



**ATICO MINING CORPORATION**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited - Expressed in United States Dollars)**

**SEPTEMBER 30, 2022**

**NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of Atico Mining Corporation (the "Company") for the nine months ended September 30, 2022 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

**ATICO MINING CORPORATION**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Expressed in United States Dollars)

	September 30 2022	December 31 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 9,912,609	\$ 14,623,559
Receivables (Note 3)	15,627,835	6,114,172
Inventories (Note 4)	14,122,316	12,462,601
Other assets (Note 5)	1,094,019	1,047,598
<b>Total current assets</b>	<b>40,756,779</b>	<b>34,247,930</b>
<b>Non-current assets</b>		
Other assets (Note 5)	2,474,722	954,720
Mineral properties (Note 6)	70,563,229	68,826,917
Plant and equipment (Note 7)	10,956,455	11,912,399
<b>Total non-current assets</b>	<b>83,994,406</b>	<b>81,694,036</b>
<b>TOTAL ASSETS</b>	<b>\$ 124,751,185</b>	<b>\$ 115,941,966</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Notes 8, 20)	\$ 8,100,956	\$ 15,155,573
Loans payable and convertible debentures (Note 9)	6,763,705	4,013,047
Other liabilities (Note 10)	1,024,289	1,135,099
Lease liabilities (Note 11)	451,917	220,190
<b>Total current liabilities</b>	<b>16,340,867</b>	<b>20,523,909</b>
<b>Non-current liabilities</b>		
Loans payable and convertible debentures (Note 9)	15,564,641	5,967,081
Other liabilities (Note 10)	1,029,018	2,030,085
Lease liabilities (Note 11)	716,647	232,022
Decommissioning and restoration provision (Note 12)	3,478,467	3,244,681
Deferred income tax liabilities	15,467,162	12,648,224
<b>Total non-current liabilities</b>	<b>36,255,935</b>	<b>24,122,093</b>
<b>Total liabilities</b>	<b>52,596,802</b>	<b>44,646,002</b>
<b>EQUITY</b>		
Share capital (Note 14)	43,690,353	43,690,353
Reserves	5,308,619	4,806,985
Retained earnings	18,328,967	17,386,334
<b>Total equity attributable to equity holders of the Company</b>	<b>67,327,939</b>	<b>65,883,672</b>
Non-controlling interests (Note 19)	4,826,444	5,412,292
<b>Total equity</b>	<b>72,154,383</b>	<b>71,295,964</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 124,751,185</b>	<b>\$ 115,941,966</b>

**Nature of operations** (Note 1)  
**Contingency and commitment** (Note 24)

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on November 14, 2022.

**Approved by the Board of Directors**

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*"Luis F. Sáenz"* Director

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*"Jorge R. Ganoza"* Director

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

**ATICO MINING CORPORATION****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

(Unaudited - Expressed in United States Dollars)

	Three months ended September 30 2022	Three months ended September 30 2021	Nine months ended September 30 2022	Nine months ended September 30 2021
<b>Sales</b> (Note 15)	\$ 23,123,099	\$ 31,807,740	\$ 49,231,157	\$ 64,546,778
<b>Cost of sales</b> (Note 16)	(17,626,532)	(18,048,730)	(34,883,257)	(38,910,579)
<b>Income from mining operations</b>	5,496,567	13,759,010	14,347,900	25,636,199
General and administrative expenses	(1,484,734)	(1,439,993)	(4,119,661)	(3,819,829)
Share-based payments (Note 14)	(179,739)	(202,327)	(522,524)	(706,869)
<b>Income from operations</b>	3,832,094	12,116,690	9,705,715	21,109,501
Interest and finance costs, net (Note 17)	(736,953)	(523,446)	(1,738,953)	(1,339,620)
Fair value adjustment on derivative instruments, net (Note 5)	-	1,429,927	-	(844,444)
Realized loss on derivative instruments, net (Note 5)	-	(1,024,935)	-	(2,744,151)
Foreign exchange loss	(448,750)	210,599	(847,876)	(29,498)
<b>Income before income taxes</b>	2,646,391	12,208,835	7,118,886	16,151,788
Current income tax expense (Note 13)	(1,940,623)	(2,899,072)	(2,795,952)	(4,811,854)
Deferred income tax expense (Note 13)	(408,153)	(1,754,420)	(2,818,938)	(1,987,503)
<b>Net income and comprehensive income</b>	\$ 297,615	\$ 7,555,343	\$ 1,503,996	\$ 9,352,431
Net income and comprehensive income attributable to:				
Equity holders of Atico Mining Corporation	\$ 127,648	\$ 6,645,202	\$ 942,633	\$ 8,057,382
Non-controlling interests (Note 19)	169,967	910,141	561,363	1,295,049
	\$ 297,615	\$ 7,555,343	\$ 1,503,996	\$ 9,352,431
Basic earnings (loss) per share (Note 18)	\$ 0.00	\$ 0.05	\$ 0.01	\$ 0.07
Diluted earnings (loss) per share (Note 18)	\$ 0.00	\$ 0.05	\$ 0.01	\$ 0.07
Weighted average no. of shares outstanding - basic (Note 18)	121,286,185	121,286,185	121,286,185	120,512,965
Weighted average no. of shares outstanding - diluted (Note 18)	121,286,185	121,958,285	121,785,845	121,298,933

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

**ATICO MINING CORPORATION**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited - Expressed in United States Dollars)

