

**PAN AMERICAN ENERGY CORP.**  
*(FORMERLY GOLDEN SUN MINING CORP.)*

*In Canadian Dollars, unless noted.*

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2022 & 2021**  
**(Unaudited)**

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**Pan American Energy Corp. (Formally Golden Sun Mining Corp.)**  
**Condensed Consolidated Interim Statements of Financial Position**

As at September 30, 2022 and March 31, 2022

In Canadian Dollars, unless noted (unaudited)

As at	Notes	September 30, 2022	March 31, 2022
		\$	\$
<b>ASSETS</b>			
Cash		334,903	1,310,469
Accounts receivable		39,443	-
Prepaid expenses	4	414,203	-
Promissory note receivable	5	-	151,397
<b>TOTAL CURRENT ASSETS</b>		<b>788,549</b>	<b>1,461,866</b>
Exploration and evaluation assets	6, 8	540,445	-
<b>TOTAL ASSETS</b>		<b>1,328,994</b>	<b>1,461,866</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities		568,129	119,210
Loan payable	7	163,033	-
<b>TOTAL LIABILITIES</b>		<b>731,162</b>	<b>119,210</b>
<b>EQUITY (DEFICIENCY)</b>			
Share capital	8	2,643,590	1,500,001
Share subscription	8	215,000	-
Reserves	8	501,266	-
Deficit		(2,762,024)	(157,345)
<b>TOTAL EQUITY (DEFICIENCY)</b>		<b>597,832</b>	<b>1,342,656</b>
<b>TOTAL LIABILITIES AND EQUITY (DEFICIENCY)</b>		<b>1,328,994</b>	<b>1,461,866</b>

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

*Going concern (Note 2), Commitments (Note 10) and Subsequent events (Note 12)*

Approved on behalf of the Board of Directors on November 25, 2022:

"Jason Latkowcer", Director

"Sean Kingsley", Director

**Pan American Energy Corp. (Formally Golden Sun Mining Corp.)****Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**

For the Three and Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

	Notes	Three Months Ended September 30, 2022	Six Months Ended September 30, 2022
		\$	\$
<b>EXPENSES</b>			
Advertising and marketing		22,000	22,000
Consulting fees	9	84,000	191,000
Filing fees		24,660	72,109
Office and miscellaneous		11,661	18,258
Professional fees		32,729	72,530
Share-based compensation	8,9	486,486	490,477
<b>OPERATING EXPENSES</b>		<b>(661,536)</b>	<b>(866,374)</b>
<b>OTHER EXPENSES</b>			
Interest expense		(2,442)	(2,442)
Listing expense	1	-	(1,430,919)
Loss on debt settlement	8	-	(304,944)
<b>NET AND COMPREHENSIVE LOSS</b>		<b>(663,978)</b>	<b>(2,604,679)</b>
Loss per share, basic and diluted		(0.03)	(0.11)
Weighted average number of common shares outstanding – Basic and diluted		25,502,206	23,755,627

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

**Pan American Energy Corp. (Formally Golden Sun Mining Corp.)**  
**Condensed Consolidated Interim Statements of Changes in Equity (Deficiency)**

For the Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

	Common Shares	Share Capital	Share Subscription	Reserves	Deficit	Total Equity (Deficiency)
	Number (#)	\$	\$	\$	\$	\$
<b>Incorporation, October 12, 2021</b>	-	-	-	-	-	-
Incorporation shares	100	1	-	-	-	1
Shares issued - private placements	20,000,000	1,500,000	-	-	-	1,500,000
Net and comprehensive loss for the period	-	-	-	-	(157,345)	(157,345)
<b>Balance, March 31, 2022</b>	<b>20,000,100</b>	<b>1,500,001</b>	<b>-</b>	<b>-</b>	<b>(157,345)</b>	<b>1,342,656</b>
<b>Balance, March 31, 2022</b>	20,000,100	1,500,001	-	-	(157,345)	1,342,656
Shares issued - Corporate Transaction (Note 1)	4,099,366	409,937	-	-	-	409,937
Shares issued - settlement of indebtedness (Note 8)	1,270,600	533,652	-	-	-	533,652
Shares issued - Big Mack Lithium Property (Note 5)	392,156	200,000	-	-	-	200,000
Share subscriptions received (Note 12)	-	-	215,000	-	-	215,000
Vesting of options and restricted share rights (Note 8)	-	-	-	501,266	-	501,266
Net loss and comprehensive loss for the period	-	-	-	-	(2,604,679)	(2,604,679)
<b>Balance, September 30, 2022</b>	<b>25,762,222</b>	<b>2,643,590</b>	<b>215,000</b>	<b>501,266</b>	<b>(2,762,024)</b>	<b>597,832</b>

