366,709	301,817
		1,721,755	3,934,466
Non-current assets			
Exploration and evaluation assets	3	3,160,557	2,657,569
TOTAL ASSETS		4,882,312	6,592,035
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		325,011	183,905
Due to related party	6	50,286	154,365
Loan payable	4	-	554,353
Flow through shares premium liability	7	247,087	302,748
TOTAL LIABILITIES		622,384	1,195,371
SHAREHOLDERS' EQUITY			
Share capital	5	7,502,453	7,502,453
Warrants reserve	5	333,155	333,155
Stock options reserve	5	456,930	456,930
Other reserves	5	167,424	167,424
Additional paid-in capital		7,664,252	7,664,252
Deficit		(11,864,286)	(10,727,550)
TOTAL SHAREHOLDERS' EQUITY		4,259,928	5,396,664
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,882,312	6,592,035
Corporate information and continuance of operations	1		
Commitments	7		
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These unaudited condensed interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Luc Pelchat Director

/s/ David W. Smalley Director

Fabled Copper Corp.

Condensed 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, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		\$	\$	\$	\$
Expenses					
Consulting fees		17,866	-	17,866	-
Management and directors' fees	6	30,000	7,500	165,000	15,000
Evaluation and exploration costs	3	256,148	35,954	336,968	35,954
Foreign exchange loss		1,278	-	3,719	-
General and administrative expenses		6,565	737	19,089	1,403
Investor relations and promotion	7	210,751	6,299	426,469	6,299
Professional fees	6	64,584	52,189	153,039	72,607
Regulatory and filing fees		11,206	571	74,561	571
Share-based payments		-	33,556	-	45,265
		(598,398)	(136,806)	(1,196,711)	(177,099)
Other income					
Other income	7	42,191	-	55,661	-
Recovery of impairment loss of mineral properties		-	2,204,913	-	2,204,913
Interest income		2,021	-	4,314	-
		44,212	2,204,913	59,975	2,204,913
Total loss and comprehensive loss		(554,186)	2,068,107	(1,136,736)	2,027,814
Basic and diluted loss per share for the period attributable to common shareholders (\$ per common share)		(0.00)	0.05	(0.01)	0.05
Weighted average number of common shares outstanding		173,651,734	41,706,701	173,651,734	41,706,701
- basic and diluted					

See accompanying notes to these financial statements.

Fabled Copper Corp.

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

(Expressed in Canadian Dollars)

	Share capital		Net parent investment	Stock options reserve	Warrants reserve	Other reserves	Additional paid-in capital	Deficit	Total
	Number of shares	Amount							
Note(s)		\$	\$	\$	\$	\$	\$	\$	\$
Balance at December 31, 2020	173,651,734	7,502,453	-	456,930	333,155	167,424	7,664,252	(10,727,550)	5,396,664
Loss for the period	-	-	-	-	-	-	-	(1,136,736)	(1,136,736)
Balance at June 30, 2022	173,651,734	7,502,453	-	456,930	333,155	167,424	7,664,252	(11,864,286)	4,259,928
Balance at December 31, 2020	-	-	10,590,579	-	-	-	-	(10,593,654)	(3,075)
Total funding provided by Fabled Silver Gold Corp.	-	-	621,828	-	-	-	-	-	621,828
Share-based payments	-	-	45,265	-	-	-	-	-	45,265
Loss for the period	-	-	-	-	-	-	-	2,027,814	2,027,814
Balance at June 30, 2021	-	-	11,257,672	-	-	-	-	(8,565,840)	2,691,832

See accompanying notes to these financial statements.

Fabled Copper Corp.