	Three months ended September 30 2022	Three months ended September 30 2021	Nine months ended September 30 2022	Nine months ended September 30 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income	\$ 297,615	\$ 7,555,343	\$ 1,503,996	\$ 9,352,431
Items not affecting cash:				
Depletion and amortization	5,229,588	5,162,557	9,977,349	11,614,652
Share-based payments	179,739	202,327	522,524	706,869
Accretion of lease liabilities	11,429	12,193	35,694	42,917
Accretion of decommissioning and restoration provision	80,548	56,495	233,786	163,549
Interest income	-	-	-	(6)
Interest expense	568,962	192,483	1,241,754	583,719
Fair value adjustment on derivative instruments, net	-	(1,429,927)	-	844,444
Realized loss on derivative instruments, net	-	1,024,935	-	2,744,151
Deferred income tax expense	408,153	1,754,420	2,818,938	1,987,503
Unrealized foreign exchange effect	(86,637)	44,103	(14,853)	(215,070)
	6,689,397	14,574,929	16,319,188	27,825,159
Changes in non-cash operating working capital items (Note 21)	(6,853,399)	(6,385,705)	(19,262,416)	(5,012,113)
<b>Net cash (used in) provided by operating activities</b>	<b>(164,002)</b>	<b>8,189,224</b>	<b>(2,943,228)</b>	<b>22,813,046</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Expenditures on mineral properties	(2,058,588)	(3,596,664)	(7,398,783)	(8,592,638)
Acquisition of plant and equipment	(578,241)	(914,585)	(2,897,217)	(5,783,847)
Acquisition of non-controlling interests	(1,000,000)	(7,000,000)	(1,000,000)	(7,000,000)
Interest received	-	-	-	6
Settlements of derivative instruments	-	(1,024,935)	-	(2,744,151)
<b>Net cash used in investing activities</b>	<b>(3,636,829)</b>	<b>(12,536,184)</b>	<b>(11,296,000)</b>	<b>(24,120,630)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Loans payable withdrawn, net of financing costs	3,000,000	15,116,210	18,528,347	15,116,210
Loans payable repaid	(3,250,000)	(12,366,209)	(6,450,000)	(14,866,207)
Payments on lease obligations, principal	(25,199)	(36,975)	(100,905)	(239,204)
Payments on lease obligations, interest	(80,548)	(56,495)	(233,786)	(163,549)
Interest paid	(455,192)	(162,772)	(971,883)	(480,970)
Dividend paid to non-controlling interests	(613,614)	(459,695)	(1,147,211)	(931,921)
Shares issued on exercise of stock options	-	-	-	624,742
<b>Net cash provided by (used in) financing activities</b>	<b>(1,424,553)</b>	<b>2,034,064</b>	<b>9,624,562</b>	<b>(940,899)</b>
Effect of exchange rate changes on cash	(10,545)	(5,202)	(96,284)	(106,477)
<b>Change in cash</b>	<b>(5,235,929)</b>	<b>(2,318,098)</b>	<b>(4,710,950)</b>	<b>(2,354,960)</b>
<b>Cash, beginning of period</b>	<b>15,148,538</b>	<b>16,615,849</b>	<b>14,623,559</b>	<b>16,652,711</b>
<b>Cash, end of period</b>	<b>\$ 9,912,609</b>	<b>\$ 14,297,751</b>	<b>\$ 9,912,609</b>	<b>\$ 14,297,751</b>

Supplemental disclosure with respect to cash flows (Note 21)

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

**ATICO MINING CORPORATION**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited - Expressed in United States Dollars)

	Number of shares	Share capital	Reserves	Non- controlling interests	Retained earnings	<b>Total equity</b>
<b>Balance as at December 31, 2021</b>	121,286,185	\$ 43,690,353	\$ 4,806,985	\$ 5,412,292	\$ 17,386,334	\$ 71,295,964
Share-based payments	-	-	501,634	-	-	501,634
Dividend declared by subsidiary	-	-	-	(1,147,211)	-	(1,147,211)
Net income and comprehensive income	-	-	-	561,363	942,633	1,503,996
<b>Balance as at September 30, 2022</b>	121,286,185	\$ 43,690,353	\$ 5,308,619	\$ 4,826,444	\$ 18,328,967	\$ 72,154,383
	Number of shares	Share capital	Reserves	Non- controlling interests	Retained earnings	<b>Total equity</b>
<b>Balance as at December 31, 2020</b>	119,033,901	\$ 42,671,700	\$ 4,423,332	\$ 13,650,273	\$ 13,072,547	\$ 73,817,852
Exercise of stock options	2,252,284	1,018,653	(393,911)	-	-	624,742
Share-based payments	-	-	558,968	-	-	558,968
Allocation to non-controlling interest (Note 19)	-	-	-	1,687,325	(1,687,325)	-
Acquisition of non-controlling interest (Note 19)	-	-	-	(10,231,578)	231,578	(10,000,000)
Dividend declared by subsidiary	-	-	-	(931,921)	-	(931,921)
Net income and comprehensive income	-	-	-	1,295,049	8,057,382	9,352,431
<b>Balance as at September 30, 2021</b>	121,286,185	\$ 43,690,353	\$ 4,588,389	\$ 5,469,148	\$ 19,674,182	\$ 73,422,072

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

**ATICO MINING CORPORATION**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited - Expressed in United States Dollars)  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

**1. NATURE OF OPERATIONS**

Atico Mining Corporation (the "Company") was incorporated in the Yukon Territories on April 15, 2010 and continued to British Columbia on October 17, 2011. The Company is engaged in copper-gold mining and related activities including exploration, development, extraction, and processing in Colombia and the acquisition, exploration and development of copper and gold projects in Latin America. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "ATY". The address of its head office is Suite 501 - 543 Granville Street, Vancouver, British Columbia, Canada.

On November 22, 2013, the Company acquired 90% of the issued and outstanding common shares of Minera El Roble S.A. ("MINER"), the owner of the El Roble mining property ("El Roble"), an operating copper-gold mine in Colombia.

On September 11, 2019, the Company acquired, in a plan of arrangement, 100% of the issued and outstanding common shares of Toachi Mining Inc. ("Toachi"), which owns the La Plata project in Ecuador.

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. The Company is closely monitoring the developments and has implemented preventative measures at the El Roble mine site, La Plata project, as well as corporate offices to safeguard the health of its employees, while continuing to operate effectively and responsibly in its communities. It is currently 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. However, management will continue to assess the situation and is prepared to swiftly make any necessary adjustments within the regulatory framework issued by the Colombian and Ecuadorian Ministry of Health and Social Protection.