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

# Pan American Energy Corp. (Formally Golden Sun Mining Corp.)

## Condensed Consolidated Interim Statement of Cash Flows

For the Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

<b>For the Six Months Ended September 30, 2022</b>	<b>2022</b>
	<b>\$</b>
<b>OPERATING ACTIVITIES</b>	
<b>Net loss for the period</b>	<b>(2,604,679)</b>
Items not affecting cash	
Listing expense (Note 1)	1,430,919
Loss on debt settlement (Note 8)	304,944
Share-based compensation (Note 8)	490,477
<b>Net changes in non-cash working capital items:</b>	
Accounts receivable	(15,284)
Prepaid expenses	(404,100)
Accounts payable and accrued liabilities	(409,431)
<b>Cash used in operating activities</b>	<b>(1,207,154)</b>
<b>INVESTING ACTIVITIES</b>	
Property option agreement payment - Big Mack (Note 6)	(80,000)
Exploration and evaluation expenditures (Note 6)	(82,214)
Cash acquired through reverse takeover (Note 1)	27,405
<b>Cash used in investing activities</b>	<b>(134,809)</b>
<b>FINANCING ACTIVITIES</b>	
Share subscriptions (Note 12)	215,000
Net change in pre-acquisition loan receivable from acquiree (Note 1)	151,397
<b>Cash received from financing activities</b>	<b>366,397</b>
Net change in cash	(975,566)
Cash, beginning of period	1,310,469
<b>Cash, end of period</b>	<b>334,903</b>

*No cash interest nor income taxes paid during the six months ended September 30, 2022.*

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

# **Pan American Energy Corp. (Formally Golden Sun Mining Corp.)**

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

For the Three and Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

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### **1. NATURE OF OPERATIONS**

#### **a. Corporate information**

Pan American Energy Corp. (formerly “Golden Sun Mining Corp.”) (the “Company”) was incorporated under the laws of British Columbia on March 14, 2007. The Company's corporate office and principal place of business is 521 3<sup>rd</sup> Avenue SW, Suite 100, Calgary, Alberta T2P 3T3.

On May 5, 2022, the Company entered into a share purchase agreement (the “Agreement”) with 1328012 B.C. Ltd. (“Numberco”). Pursuant to the terms of the Agreement, the Company acquired all of the outstanding securities of Numberco in exchange for securities of the Company. The shareholders of Numberco received securities of the Company such that they collectively control the Company subsequent to the completion of the transaction. The transaction constitutes a reverse acquisition of the Company by Numberco for accounting purposes. Consequently, the comparative figures reported are those of Numberco.

Numberco was incorporated under the laws of the Business Corporations Act (British Columbia) on October 12, 2021, and as such, there are no comparative periods for presentation in the condensed consolidated interim statements of loss and comprehensive loss and statement of cash flows.

On May 19, 2022, the Company listed its common shares on the Canadian Securities Exchange (the “CSE”) under the symbol “GSU”. On June 29, 2022, the Company changed its name to “Pan American Energy Corp.” from “Golden Sun Mining Corp.” and began trading under the symbol “PNRG”.

The Company is Canadian corporation that is in the business of exploration and evaluation of mineral properties.

These condensed consolidated interim financial statements (the “financial statements”) were approved by the Board of Directors on November 25, 2022.

#### **b. Corporate Transaction**

On May 5, 2022, the Company entered into the Agreement with Numberco, pursuant to which the Company acquired 100% of the issued and outstanding securities of Numberco in exchange for 20,000,100 common shares and 20,000,000 share purchase warrants of the Company. As a result of the Agreement, securityholders of Numberco hold 20,000,100 common shares of the Company representing 82.99 percent and securityholders of the Company hold 4,099,366 common shares representing 17.01 percent of the Company. The securityholders of Numberco, therefore, controlled the Company upon completion of the Agreement. The transaction was accounted for as a reverse acquisition, with Numberco identified as the acquirer. The acquisition was completed on May 19, 2022.

