ATICO MINING CORPORATION

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

SEPTEMBER 30, 2019

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Atico Mining Corporation (the "Company") for the nine months ended September 30, 2019 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
(Expressed in United States Dollars)

	September 30 2019	December 31 2018
ASSETS		
Current assets		
Cash	$ 7,223,136	$ 6,014,723
Receivables (Note 3)	3,828,161	2,487,933
Inventories (Note 4)	10,383,868	13,981,064
Other assets (Note 5)	865,529	573,019
Total current assets	22,300,694	23,056,739
Non-current assets		
Mineral properties (Note 6)	62,539,956	47,285,871
Plant and equipment (Note 7)	12,234,651	11,808,145
Total non-current assets	74,774,607	59,094,016
TOTAL ASSETS	$ 97,075,301	$ 82,150,755
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	$ 10,228,244	$ 8,948,258
Loans payable and convertible debentures (Note 9)	4,448,149	6,510,544
Other liabilities (Note 10)	102,144	98,299
Lease liabilities (Note 11)	755,212	318,853
Total current liabilities	15,533,749	15,875,954
Non-current liabilities		
Loans payable and convertible debentures (Note 9)	$ 2,200,000	$ -
Other liabilities (Note 10)	28,286	14,912
Lease liabilities (Note 11)	618,356	729,292
Decommissiong and restoration provision (Note 12)	2,025,004	1,888,879
Deferred income tax liabilities	16,544,296	16,136,760
Total non-current liabilities	21,415,942	18,769,843
Total liabilities	36,949,691	34,645,797
EQUITY		
Share capital (Note 14)	42,667,270	38,381,033
Reserves	3,276,746	3,027,411
Retained earnings	3,435,087	1,891,186
Total equity attributable to equity holders of the Company	49,379,103	43,299,630
Non-controlling interests (Note 18)	10,746,507	4,205,328
Total equity	60,125,610	47,504,958
TOTAL LIABILITIES AND EQUITY	$ 97,075,301	$ 82,150,755

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on November 19, 2019.

Approved by the Board of Directors

"Luis F. Sáenz" Director *"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 (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Expressed in United States Dollars)

	Three months ended September 30 2019	Three months ended September 30 2018	Nine months ended September 30 2019	Nine months ended September 30 2018
Sales (Note 15)	$ 9,581,287	$ 14,900,072	$ 37,619,713	$ 42,650,384
Cost of sales (Note 16)	(7,114,404)	(10,977,829)	(29,237,508)	(32,132,897)
Income from mining operations	2,466,883	3,922,243	8,382,205	10,517,487
General and administrative expenses	(1,210,816)	(1,010,377)	(2,899,593)	(2,780,776)
Share-based payments (Note 14)	(74,537)	(104,676)	(298,429)	(258,282)
Income from operations	1,181,530	2,807,190	5,184,183	7,478,429
Accretion expenses	(78,631)	(72,937)	(245,070)	(221,791)
Interest on loans payable and convertible debentures	(21,839)	(21,381)	(103,933)	(165,918)
Interest and other expenses	(21,839)	(235,171)	(91,166)	(525,452)
Fair value adjustment on derivative instruments, net (Note 5)	320,916	(894,985)	(14,455)	(27,061)
Realized gain on derivative instruments, net (Note 5)	(164,445)	(11,588)	(92,294)	363,222
Foreign exchange loss	(442,781)	(187,983)	(516,695)	(463,637)
Income before income taxes	772,911	1,383,145	4,120,570	6,437,792
Current income tax (expense) recovery (Note 13)	735,974	(734,386)	(1,792,669)	(3,357,472)
Deferred income tax (expense) recovery (Note 13)	(1,812,355)	2,324,163	(390,998)	3,069,011
Net income (loss) and comprehensive income (loss)	$ (303,470)	$ 2,972,922	$ 1,936,903	$ 6,149,331
Net income (loss) and comprehensive income (loss) attributable to:				
Equity holders of Atico Mining Corporation	$ (352,100)	$ 2,625,660	$ 1,543,901	$ 5,392,025
Non-controlling interests (Note 18)	48,630	347,262	393,002	757,306
	$ (303,470)	$ 2,972,922	$ 1,936,903	$ 6,149,331
Basic earnings (loss) per share (Note 17)	$ (0.00)	$ 0.03	$ 0.02	$ 0.05
Diluted earnings (loss) per share (Note 17)	$ (0.00)	$ 0.03	$ 0.02	$ 0.05
Weighted average no. of shares outstanding - basic (Note 17)	102,740,252	98,502,337	99,930,499	98,502,326
Weighted average no. of shares outstanding - diluted (Note 17)	102,740,252	98,739,162	99,930,499	98,952,522