In December 2021, the Company entered into an agreement with the mining authority (the "National Mining Agency") in Colombia related to an ongoing royalty dispute. While the Company maintains it has complied with the royalty payments due and called for under the mining contract for the El Roble mining property, this agreement allows for the Company to be recognized as being formally in good standing with the National Mining Agency, enabling the Company to apply for a new mining contract on the property. The mining contract and related title expired on January 23, 2022, where the Company has been allowed to continue operating while the process for the contract and title renewal continues. The Company and the National Mining Agency agreed to settle the royalty dispute via binding arbitration at the Center for Arbitration and Conciliation of the Bogota Chamber of Commerce for the purposes of seeking an expedited resolution to the ongoing claim. In addition, the Company entered into a five-year payment plan, amended in June 2022, payable in biannual instalments for a total amount of approximately \$22,300,000 plus interest at a 6% annual rate. To the extent that a final ruling is made in favor of the Company, the payment plan will cease and any amounts already paid will be reimbursed to or offset against future royalty obligations (Note 24).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation and measurement**

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), applicable to preparation of interim financial statements including International Accounting Standard 34 Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments, which have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2021.

**3. RECEIVABLES**

	September 30 2022	December 31 2021
Trade receivables	\$ 11,856,575	\$ 2,040,112
GST/VAT and other taxes recoverable	3,677,334	3,986,760
Other receivables	93,926	87,300
	<b>\$ 15,627,835</b>	<b>\$ 6,114,172</b>

The Company has a concentrate off-take agreement whereby the customer will purchase 100% of the metals concentrate produced at the El Roble mining property. This current agreement has an expected settlement period of four months. As at September 30, 2022 and December 31, 2021, the Company did not have any trade receivables that were past due. The Company's allowance for doubtful accounts at September 30, 2022 and December 31, 2021 was \$Nil.

**ATICO MINING CORPORATION**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited - Expressed in United States Dollars)  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

**4. INVENTORIES**

	September 30 2022	December 31 2021
Consumable parts and supplies	\$ 3,044,641	\$ 3,535,023
Ore stockpiles	1,785,870	387,191
Metals concentrate	9,291,805	8,540,387
	<b>\$ 14,122,316</b>	<b>\$ 12,462,601</b>

As at September 30, 2022, all concentrate were pledged as security in connection to the agreement between the Company and the National Mining Agency (Note 24). As at December 31, 2021, all of the metals concentrate was pledged. The security is to be released proportionally as payments are made in accordance with the payment schedule and may be substituted at a later date.

**5. OTHER ASSETS**

	September 30 2022	December 31 2021
Prepaid expenses and deposits	\$ 1,094,019	\$ 1,047,598
National Mining Agency arbitration asset (Note 24)	2,474,722	954,720
	3,568,741	2,002,318
Less: current portion	1,094,019	1,047,598
<b>Non-current portion</b>	<b>\$ 2,474,722</b>	<b>\$ 954,720</b>

**Derivatives**

The Company enters into derivative instruments from time to time in the normal course of business in order to manage its exposure to fluctuations in copper price, gold price, and the Colombian peso/US dollar exchange rate. The Company does not enter into or trade derivative instruments for speculative purposes. The Company has not applied hedge accounting to these derivative transactions. Derivative instruments are marked-to-market at the end of each reporting period based on the terms of the arrangements and the expected settlement prices and/or rates. Any resulting mark-to-market adjustment has been recognized in derivative instruments on the consolidated statement of financial position. During the nine months ended September 30, 2022, the Company recognized a net fair value adjustment of \$Nil (2021 - negative \$844,444) on its derivative instruments, and a net realized loss of \$Nil (2021 - \$2,744,151) on the settlement of its derivative instruments.

*Currency forward arrangements*

The Company has entered into zero-cost non-deliverable currency forward arrangements with local Colombian banks between the US dollar and Colombian peso. Each arrangement was net settled based on the difference between the market exchange rate and the contracted settlement rate, where the Company receives (or pays) proceeds if the contracted settlement rate is above (or below) the market exchange rate to purchase Colombian peso. As at September 30, 2022, the Company had no outstanding collar arrangements to convert United State dollars into Colombian pesos at the negotiated exchange rates (December 31, 2021 - \$1,005,000 into Colombian pesos, resulting in a net asset carrying amount of \$Nil).

*Commodity derivative arrangements*

In the past, the Company has entered into zero-cost commodity derivative arrangements with Auramet International LLC. These arrangements were net settled based on the difference between the market price and the contracted settlement price, where the Company received proceeds if the contracted settlement price was above the market price. As at September 30, 2022 and December 31, 2021, the Company did not have any outstanding arrangements.



**ATICO MINING CORPORATION**
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in United States Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

**6. MINERAL PROPERTIES**

	Depletable El Roble	Land and non-depletable El Roble	Non-depletable La Plata	Total
As at December 31, 2021, net	\$ 23,661,044	\$ 15,327,687	\$ 29,838,186	\$ 68,826,917
Additions	1,132,117	1,676,879	4,589,787	7,398,783
Depletion and amortization	(5,662,471)	-	-	(5,662,471)
As at September 30, 2022, net	\$ 19,130,690	\$ 17,004,566	\$ 34,427,973	\$ 70,563,229
As at December 31, 2021				
Historical cost	\$ 73,574,991	\$ 15,327,687	\$ 29,838,186	\$ 118,740,864
Accumulated amortization	(49,913,947)	-	-	(49,913,947)
Net carrying amount	\$ 23,661,044	\$ 15,327,687	\$ 29,838,186	\$ 68,826,917
As at September 30, 2022				
Historical cost	\$ 74,707,108	\$ 17,004,566	\$ 34,427,973	\$ 126,139,647
Accumulated amortization	(55,576,418)	-	-	(55,576,418)
Net carrying amount	\$ 19,130,690	\$ 17,004,566	\$ 34,427,973	\$ 70,563,229

Prior to August 2021, the Company held a 60% ownership interest and had an option agreement to earn up to 75% ownership in Compania Minera La Plata S.A. ("CMLP") who holds the La Plata project, which is a polymetallic (primarily gold, silver, copper, lead, and zinc) exploration project at its pre-development stage located in Ecuador.