The fair value of the consideration was determined based on 4,099,366 common shares issued at the price of \$0.10 per share, which corresponds to the price of the most recent financing closed totaling \$409,937.

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# Pan American Energy Corp. (Formally Golden Sun Mining Corp.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

The purchase price allocation at the acquisition date was:

	\$
<b>Net assets acquired</b>	
Cash	27,405
Accounts receivable	24,159
Prepaid expenses	10,103
Exploration and evaluation assets	167,422
Accounts payable and accrued liabilities	(940,900)
Promissory note payable	(150,000)
Loan payable	(159,171)
Listing expense <sup>(1)</sup>	1,430,919
<b>Net assets acquired</b>	<b>409,937</b>
<b>Consideration</b>	
<b>Fair value of 4,099,366 shares issued</b>	<b>409,937</b>

(1) The transaction costs, primarily relating to the acquired public exchange listing, were expensed.

## 2. GOING CONCERN

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company did not generate cash flow from operations to fund its exploration activities and has therefore relied upon the issuance of securities for financing. The Company intends to continue relying upon the issuance of securities to finance its future operations and exploration activities to the extent such instruments are issuable under terms acceptable to the Company. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise sufficient funds in the future.

These events and conditions create a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. If the Company is unable to secure additional financing, repay liabilities as they come due, negotiate suitable joint venture agreements, and/or continue as a going concern, then material adjustments may be required to the carrying value of assets and liabilities and the statement of financial position classifications used. These financial statements do not include any adjustments that may arise should the Company be unable to continue as a going concern.

The COVID-19 pandemic continues to impact the global economic recovery. The current situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company is not known at this time. Estimates and judgments made by management in the preparation of these financial statements are subject to a higher degree of measurement uncertainty during this volatile period.

# **Pan American Energy Corp. (Formally Golden Sun Mining Corp.)**

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

For the Three and Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

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### **3. BASIS OF PRESENTATION**

#### **a. Basis of preparation**

In these financial statements, unless otherwise indicated, all amounts are expressed in Canadian dollars, which is the Company's functional and presentation currency.

These 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"). These financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2022.

#### **b. Basis of consolidation**

These financial statements include the operations of the Company and its wholly owned subsidiaries as follows:

- 1328012 B.C. Ltd. which is incorporated in British Columbia, Canada
- Pan American Energy, LLC which is incorporated in Utah, United States

Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated.

#### **c. Foreign currencies**

The Company's functional and presentation currency is the Canadian dollar.

Monetary assets and liabilities are translated into Canadian dollars using the exchange rate in effect at the date of the statement of financial position.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined, and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

#### **d. Significant accounting judgments and estimates**

The timely preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

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# Pan American Energy Corp. (Formally Golden Sun Mining Corp.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

Revisions to estimates are recognized prospectively. As at September 30, 2022 the following have been identified as material estimates:

### i. Share-based compensation

Management determines fair value for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using 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. Similar calculations are made to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

In the preparation of these financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. The following critical judgment can have an effect on the amounts recognized in the financial statements:

### i. Exploration and evaluation assets

The Company is required to make certain judgments in assessing indicators of impairment of exploration and evaluation assets. Judgment is required to determine if the right to explore will expire in the near future or is not expected to be renewed. Judgment is required to determine whether substantive expenditures on further exploration for and evaluation of mineral resources in specific areas will not be planned or budgeted. Judgment is required to determine if the exploration for and evaluation of mineral resources in specific areas have not led to the commercially viable quantities of mineral resources and the Company will discontinue such activities. Judgment is required to determine whether there are indications that the carrying amount of an exploration and evaluation property is unlikely to be recovered in full from successful development of the project or by sale.