Condensed Interim Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the six months ended	
		June 30, 2022	June 30, 2021
		\$	\$
Cash flow provided from (used by)			
OPERATING ACTIVITIES			
Net loss for the period		(1,136,736)	2,027,814
<i>Adjustments for items not affecting cash:</i>			
Share-based payments		-	45,265
Other income	7	(55,661)	-
Recovery of impairment loss on exploration and evaluation assets		-	(2,204,913)
Change in non-cash working capital			
Amounts receivable		(7,262)	(930)
Prepaid expenses		(64,892)	(289,510)
Accounts payable and accrued liabilities		141,106	12,002
Due to related party		(104,079)	-
Cash flow used in operating activities		(1,227,524)	(410,272)
INVESTING ACTIVITIES			
Acquisition costs on exploration and evaluation assets	3	(502,988)	(200,000)
Cash flow used in investing activities		(502,988)	(200,000)
FINANCING ACTIVITIES			
Repayment of note payable		-	(5,000)
Funding provided by Fabled Silver Gold Corp.		-	621,828
Repayment to Fabled Copper Corp.	4	(554,353)	-
Cash flow from (used in) financing activities		(554,353)	616,828
Increase (decrease) in cash		(2,284,865)	6,556
Cash, beginning of period		3,604,211	277
Cash, end of period		1,319,346	6,833
SUPPLEMENTAL CASH FLOW			
Cash paid during the period for interest		-	-
Cash paid during the period for income taxes		-	-

See accompanying notes to these financial statements.

Fabled Copper Corp.

Notes to the Financial Statements

For the Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Fabled Copper Corp. (formerly Fabled Copper and Gold Corp.) (the “Company” or “Fabled Copper”) was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on April 27, 2016. The Company is an exploration stage company that is engaged directly in the acquisition and exploration of exploration and evaluation of mining properties in Canada. The address of the Company’s registered and records office is 480 – 1500 West Georgia Street, Vancouver, BC V6G 2Z6, Canada.

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

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

The Company was listed on the Canadian Securities Exchange (the “Exchange”) under the symbol “FABL” on the Closing Date and has been listed on the Frankfurt Stock Exchange under the symbol “XZ7” since February 2, 2022.

These unaudited condensed 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, 2022, the Company had working capital of \$1,099,371 (December 31, 2021– \$2,739,095), 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 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.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

The unaudited condensed consolidated interim financial statements of the Company for the six months ended June 30, 2022 were approved by the Board of Directors on August 26, 2022.

Fabled Copper Corp.

Notes to the Financial Statements
For the Six Months Ended June 30, 2022
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These unaudited condensed 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 presentation

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2021.

New accounting standards

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2022. The Company does not expect that any new or amended standards or interpretations that are effective for annual periods beginning on or after January 1, 2022 will have a significant impact on the Company’s results of operations or financial position.

3. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets as of June 30, 2022

	\$
Balance as at December 31, 2021	2,657,569
Acquisition costs	
- cash	500,000
Staking costs	2,988
Balance as at June 30, 2022	3,160,557

Exploration and evaluation costs incurred by the Company during the six months ended June 30, 2022

	\$
Drilling	3,411
Field	211,387
Field technicians	53,271
Geological	64,785
Sample analysis	4,114
	336,968

The Company is engaged in the business of exploration and development of mineral projects. The Company has the rights to acquire and explore the “Muskwa Project” (comprised of the Neil Property (comprised of the Neil Ram/Creek Property, Ribbon Property and ChurchKey Property), and the Toro Property) and the non-material Bronson Property, each of which is located in the Liard Mining Division in northern British Columbia.

Fabled Copper Corp.

Notes to the Financial Statements

For the Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Muskwa Project

The Company is currently a party to an option agreement (“MP Option Agreement”) with High Range Exploration Ltd. (the “MP Optionor”).

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

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

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

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

The Company owns a 100% interest in the Ribbon Property which forms part of the Muskwa Project and was previously acquired from the MP Optionor.

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

ChurchKey Property

On August 6, 2019, and amended October 15, 2019, June 5, 2021, April 14, 2022 and August 23, 2022, the Company entered into an option agreement (the “CP Option Agreement”) with ChurchKey Mines Inc. (“ChurchKey”) and the legal owners (collectively with ChurchKey the “CP Vendors”) to acquire 100% interest of the ChurchKey Property (the “CP Option”).

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

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

(1) Subsequent to June 30, the Company agreed an amendment with the CP Vendors such that the \$300,000 cash payment previously due on August 6, 2022 would now be due on November 6, 2022.

Fabled Copper Corp.