In August 2021, the Company acquired the remaining 40% for \$10,000,000, of which \$7,000,000 was paid and the remaining \$3,000,000 is payable over three years in three equal annual installments. The option agreement was terminated. In August 2022, the first installment was paid with \$2,000,000 remaining payable (Note 10).

**7. PLANT AND EQUIPMENT**

	Plant and building	Machinery and equipment	Assets under lease	Total
As at December 31, 2021, net	\$ 10,024,941	\$ 1,475,778	\$ 411,680	\$ 11,912,399
Additions	3,164,173	74,967	1,047,730	4,286,870
Depletion and amortization	(4,480,693)	(548,180)	(213,941)	(5,242,814)
As at September 30, 2022, net	\$ 8,708,421	\$ 1,002,565	\$ 1,245,469	\$ 10,956,455
As at December 31, 2021				
Historical cost	\$ 21,439,407	\$ 18,713,842	\$ 3,829,549	\$ 43,982,798
Accumulated amortization	(11,414,466)	(17,238,064)	(3,417,869)	(32,070,399)
Net carrying amount	\$ 10,024,941	\$ 1,475,778	\$ 411,680	\$ 11,912,399
As at September 30, 2022				
Historical cost	\$ 24,603,580	\$ 18,788,809	\$ 4,877,279	\$ 48,269,668
Accumulated amortization	(15,895,159)	(17,786,244)	(3,631,810)	(37,313,213)
Net carrying amount	\$ 8,708,421	\$ 1,002,565	\$ 1,245,469	\$ 10,956,455

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	September 30 2022	December 31 2021
Trade and other payables	\$ 5,038,059	\$ 5,932,168
Payables to non-controlling interest of MINER	54,705	62,274
Payroll and related liabilities	1,487,835	1,780,700
Taxes payable	-	6,799,171
Accrued liabilities	1,520,357	581,260
	\$ 8,100,956	\$ 15,155,573

**ATICO MINING CORPORATION****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in United States Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

**9. LOANS PAYABLE AND CONVERTIBLE DEBENTURES**

	Credit facilities	Loans payable	Convertible debentures	Total
As at December 31, 2021	\$ 3,013,047	\$ 1,416,671	\$ 5,550,410	\$ 9,980,128
Additions, net of financing costs	8,780,000	9,748,347	-	18,528,347
Interest expense	160,765	593,166	487,823	1,241,754
Repayments - principal	(5,700,000)	(750,000)	-	(6,450,000)
Repayments - interest	(156,774)	(473,859)	(341,250)	(971,883)
	6,097,038	10,534,325	5,696,983	22,328,346
Less: current portion	6,097,038	666,667	-	6,763,705
Non-current portion	\$ -	\$ 9,867,658	\$ 5,696,983	\$ 15,564,641
		\$ -		

**Credit facilities**

The Company has arrangements with several Colombian banks to enter into unsecured credit facilities with terms up to six months from the date of drawn down (Note 22).

In August 2021, the Company entered into loan agreements with Colombian banks totaling \$3,000,000, which carried an interest rate at London Interbank Offered Rates ("LIBOR") plus 0.75% per annum repayable in six months.

In January 2022, the Company entered into a loan agreement with a Colombian bank totaling \$3,280,000, which carried an interest rate at Secured Overnight Financing Rate ("SOFR") plus 0.75% per annum repayable in six months (later granted an extension to January 2023), of which \$1,580,000 remained outstanding as at September 30, 2022.

In April 2022, the Company entered into loan agreements with Colombian banks totaling \$2,500,000, which carried an interest rate at SOFR plus 0.75% to 0.90% per annum repayable in three and six months, of which \$1,500,000 remained outstanding as at September 30, 2022.

In August 2022, the Company entered into a loan agreement with a Colombian bank totaling \$2,000,000, which carried an interest rate at SOFR plus 1.01% per annum repayable in six months.

In September 2022, the Company entered into a loan agreement with a Colombian bank totaling \$1,000,000, which carried an interest rate at SOFR plus 1.01% per annum repayable in six months.

As part of the off-take agreement with the customer, the Company has been provided an inventory facility. Any amount advanced by the customer carries annual interest based on LIBOR plus 4.5% from the date of advance and would be secured by such inventory until the date of the payment on provisional invoice has been made. As at September 30, 2022 and December 31, 2021, there were no amounts advanced.

**Loans payable**

In September 2020, the Company entered into a loan arrangement with Export Development Canada ("EDC") for a non-revolving facility of up to \$2,500,000 repayable over 30 months from the time of the initial advance. Any amount advanced carries interest rate of LIBOR plus 3.5% per annum. The Company received the initial advance of \$2,500,000 in November 2020.

In February 2022, the Company entered into a secured definitive credit agreement with Trafigura PTE Ltd. for a facility of \$10,000,000. The credit agreement has a term of 30 months and includes standard terms and conditions customary in secured financing transactions of this nature. The principal bears interest at a rate of LIBOR plus 5% for the first 24 months and then at a rate of LIBOR plus 7.5% thereafter.

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**9. LOANS PAYABLE AND CONVERTIBLE DEBENTURES (cont'd...)**

**Convertible debentures**

In December 2020, the Company entered into an unsecured convertible debenture arrangement with Dundee Corporation ("Dundee") for principal balance of \$6,500,000, which carries an interest rate of 7.0% per annum payable quarterly for five years. The principal balance is convertible into 11,627,907 common shares of the Company at \$0.559 per share. On the closing date, the Company paid \$357,500 as a finder's fee. Over the term of the debenture, the Company may, at its option, redeem the debenture, in whole or in part, at par plus accrued and unpaid interest. The Company must pay a redemption fee equal to 2% of the principal amount if redeemed between 12 months and 2 years after the closing date and equal to 4% of the principal amount if redeemed within 12 months of the closing date. No redemption fee will be charged after two years of closing date. On initial recognition, the Company determined the fair value of the liability component to be \$5,393,572, which was determined by calculating the fair value of the future cash flows of the loan assuming a discount rate of 10%. The equity component was determined to be \$689,517, which comprised the proceeds received less the liability component. A deferred tax liability of \$176,829 related to the taxable temporary difference arising from the equity portion of the convertible loan was recognized as an offset in equity reserves. The debt component of the convertible note is being accreted over the term to maturity, with accretion charge included in interest expense.