## 4. PREPAID EXPENSES

As at September 30, 2022, the Company's prepaid expenses were as follows:

	September 30, 2022	March 31, 2022
	\$	\$
Advertising and marketing	370,003	-
Insurance	24,200	-
Exploration costs	20,000	-
<b>Total</b>	<b>414,203</b>	<b>-</b>

## 5. PROMISSORY NOTE RECEIVABLE

During the year ended March 31, 2022, the Company and Numberco entered into a promissory note agreement ("Loan") to borrow up to \$500,000 for the purpose of pursuing the Agreement. The Loan accrued interest at 10% per annum payable along with the principal on the earlier of the maturity date of six months from the effective date of the initial advance or the demand date. As a result of the Agreement, the total Loan of \$150,000 and interest receivable of \$2,630, were eliminated upon consolidation. See Note 1(b) for additional information.

# Pan American Energy Corp. (Formally Golden Sun Mining Corp.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

### 6. EXPLORATION AND EVALUATION ASSETS

As at September 30, 2022, the Company's exploration and evaluation assets were as follows:

	Green Energy	Big Mack	Horizon	Total
	\$	\$	\$	\$
<b>Balance, March 31, 2022</b>	-	-	-	-
Agreement (Note 1b)	167,442	-	-	<b>167,442</b>
Acquisition	-	280,000	-	<b>280,000</b>
Expenditures	49,764	-	32,450	<b>82,214</b>
Capitalized share-based compensation (Note 8d)	-	10,789	-	<b>10,789</b>
<b>Balance, September 30, 2022</b>	<b>217,206</b>	<b>290,789</b>	<b>32,450</b>	<b>540,445</b>

#### Acquisition: Green Energy Lithium Property

As a result of the Agreement, exploration and evaluation assets were acquired which relate to the following:

On December 4, 2021, the Company entered into the Amended and Restated Asset Purchase Agreement with Beta Energy Corp. and Voltaic Minerals (USA), Inc. for the purchase of the mineral property referred to as the Green Energy Project located in the State of Utah. Pursuant to the terms of the agreement, the Company issued to Beta Energy Corp. 1,000,000 common shares and at any time within twenty-four months following the closing date, the Company has the option to complete the acquisition by issuing to Beta Energy Corp. \$950,000 worth of common shares at the market price, either in a single or multiple tranches.

The total value of the acquisition was \$50,000 (1,000,000 common shares, issued at \$0.05 per share) and has been recorded as "Exploration and Evaluation Assets" on the statement of financial position. In addition, the Company had capitalized \$117,422 in costs related to the exploration and evaluation of the property acquired.

At September 30, 2022, the Company has capitalized costs of \$217,206 related to the Green Energy Lithium Property, which consists of \$167,442 in costs prior to the Corporate Transaction and \$49,784 in exploration and evaluation costs incurred by the Company since May 14, 2022 (the date of the Corporate Transaction).

#### Acquisition: Big Mack Lithium Property

On August 22, 2022, the Company entered into a property option agreement ("Big Mack Option Agreement"), with Magabara Resources Corporation (the "Big Mack Vendor"), pursuant to which the Company has been granted the right to acquire up to a 90% interest in and to the Big Mack Lithium Property, which consists of a single mining lease (LEA-107832) in the Paterson Lake Area located approximately 80 kilometres north of Kenora, Ontario, Canada (the "Big Mack Lithium Property").

Pursuant to the terms of the Big Mack Option Agreement, the Company has the option to acquire a 90% interest in the Big Mack Property from the Big Mack Vendor, in consideration for completing a series of cash payments and issuances of common shares in accordance with the following schedule:

# Pan American Energy Corp. (Formally Golden Sun Mining Corp.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

Milestones	Cash Payments	Common Shares Issuances <sup>(1)</sup>	Exploration Expenditures
<b>Phase 1: Acquire 51%</b>			
Within thirty (30) days following the "Effective Date" (August 22, 2022)	\$80,000	-	-
Within sixty (60) days following the Effective Date	-	\$200,000	-
Within twelve (12) months following the Effective Date	-	-	\$1,000,000
<b>Phase 2: Acquire Additional 24% (Total 75%)</b>			
Within twelve (12) months following the Effective Date	\$90,000	-	-
Within twenty-four (24) months following the Effective Date	-	\$400,000	\$1,000,000
<b>Phase 3: Acquire Additional 15% (Total 90%)</b>			
Within thirty-six (36) months following the Effective Date	\$30,000	\$100,000	\$1,000,000

**Note:**

1) Common Shares to be valued based on the Canadian Securities Exchange price on the day of issuance.