Notes to the Financial Statements

For the Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Muskwa Project (continued)

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

The CP Option Agreement was amended on October 15, 2019, June 5, 2021, and April 14, 2022 to add additional claims staked by the CP Vendors to the ChurchKey Property. No additional consideration is due pursuant to these amendments.

4. LOAN PAYABLE

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

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

During the six months ended June 30, 2022, the Company made a repayment of \$554,353.

As of June 30, 2022, the balance of the loan payable was \$nil (December 31, 2021 – 554,353).

5. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At June 30, 2022, the Company had 173,651,734 (December 31, 2021 – 173,651,734) common shares issued and outstanding.

During the six months ended June 30, 2022 and 2021, no share capital transactions occurred.

Fabled Copper Corp.

Notes to the Financial Statements
For the Six Months Ended June 30, 2022
(Expressed in Canadian Dollars)

5. SHARE CAPITAL (CONTINUED)

Warrants

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

The following summarizes information about warrants outstanding as of June 30, 2022:

<u>Expiry date</u>	<u>Exercise price (\$)</u>	<u>Warrants outstanding</u>	<u>Estimated grant date fair value (\$)</u>	<u>Weighted average remaining contractual life (in years)</u>
December 21, 2023	0.05	9,774,386	333,155	1.48
December 21, 2023	0.10	131,945,033	-	1.48
		141,719,419	333,155	1.48

Stock options

The Company maintains a Stock Option Plan (the "Plan") under which it is authorized to grant stock options to 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 common shares on the date of the grant.

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

During the six months ended June 30, 2022, no share-based payments expense was recognized (June 30, 2021 – \$45,265 share-based payments expense was allocated from Fabled Silver).

The following summarizes information about stock options outstanding and exercisable as at June 30, 2022:

<u>Expiry date</u>	<u>Exercise price (\$)</u>	<u>Options outstanding</u>	<u>Options exercisable</u>	<u>Estimated grant date fair value (\$)</u>	<u>Weighted average remaining contractual life (in years)</u>
December 21, 2031	0.10	8,450,000	8,450,000	456,930	9.48

Other reserves

Pursuant to the terms of the Arrangement, the Company is obliged to issue one-fifth of one common share of the Company in respect of each Fabled Silver's warrant ("Silver Warrant") exercised. Fabled Silver will pay \$0.01 to the Company for each Silver Warrant exercised.

As of June 30, 2022, 39,059,000 Silver Warrants were issued and outstanding (December 31, 2021, 39,059,000). The Silver Warrants will expire on December 4, 2022. In any circumstances, if all Silver Warrants are exercised, the Company is obligated to issue 7,811,800 common shares.

Fabled Copper Corp.

Notes to the Financial Statements

For the Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

6. 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.

Total compensation of key company personnel for the six months ended June 30, 2022 and 2021 is as follows:

	For the six months ended	
	June 30, 2022	June 30, 2021
	\$	\$
Management and directors' fees	165,000	-
Professional fees ^{(1) (2)}	88,072	-
	253,072	-

(1) During the six months ended June 30, 2022, the Company incurred \$60,000 (June 30, 2021 – \$nil) in professional fees from an accounting firm owned whose senior manage is the Chief Financial Officer of the Company.

(2) During the six months ended June 30, 2022, the Company incurred \$28,072 (June 30, 2021 – \$nil) in professional legal fees from a private company owned by a director of the Company.

The balances due to the Company's directors and officer were \$50,286 as at June 30, 2022 (December 31, 2021 – \$154,365) which were paid subsequent to June 30, 2022.

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

7. COMMITMENTS

Flow through shares premium liability

The Company periodically issues flow-through shares with any resulting flow-through premium recorded as a flow-through share premium liability. The liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of the flow-through premium is recorded as other income.

During the year ended December 31, 2021, the Company issued 30,274,833 flow-through shares. Based on Canadian tax law, the Company is required to spend the proceeds from the issuance of the flow-through shares on eligible exploration expenditures within two calendar years from the date of issuance. If the Company is unable to meet this deadline, it will be subject to Part XII.6 taxes in accordance with the Canadian Income Tax Act.

Fabled Copper Corp.