**10. OTHER LIABILITIES**

	September 30 2022	December 31 2021
Provision for restricted share units (Note 14)	\$ 53,307	\$ 165,184
Acquisition of CMLP non-controlling interest (Note 6)	2,000,000	3,000,000
	2,053,307	3,165,184
Less: current portion	1,024,289	1,135,099
Non-current portion	\$ 1,029,018	\$ 2,030,085

**11. LEASE LIABILITIES**

	September 30 2022	December 31 2021
Not later than one year	\$ 499,307	\$ 245,138
Later than one year and not later than five years	753,476	247,435
Later than five years	-	12,573
Total minimum lease payments	1,252,783	505,146
Future finance charges at implicit rate	(84,219)	(52,934)
Present value of minimum lease payments	1,168,564	452,212
Less: current portion	451,917	220,190
Non-current portion	\$ 716,647	\$ 232,022

**12. DECOMMISSIONING AND RESTORATION PROVISION**

	September 30 2022	December 31 2021
Opening balance	\$ 3,244,681	\$ 2,275,646
Change in estimate	-	747,651
Accretion expense	233,786	221,384
Ending balance	\$ 3,478,467	\$ 3,244,681

A decommissioning and restoration provision has been recognized in respect of the mining operations at the El Roble mining property, including associated infrastructure and buildings. The estimated undiscounted cash flows required to satisfy the decommissioning and restoration provision as at September 30, 2022 were \$4,093,000 (December 31, 2021 - \$4,093,000), which were adjusted for inflation and uncertainty of the cash flows and then discounted using a risk adjusted pre-tax discount rate of 9.75% (December 31, 2021 - 9.75%). In view of the uncertainties concerning environmental reclamation, the ultimate cost of reclamation activities could differ materially from the estimated amount recorded. The estimate of the Company's decommissioning and restoration liability relating to the El Roble mining property is subject to change based on amendments to laws and regulations and as new information regarding the Company's operations becomes available. Future changes, if any, to the estimated liability as a result of amended requirements, laws, regulations, operating assumptions, estimated timing and amount of obligations may be significant and would be recognized prospectively as a change in accounting estimate. Any such change would result in an increase or decrease to the liability and a corresponding increase or decrease to the mineral property, plant and equipment balance.

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**13. INCOME TAXES**

Income tax expense differs from the amount that would result from applying Canadian income tax rates to earnings before income taxes. These differences result from the following items:

For the nine months ended	September 30 2022	September 30 2021
Income before income taxes	\$ 7,118,886	\$ 16,151,788
Canadian federal and provincial income tax rates	27.00%	27.00%
Expected income tax expense at statutory income tax rate	1,922,099	4,360,983
Difference between Canadian and foreign tax rates	1,432,106	862,455
Changes in effective tax rates	(5,566)	(135,628)
Permanent differences and other adjustments	(103,127)	13,671
Withholding taxes	756,363	838,730
Changes in unrecognized deferred tax assets	(562,713)	(139,223)
Impact of foreign exchange on deferred tax assets and liabilities	2,175,728	998,369
	\$ 5,614,890	\$ 6,799,357
Current income tax expense (recovery)	\$ 2,795,952	\$ 4,811,854
Deferred income tax expense (recovery)	\$ 2,818,938	\$ 1,987,503

**14. SHARE CAPITAL**

Authorized share capital consists of an unlimited number of common shares without par value.

**Issued share capital**

During the nine months ended September 30, 2022, the Company issued Nil (2021 - 2,252,284) common shares pursuant to the exercise of stock options for proceeds of \$Nil (2021 - \$624,742).

**Restricted share units**

The continuity of restricted share units ("RSUs") for the nine months ended September 30, 2022 are as follows:

	Outstanding
As at December 31, 2021	789,055
Granted	301,490
Vested	(431,093)
As at September 30, 2022	659,452

As at September 30, 2022, the weighted average remaining life of the RSUs outstanding was 1.85 (December 31, 2021 - 1.19) years with vesting periods of 36 months. The Company's outstanding RSUs as at September 30, 2022 are as follows:

Expiry date	Outstanding
October 9, 2023	199,254
April 20, 2024	158,708
April 19, 2025	301,490

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**14. SHARE CAPITAL (cont'd...)****Stock options**

The continuity of stock options for the nine months ended September 30, 2022 are as follows:

	Outstanding	Weighted average exercise price (C\$)
As at December 31, 2021	11,958,794	0.53
Granted	1,005,206	0.41
Expired/Cancelled	(890,913)	0.83
As at September 30, 2022	12,073,087	\$ 0.49

As at September 30, 2022, the weighted average remaining life of the stock options outstanding is 2.47 (December 31, 2021 - 2.82) years with vesting periods ranging from 0 to 36 months. The Company's outstanding and exercisable stock options as at September 30, 2022 are as follows:

Expiry date	Exercise price (C\$)	Outstanding	Exercisable
January 31, 2023	0.88	261,418	261,418
February 22, 2023	0.69	1,597,678	1,597,678
May 7, 2023	0.56	37,345	37,345
June 5, 2023	0.59	35,000	35,000
March 22, 2024	0.40	87,138	87,138
May 2, 2024	0.29	2,197,768	2,197,768
October 7, 2024	0.34	1,420,258	697,629
October 9, 2025	0.48	2,770,300	554,060
April 20, 2026	0.65	2,360,976	472,195
July 2, 2026	0.57	300,000	60,000
April 19, 2027	0.41	1,005,206	-