At September 30, 2022, the Company has capitalized \$280,000 in payments made in accordance with the option agreement (\$80,000 cash and 392,156 common shares issued on August 30, 2022 at \$0.51/common share, for total consideration of \$200,000), \$10,789 in capitalized share-based compensation and \$nil in costs related to the exploration and evaluation of the Big Mack Lithium Property.

### Acquisition: Horizon Lithium Property

On September 27, 2022, the Company entered into a property option agreement ("Horizon Option Agreement"), with FMS Lithium Corporation and Horizon Lithium LLC (the "Horizon Vendors"), pursuant to which the Company has been granted the right to acquire a 100% interest in the Horizon Lithium Property (the "Horizon Property"). The Property is comprised of 839 unpatented lode mining claims covering approximately 17,334 acres of land, located in the Big Smoky and Monte Cristo Basins of Esmeralda County, Nevada.

Pursuant to the terms of the Horizon Option Agreement, the Company has the option to acquire a 100% interest in the Horizon Property from the Horizon Vendor, in consideration for completing a series of cash payments and issuances of common shares in accordance with the following schedule:

Milestones <sup>(2)</sup>	Cash Payments	Common Shares Issuances <sup>(1)</sup>
Initial Payment (within five business days of the Option Agreement)	US\$250,000	US\$2,000,000
First Anniversary of Receipt of Drill Permits Necessary for the Company to Undertake Exploration Drilling (the "Drill Permits")	US\$250,000	US\$3,000,000
Second Anniversary of Receipt of Drill Permits	US\$500,000	US\$4,000,000

**Note:**

- 1) Common Shares to be valued based on the greater of the 20-day volume-weighted average price ("VWAP") of the common shares prior to the issuance of such common shares and the lowest price permissible pursuant to the policies of the exchange(s) on which the common shares are then listed.
- 2) In addition, if during the period beginning on September 27, 2022 (the "Effective Date") and ending on the date that is five (5) years from the Effective Date, (A) the Company completes 10 consecutive drill holes on the Horizon Property, which drill holes are comprised of at least 400 meters of drilling and which drill holes have an average grade across the cumulative core of such drill holes of at least 750 parts per million lithium, the Company shall issue an additional US\$1,250,000 worth of common shares, and (B) if the Company publicly discloses a National Instrument 43-101 compliant technical report declaring a mineral resource estimate on the Property containing inferred mineral resources of 2 million tonnes or greater of lithium carbonate equivalent, the Company shall issue an additional US\$3,750,000 worth of common shares.

# Pan American Energy Corp. (Formally Golden Sun Mining Corp.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

At September 30, 2022, the Company has capitalized \$nil in option agreement payments and \$32,450 in costs related to costs incurred for the acquisition of the Horizon Lithium Property.

Subsequent to September 30, 2022, the Company made its Initial Payment of US\$250,000 (on October 11, 2022) and issued common shares in value of US\$2,000,000 (on October 17, 2022).

### 7. LOAN PAYABLE

As a result of the Agreement, loans payable were assumed which relate to the following:

- On November 18, 2020, the Company entered into a loan agreement with a non-arm's length party for \$50,000, bearing interest at Prime plus 1% per annum due on November 18, 2021. On January 28, 2021, the Company entered into a further loan agreement with a non-arm's length party for \$152,518 bearing interest at a rate of 4.00% per annum due on demand or before July 1, 2021. On April 19, 2021, the Company repaid \$50,000 under the 4.00% loan payable.

As at September 30, 2022, \$163,033 (March 31, 2022- \$Nil) is outstanding, including \$152,518 in principal plus \$10,516 in accrued interest payable (March 31, 2022 - \$Nil and \$Nil, respectively).

### 8. SHARE CAPITAL

#### a) Authorized and Issued Share Capital

During the six months ended September 30, 2022, the Company had the following common share transactions:

Description	Number of Shares	Amount (\$)
<b>Balance, March 31, 2022</b>	<b>20,000,100</b>	<b>1,500,001</b>
May 19, 2022 Corporate Transaction (Note 1b)	4,099,366	409,937
June 23, 2022 Settlement of indebtedness	1,270,600	533,652
August 30, 2022 Option Agreement - Big Mack (Note 6)	392,156	200,000
<b>Balance, September 30, 2022</b>	<b>25,762,222</b>	<b>2,643,590</b>

On June 23, 2022, the Company entered into debt settlement agreements with certain creditors of the Company, pursuant to which it discharged aggregate indebtedness of \$228,708 in consideration of the issuance of a total of 1,270,600 common shares of the Company at a fair value of \$0.42 per common share. The Company recognized a loss on debt settlement of \$304,944.