Notes to the Financial Statements
For the Six Months Ended June 30, 2022
(Expressed in Canadian Dollars)

7. COMMITMENTS (CONTINUED)

Flow through shares premium liability (continued)

A continuity of the flow-through share premium liability during the six months ended June 30, 2022 is follows:

	\$
Balance, beginning of the period	302,748
Liability incurred on flow-through shares issued	
Settlement on expenditures made recorded as other income	(55,661)
Balance, end of period	247,087

Agora Internet Relations Corp. ("AGORA")

On November 15, 2021, the Company entered into a service agreement (the "Service Agreement") with AGORA for online advertising, marketing and branding services. Pursuant to the terms of the Service Agreement, the Company will pay AGORA a total fee of \$80,000 plus applicable taxes, to be paid by way of common shares as follows:

- \$20,000 plus tax on January 1, 2022; ⁽¹⁾
- \$15,000 plus tax on March 31, 2022; ⁽¹⁾
- \$15,000 plus tax on June 30, 2022; ⁽¹⁾
- \$15,000 plus tax on September 30, 2022; and
- \$15,000 plus tax on December 31, 2022.

(1) During the six months ended June 30, 2022, no shares were issued pursuant to the Service Agreement. The Company accrued \$50,000 in investor relations and promotion in the statement of loss and comprehensive loss during the six months ended June 30, 2022. These amounts were included in accounts payables and accrued liabilities as of June 30, 2022.

Machai Capital Inc. ("Machai")

On January 5, 2022, the Company entered into a digital awareness services agreement (the "Machai Agreement") with Machai Capital Inc. ("Machai") pursuant to which Machai will provide certain digital awareness services (including branding and content and data optimization) in compliance with the policies and guidelines of the CSE and other applicable legislation. The engagement is effective January 5, 2021, and has an initial term of six months. Thereafter, the engagement will automatically renew for another six-month term if not cancelled within 15 days after the expiry of the first 6-month period. Under the terms of the Machai Agreement, Machai will receive \$50,000 in cash for each 6-month term, plus applicable taxes.

8. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of exploration and evaluation assets. All of the Company's equipment and exploration and evaluation assets are located in Canada.

Fabled Copper Corp.

Notes to the Financial Statements

For the Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

9. 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, 2022.

The Company is dependent on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and share purchase warrants. Changes in the equity accounts of the Company are disclosed in the statements of changes in shareholders' equity. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. Any issuance of common shares requires approval of the Board of Directors.

The Company anticipates continuing to access equity markets to fund the acquisition and exploration of exploration and evaluation assets and to ensure the future growth of the business.

The Company is not subject to any externally imposed capital restrictions

10. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities, due to related party, loan payable and note payable 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, 2022 and December 31, 2021, the financial instrument recorded at fair value on the consolidated statement of financial position is cash which is measured using Level 1 of the fair value hierarchy.

Fabled Copper Corp.

Notes to the Financial Statements

For the Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

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

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

June 30, 2022		FVTPL \$	Amortized costs \$	FVTOCI \$
ASSETS				
Cash	1,319,346	1,319,346	-	-
Amounts receivable	35,700	-	35,700	-
LIABILITIES				
Accounts payable and accrued liabilities	325,011	-	325,011	-
Due to related party	50,286	-	50,286	-

December 31, 2021		FVTPL \$	Amortized costs \$	FVTOCI \$
ASSETS				
Cash	3,604,211	3,604,211	-	-
Amounts receivable	28,438	-	28,438	-
LIABILITIES				
Accounts payable and accrued liabilities	183,905	-	183,905	-
Due to related party	154,365	-	154,365	-
Loan payable	554,353	-	554,353	-
Note payable	-	-	-	-

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

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, 2022, the Company had accounts payable and accrued liabilities and due to related party of \$325,011 and \$50,286, respectively. All of these amounts are current.

Fabled Copper Corp.

Notes to the Financial Statements

For the Six Months Ended June 30, 2022

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

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 loan payable and due to related party balances.

- Currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. As of June 30, 2022, the Company is not exposed to significant currency risk as the majority of the transactions and balances are denominated in Canadian dollars.

- 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.