**Share-based payments and share-based payment reserve**

During the nine months ended September 30, 2022, the Company granted stock options and RSUs to employees, directors, and officers of the Company, all of which will vest over 36 months. Using the fair value method for share-based payments, the Company determined the fair value of the stock options granted to be C\$242,181 or C\$0.24 per option (2021 - C\$842,130 or C\$0.38). The fair value of the stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows:

	September 30 2022	September 30 2021
Weighted average:		
Risk free interest rate	3.08%	0.78%
Expected dividend yield	0%	0%
Expected stock price volatility	69%	74%
Expected life in years	5	5
Forfeiture rate	0%	0%

In accordance with the vesting terms of stock options and RSUs granted, the Company recorded a charge to share-based payments expense of \$522,524 (2021 - \$706,869) with an offsetting credit of \$501,634 (2021 - \$296,614) to the share-based payments reserve and \$20,890 (2021 - \$147,901) to the provision, respectively, during the nine months ended September 30, 2022.

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**15. SALES**

	Three months ended September 30 2022	Three months ended September 30 2021	Nine months ended September 30 2022	Nine months ended September 30 2021
Metals concentrate sold	\$ 23,047,271	\$ 32,090,480	\$ 49,155,329	\$ 64,884,043
Provisional pricing adjustments	75,828	(282,740)	75,828	(337,265)
	<u>\$ 23,123,099</u>	<u>\$ 31,807,740</u>	<u>\$ 49,231,157</u>	<u>\$ 64,546,778</u>

**16. COST OF SALES**

	Three months ended September 30 2022	Three months ended September 30 2021	Nine months ended September 30 2022	Nine months ended September 30 2021
Direct mining and processing costs	\$ (11,446,811)	\$ (11,480,458)	\$ (21,478,363)	\$ (23,976,580)
Royalties	(396,403)	(533,345)	(1,702,634)	(1,021,506)
Selling expense	(645,546)	(896,201)	(1,944,612)	(2,419,480)
Depletion and amortization	(5,137,772)	(5,138,726)	(9,757,648)	(11,493,013)
	<u>\$ (17,626,532)</u>	<u>\$ (18,048,730)</u>	<u>\$ (34,883,257)</u>	<u>\$ (38,910,579)</u>

Direct mining and processing costs include salaries and other short-term benefits, contractor charges, energy, consumables, and other production-related costs. Selling expense included mostly the in-land transportation, storage, and security costs of concentrate prior to provisional invoicing.

**17. INTEREST AND FINANCE COSTS, NET**

	Three months ended September 30 2022	Three months ended September 30 2021	Nine months ended September 30 2022	Nine months ended September 30 2021
Interest on loans payable and convertible debentures (Note 9)	\$ (568,962)	\$ (192,483)	\$ (1,241,754)	\$ (583,719)
Accretion expenses	(91,977)	(68,688)	(269,480)	(206,466)
Interest and other expenses	(76,014)	(262,275)	(227,719)	(549,435)
	<u>\$ (736,953)</u>	<u>\$ (523,446)</u>	<u>\$ (1,738,953)</u>	<u>\$ (1,339,620)</u>

**18. EARNINGS PER SHARE**

	Three months ended September 30 2022	Three months ended September 30 2021	Nine months ended September 30 2022	Nine months ended September 30 2021
Net income attributable to equity holders	\$ 127,648	\$ 6,645,202	\$ 942,633	\$ 8,057,382
Weighted average number of shares	121,286,185	121,286,185	121,286,185	120,512,965
Dilutive effect of stock options <sup>(2)</sup>	-	672,100	499,660	785,968
Diluted weighted average number of shares	121,286,185	121,958,285	121,785,845	121,298,933
Basic earnings per share <sup>(1)</sup>	\$ 0.00	\$ 0.05	\$ 0.01	\$ 0.07
Diluted earnings per share <sup>(1)</sup>	\$ 0.00	\$ 0.05	\$ 0.01	\$ 0.07

<sup>(1)</sup> Attributable to equity holders of the Company

<sup>(2)</sup> Amounts are Nil for periods with basic loss per share, as the effects would be anti-dilutive

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**19. NON-CONTROLLING INTERESTS**

	MINER
Ownership %	90%
As at December 31, 2021	\$ 5,412,292
Dividend declared by subsidiary	(1,147,211)
Net income and comprehensive income	561,363
As at September 30, 2022	\$ 4,826,444

In August 2021, the Company acquired the remaining 40% of CMLP for \$10,000,000, of which \$7,000,000 was paid and the remaining \$3,000,000 is payable over three years in three equal annual installments. In August 2022, the first installment was paid with \$2,000,000 remaining payable (Note 10).

Summarized financial information about MINER is as follows:

	September 30 2022	September 30 2021
For the nine months ended		
Current assets	\$ 34,895,884	\$ 35,027,998
Non-current assets	45,607,263	46,708,501
Current liabilities	13,269,161	13,300,596
Non-current liabilities	19,254,123	20,067,344
Net income and comprehensive income	\$ 6,021,780	\$ 12,950,490

**20. RELATED PARTY BALANCES AND TRANSACTIONS**

The Company considers key management personnel to include its management, outside directors, and any entity controlled by them. The aggregate value of transactions (included in general and administrative expenses and share-based payments) and outstanding balances relating to key management personnel were as follows:

	Salary or fees	Share-based payments	Total
For the nine months ended September 30, 2022			
Management	\$ 796,248	\$ 140,419	\$ 936,667
Directors	117,600	224,826	342,426
Seabord Management Corp.	157,221	-	157,221
	\$ 1,071,069	\$ 365,245	\$ 1,436,314
For the nine months ended September 30, 2021			
Management	\$ 658,748	\$ 389,472	\$ 1,048,220
Directors	111,600	265,940	377,540
Seabord Services Corp.	169,951	-	169,951
	\$ 940,299	\$ 655,412	\$ 1,595,711

As at September 30, 2022, the Company had \$300,882 (December 31, 2021 - \$592,219) due to directors and management related to remuneration and performance-based remuneration, which have been included in accounts payable and accrued liabilities.