#### b) Share Purchase Warrants

A summary of the Company's purchase warrants ("warrants") is as follows as at September 30, 2022:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
<b>Balance, March 31, 2022</b>	-	\$ -	
Granted – Corporate Transaction	10,000,000	0.10	October 25, 2023
Granted – Corporate Transaction	10,000,000	0.12	December 8, 2023
<b>Balance, September 30, 2022</b>	<b>20,000,000</b>	<b>\$ 0.11</b>	

# Pan American Energy Corp. (Formally Golden Sun Mining Corp.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

The share purchase warrants have a weighted average remaining life of 1.13 years.

### c) Share Purchase Options

A summary of the Company's share purchase options ("options") is as follows:

	Number of Options	Weighted Average Exercise Price
<b>Balance, March 31, 2022</b>	<b>300,000</b>	<b>\$0.50</b>
Granted	1,300,000	\$0.35
<b>Balance, September 30, 2022</b>	<b>1,600,000</b>	<b>\$0.38</b>

At September 30, 2022, the following options were outstanding:

Grant Date	Number of Options	Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Life
April 22, 2021	300,000	300,000	\$0.50	April 22, 2026	3.56
May 19, 2022	1,300,000	1,300,000	\$0.35	May 19, 2024	1.64
	<b>1,600,000</b>	<b>1,600,000</b>	<b>\$0.38</b>		<b>2.00</b>

Inputs used to calculate the fair value of the options issued were a stock price of \$0.10, expected life of 2 years, volatility of 100% and a discount rate of 2.70%.

During the six months ended September 30, 2022, the Company recorded \$31,833 as share-based compensation expense related to the vesting of the options.

### d) Restricted Share Rights

A summary of the Company's restricted share rights ("RSRs") is as follows:

	Number of RSRs
<b>Balance, March 31, 2022</b>	-
Granted – Time Based Vesting	2,162,500
Granted – Performance Based Vesting	1,187,500
<b>Balance, September 30, 2022</b>	<b>3,350,000</b>

The Company issued 1,000,000 RSRs to its CEO, with the following performance-based milestones:

- 500,000 RSRs will be released quarterly in four equal tranches beginning four months after the date of final acceptance of the Company's listing. As the Company was successfully listed on the CSE the RSRs were earned and valued on May 19, 2022 (\$0.05 per RSR). The RSRs will vest in four equal tranches on August 19, 2022, November 19, 2022, February 19, 2023 and May 19, 2023.
- 500,000 of the RSRs will vest in three equal tranches based on the successful completion of the following:
  - a) Successful launch of a pilot project;
  - b) Successful fundraise of \$5,000,000 in a single financing or in a series of financings; and
  - c) Complete an acquisition or series of acquisitions in total value over \$2,000,000.

# Pan American Energy Corp. (Formally Golden Sun Mining Corp.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

Management has applied vesting probability of 100% to the vesting of these RSRs, as the Company had successfully listed on the CSE on May 19, 2022 (500,000 RSRs at \$0.05 per RSR), launched a pilot project, raised over \$5,000,000 in financing (see “Subsequent Events” note) and completed \$2,000,000 in acquisitions (500,000 RSRs at \$0.65 per RSR). As a result, \$334,178 has been recorded as share-based compensation expense related to the vesting of these RSRs for the six months ended September 30, 2022.

On August 31, 2022, the Company issued and granted 2,162,500 time-based vesting RSRs to certain consultants and a director of the Company. The RSRs vest quarterly in four equal tranches and expire on August 31, 2025. For the six months ended September 30, 2022, the Company recorded \$124,416 in share-based compensation related to the vesting of these RSRs.

On August 31, 2022, the Company issued and granted 187,500 RSR's to a consultant, with performance-based milestones tied to the Big Mack Lithium Project. At September 30, 2022, management applied a 100% probability to the vesting of these RSRs. As a result, \$10,789 has been capitalized to “Exploration and Evaluation Assets” related to the vesting of these RSRs for the six months ended September 30, 2022.