Seabord Management Corp. ("Seabord", formerly Seabord Services Corp.) is a management services company controlled by a director. Seabord provides Corporate Secretary, accounting staff, administration staff and office space to the Company pursuant to a service agreement. The Corporate Secretary and the accounting and administrative staff are employees of Seabord and are not paid directly by the Company.

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**21. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS****Changes in non-cash working capital**

	Three months ended September 30 2022	Three months ended September 30 2021	Nine months ended September 30 2022	Nine months ended September 30 2021
Receivables	\$ (10,132,768)	\$ (10,485,481)	\$ (11,033,665)	\$ (4,266,905)
Inventories	4,151,254	3,849,018	(620,971)	2,365,928
Prepaid expenses and deposits	80,053	1,121,948	(46,421)	(334,980)
Accounts payable and accrued liabilities	(951,938)	(871,190)	(7,561,359)	(2,776,156)
Net change in non-cash working capital	\$ (6,853,399)	\$ (6,385,705)	\$ (19,262,416)	\$ (5,012,113)

**Significant non-cash investing and financing activities**

During the nine months ended September 30, 2022, the Company:

- reallocated mineral property depletion of \$3,665,488 to the carrying amount of ore stockpile and metals concentrate inventories produced but not yet sold at the reporting date;
- reallocated mineral property depletion of \$2,626,744 previously recognized in carrying amounts of metals concentrate inventories sold to cost of sales; and
- recorded \$1,047,730 of right-of-use assets and lease liabilities.

During the nine months ended September 30, 2021, the Company:

- reallocated mineral property depletion of \$637,761 to the carrying amount of ore stockpile and metals concentrate inventories produced but not yet sold at the reporting date;
- reallocated mineral property depletion of \$2,315,502 previously recognized in carrying amounts of metals concentrate inventories sold to cost of sales;
- allocation to retained earnings of NCI carried interest in CMLP of \$1,121,265;
- reallocated to retained earnings \$231,578 for acquisition of NCI interest in CMLP for \$10,000,000, of which \$3,000,000 remained as payable; and
- reallocated \$393,911 of reserve for stock options exercised.

**22. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to provide shareholder returns through maximization of the profitable growth of the business and to maintain a degree of financial flexibility relevant to the underlying operating and metal price risks while safeguarding the Company's ability to continue as a going concern.

The Company has arrangements for unsecured credit facilities to borrow up to approximately \$5,900,000 with a number of Colombian banks, including Banco Davivienda S.A., Banco de Occidente, Banco Popular, and Bancolombia.

In addition, as part of the off-take agreement with the customer, the Company has been provided an inventory facility. Any amount advanced by the customer carries annual interest based on LIBOR plus 4.5% from the date of advance until the date of the payment on provisional invoice has been made.

Furthermore, the Company considers components of shareholders' equity as part of its capital. The Board of Directors does not establish a quantitative return on capital criteria for management. 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. The Company may issue new shares in order to meet its financial obligations. The management of the Company estimates that the capital resources of the Company as at September 30, 2022 are sufficient for its present needs for at least the next twelve months. The Company is not subject to externally imposed capital requirements.



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**23. FINANCIAL INSTRUMENTS**

The Company classified its financial instruments as follows:

	Fair value hierarchy	September 30 2022	December 31 2021
Financial assets - amortized cost:			
Cash		\$ 9,912,609	\$ 14,623,559
Other receivables		93,926	87,300
Financial assets - fair value through profit or loss:			
Trade receivables	Level 2	11,856,575	2,040,112
Financial liabilities - amortized cost:			
Accounts payable and accrued liabilities		8,100,956	8,356,402
Payable for acquisition of non-controlling interest		2,000,000	3,000,000
Loans payable		22,328,346	9,980,128
Financial liabilities - fair value through profit or loss:			
Provision for restricted share units	Level 2	\$ 53,307	\$ 165,184

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: (a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities; (b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and (c) Level 3 - Inputs for assets and liabilities that are not based on observable market data. The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The carrying value of cash, receivables (excluding trade receivable from provisional sales of metals concentrate), and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments. The fair values of the Company's loans payable are approximated by their carrying values as their interest rates are comparable to current interest rates.

Trade receivable from provisional sales of metals concentrate includes provisional pricing, and final price and assay adjustments. Derivative instruments are forward arrangements that were valued using pricing models, which require a variety of inputs, such as expected copper prices, gold prices, and foreign exchange rates. The Company's exercise price of its share purchase warrants and conversion price on the convertible debentures are denominated in Canadian dollars or at a set exchange rate. The trade receivable from sales of metals concentrate, derivative instruments, share purchase warrants, and derivative component of the convertible debentures are valued using observable market commodity prices and thereby classified within Level 2 of the fair value hierarchy.

The Company's activities expose it to financial risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are metal price risk, credit risk, liquidity risk, currency risk, and interest rate risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

**Metal price risk**

The Company is exposed to metals price risk given that its revenues are derived from the sale of metals through its metals concentrate products, the prices for which have been historically volatile. Consequently, the economic viability of the Company's mineral property may be adversely affected by fluctuations in metals prices. For concentrate sold during the nine months ended September 30, 2022, a 10% change in copper and gold prices would result in an increase/decrease of approximately \$5,910,000 and \$1,700,000 respectively in the Company's pre-tax income or loss on an annualized basis, respectively.

**Credit risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held through large Canadian, international and foreign national financial institutions. All of the Company's trade receivables from concentrate sales are held with a large international metals trading company. The Company mitigates this risk by transacting only with reputable financial institutions and requiring provisional payments of 90% of the value of the concentrate shipped to a single well-known buyer. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. The Company believes it is not exposed to significant credit risk and overall, the Company's credit risk has not declined significantly from the prior year.