For the six months ended, the Company recorded a total of \$458,594 related to the vesting of RSRs.

### 9. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

The aggregate value of transactions relating to key management personnel during the six months ended September 30, 2022 were as follows:

<b>For the Six Months Ended</b>	<b>September 30, 2022</b>
	\$
Management fees (to company owned by CEO)	65,000
Management fees (to company owned by CFO)	66,375
Share-based compensation (to directors and officers)	360,778
<b>Total</b>	<b>492,153</b>

As at September 30, 2022, a \$57,415 balance was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

### 10. COMMITMENTS

The Company has a contract with a company controlled by the CEO and Director of the Company for monthly payments of \$12,000 for a period of two years beginning in May 2021.

# Pan American Energy Corp. (Formally Golden Sun Mining Corp.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

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### 11. RISK MANAGEMENT

#### a) Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

##### i. Credit Risk

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. Management's assessment of the Company's exposure to credit risk on its \$334,903 in cash (March 31, 2022 - \$1,310,469) is low as the Company's cash is held with major Canadian financial institutions, or in trust with the Company's legal counsel.

##### ii. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at September 30, 2022 the Company's working capital surplus is \$57,387 (March 31, 2022 - \$1,342,656), and it does not have any long-term monetary liabilities. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Subsequent to September 30, 2022, the Company obtained additional financing to better manage its liquidity risk to ensure it will have sufficient liquidity to meet its current and future liabilities. See Note 12 for additional information.

##### iii. Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as currency risk, price risk and interest rate risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

##### iv. Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to minimal currency risk and is nominal to the financial statements.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

#### b) Fair Values

The carrying values of cash, accounts payable and accrued liabilities and loan payable approximate their fair values due to their short-term to maturity.

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# Pan American Energy Corp. (Formally Golden Sun Mining Corp.)

## Notes to the Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended September 30, 2022

In Canadian Dollars, unless noted (unaudited)

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Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

**Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

**Level 2** – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

**Level 3** – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

### 12. SUBSEQUENT EVENTS

- On October 10, 2022, the Company's common shares commenced trading on the Frankfurt Stock Exchange, under the symbol "SS6".
- On October 13, 2022, the Company closed a non-brokered private placement (the "Private Placement") for aggregate gross proceeds of approximately \$8,000,000.

The Company issued 10,000,000 (non-flow through) units (each, a "Unit") at a price of \$0.50 per Unit. Each Unit consists of one (1) common share (each, a "Share") and one (1) common share purchase warrant (each, a "Warrant"). Each Warrant is exercisable into one (1) Share at an exercise price of \$0.75 for a period of two years from the date of issue. The Company also issued 4,615,384 flow-through units (each, a "Flow-Through Unit") at a price of \$0.65 per Flow-Through Unit. Each Flow-Through Unit consists of one (1) Share (each, a "FT Share") and one (1) common share purchase warrant (each, a "FT Warrant"). Each FT Warrant is exercisable into one (1) Share at an exercise price of \$0.85 for a period of two years from the date of issue.

At September 30, 2022, the Company had received \$215,000 in share subscriptions related to the Private Placement.

In connection with closing of the Private Placement, the Issuer paid finder's fees in the aggregate of \$329,390 in cash and issued 674,100 finder's warrants (each, a "Finder's Warrant"). Each Finder's Warrant is exercisable into one (1) Share at an exercise price of C\$0.75 for a period of two years from the date of issue and 2,638 finder's warrants (each, a "Finder's Warrant"). Each Finder's Warrant is exercisable into one (1) Share at an exercise price of C\$0.85 for a period of two years from the date of issue.

- On October 17, 2022, the Company issued 3,012,174 common shares in value of US\$2,000,000, related to the Horizon Lithium Property option agreement.
- On November 10, 2022, the Company granted 850,000 restricted share rights to certain consultants of the Company. In addition, the Company granted 250,008 restricted share rights and 200,000 share purchase options to a director of the Company, that was newly appointed on November 10, 2022.

### 13. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATION

There are no new IFRS standards issued, but not yet effective, that may affect the financial statements of the Company

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