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**23. FINANCIAL INSTRUMENTS (cont'd...)**

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuing to monitor forecasted and actual cash flows. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its development plans. The Company strives to maintain sufficient liquidity to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its holdings of cash, and its committed liabilities. The maturities of the Company's non-current liabilities are disclosed in Notes 9, 10, and 11. All current liabilities are settled within one year.

**Interest rate risk**

The Company is exposed to interest rate risk on its variable rate debt facilities. Variable interest rates are based on the SOFR plus a fixed-margin. The Company does not enter into derivative contracts to manage this risk. As at September 30, 2022, a 10% change in SOFR and/or LIBOR would result in an increase/decrease of approximately \$241,000 in the Company's pre-tax income or loss on an annualized basis based on the loan and credit facilities used.

**Currency risk**

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company primarily operates in Canada and Colombia and incurs expenditures in currencies other than the US dollars. Thereby, the Company is exposed to foreign exchange risk arising from currency exposure. Based on the Company's net exposure, as at September 30, 2022, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the US dollar against the Canadian dollar, Peruvian nuevo sol, and Colombian peso would result in an increase/decrease of approximately \$220,000 in the Company's pre-tax income or loss.

**24. CONTINGENCY AND COMMITMENT**

During the year ended December 31, 2015, the Company's operating subsidiary, Minera El Roble S.A. ("MINER"), received notice of claim from the mining authority (the "National Mining Agency") in Colombia requesting payment of royalties related to past copper production. The National Mining Agency based its claim on the current mining law, which is subsequent to the prevailing mining law under which MINER executed the mining contract regulating its royalty obligations for the El Roble mining property. The current mining law in Colombia explicitly states that it does not affect contracts executed prior to this law entering into force. Accordingly, the Company refuted the notice of claim, taking the position it has complied with the royalty payments due and called for under the contract.

In 2017, the National Mining Agency in Colombia submitted a claim for \$5,000,000 (up from \$2,000,000) plus additional interest and fees. The Company has been vigorously defending itself against this action before the Administrative Tribunal of Cundinamarca (the "Tribunal"). Such claims may take up to ten years to reach a resolution in Colombian courts. The National Mining Agency had updated the claim amount to COP\$87,933,286,817 (approximately \$19,400,000) for all royalties in dispute up to December 2021, and in June 2022, to COP\$101,217,832,270 (approximately \$22,300,000) for all royalties in dispute up to January 23, 2022, the expiry date of the mining contract.

On December 29, 2021, the Company entered into an agreement (the "Agreement") with the National Mining Agency to settle the dispute via binding arbitration at the Center for Arbitration and Conciliation of the Bogota Chamber of Commerce for the purposes of seeking an expedited resolution to the ongoing claim. The arbitration rules state the final decision by the tribunal takes approximately six to twelve months from the first procedural hearing with the tribunal which was not yet held (the commencement of the arbitration process). According to the Agreement, to the extent that a final ruling is made in favor of the Company, the Payment Plan (see below) will cease, and any amounts already paid will be reimbursed to or offset against future royalty obligations.

The Agreement allows for the Company to be recognized as being formally in good standing with the National Mining Agency, enabling the Company to apply for a new mining contract on the property. The previous contract and related title expired on January 23, 2022.

The Agreement called for the Company to enter into a five-year Payment Plan (which was amended in June 2022) payable in biannual instalments for a total amount of COP\$101,217,832,270 (approximately \$22,300,000) plus interest at a 6% annual rate (in aggregate of COP\$120,252,412,294 or approximately \$26,500,000) with the following payment schedule: initial upfront payment of COP\$3,800,000,000 (paid), followed by COP\$15,130,315,236 in year 1 (of which COP\$7,400,180,286 has been paid), COP\$15,301,117,051 in year 2, COP\$15,847,046,908 in year 3, COP\$26,501,243,006 in year 4 and COP\$43,672,690,093 in year 5. The total amount payable represents all outstanding royalty payments which the National Mining Agency has claimed through to the expiry date of the mining contract. The parties have agreed to this interim arrangement until a final arbitration decision is made.

As security for the Payment Plan, the Company granted a rotating pledge over 9,444 wet metric tonnes of concentrate inventory. The security is to be released proportionally as payments are made in accordance with the payment schedule. The security may be substituted at a later date. The Company recorded an arbitration asset for any payment made under the Payment Plan. The Company continues to work towards obtaining a new contract to renew title for the operating mine. The Company has been allowed to continue operating while the process for the contract and title renewal continues. There is no assurance the renewal will be obtained.

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**25. SEGMENTED INFORMATION**

The Company is engaged in mining, exploration, and development of mineral properties, and has an operating mine in Colombia. The Company operates in one industry and has one reportable segment, which is reviewed by the chief operating decision maker and identified based on quantitative factors whereby its revenues or assets comprise 10% or more of the total revenues or assets of the Company. As at September 30, 2022, the Company only had a single off-take agreement for metals concentrate produced at the El Roble mining property.

**Geographic segment details**

As at September 30, 2022	Canada	Colombia	Ecuador and other	Total
Cash and other current assets	\$ 4,183,487	\$ 35,718,182	\$ 855,110	\$ 40,756,779
Other non-current assets	-	2,474,722	-	2,474,722
Mineral properties	-	36,135,256	34,427,973	70,563,229
Plant and equipment	-	10,929,782	26,673	10,956,455
<b>Total assets</b>	<b>\$ 4,183,487</b>	<b>\$ 85,257,942</b>	<b>\$ 35,309,756</b>	<b>\$ 124,751,185</b>

  

As at December 31, 2021	Canada	Colombia	Ecuador and other	Total
Cash and other current assets	\$ 214,340	\$ 33,395,591	\$ 637,999	\$ 34,247,930
Other non-current assets	-	954,720	-	954,720
Mineral properties	-	38,988,731	29,838,186	68,826,917
Plant and equipment	-	11,858,905	53,494	11,912,399
<b>Total assets</b>	<b>\$ 214,340</b>	<b>\$ 85,197,947</b>	<b>\$ 30,529,679</b>	<b>\$ 115,941,966</b>