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

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

	Three months ended September 30 2019	Three months ended September 30 2018	Nine months ended September 30 2019	Nine months ended September 30 2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	$ (303,470)	$ 2,972,922	$ 1,936,903	$ 6,149,331
Items not affecting cash:				
Depletion and amortization	1,918,845	2,809,980	8,071,225	8,250,238
Share-based payments	74,537	104,676	298,429	258,282
Accretion of lease liabilities	46,891	30,205	136,126	97,755
Accretion of decommissiong and restoration provision	31,740	42,732	108,945	124,036
Interest income	(18)	-	(253)	(672)
Interest expense	76,509	98,090	115,228	459,138
Fair value adjustment on derivative liability of convertible debentures	58,709	-	58,709	-
Fair value adjustment on derivative instruments, net	(349,113)	894,985	14,455	28,227
Realized gain on derivative instruments, net	164,445	10,422	92,294	(364,388)
Deferred income tax expense (recovery)	1,812,356	(2,324,163)	407,536	(3,069,012)
Unrealized foreign exchange effect	311,487	(10,663)	163,022	8,023
	3,842,918	4,629,186	11,402,619	11,940,958
Changes in non-cash operating working capital items (Note 19)	(338,417)	(500,346)	565,405	1,038,637
Net cash provided by operating activities	3,504,501	4,128,840	11,968,024	12,979,595
CASH FLOWS FROM INVESTING ACTIVITIES				
Expenditures on mineral properties	(1,064,046)	(922,027)	(2,230,466)	(3,039,013)
Acquisition of plant and equipment	(1,667,802)	(2,610,737)	(3,168,733)	(6,493,054)
Bridge financing to Toachi	(460,000)	-	(460,000)	-
Acquisition of Toachi, net	(409,018)	-	(409,018)	-
Interest received	18	-	253	672
Settlements of derivative instruments	(164,445)	(10,422)	(92,294)	363,222
Net cash used in investing activities	(3,765,293)	(3,543,186)	(6,360,258)	(9,168,173)
CASH FLOWS FROM FINANCING ACTIVITIES				
Loans payable withdrawn (repaid), net	3,089,238	(1,339,711)	(3,410,762)	(1,819,130)
Payments on lease obligations, principal	(366,248)	(78,434)	(487,529)	(235,356)
Payments on lease obligations, interest	(46,891)	(30,205)	(136,126)	(97,755)
Interest paid	(67,761)	(60,134)	(103,933)	(264,740)
Dividend paid	(245,386)	-	(245,386)	-
Shares issued	-	-	-	268
Net cash provided by (used in) financing activities	2,362,952	(1,508,484)	(4,383,736)	(2,416,713)
Effect of exchange rate changes on cash	(1,004)	1,231	(15,617)	5,927
Change in cash	2,101,156	(921,599)	1,208,413	1,400,636
Cash, beginning of period	5,121,980	5,313,569	6,014,723	2,991,334
Cash, end of period	$ 7,223,136	$ 4,391,970	$ 7,223,136	$ 4,391,970

Supplemental disclosure with respect to cash flows (Note 19)

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
(Expressed in United States Dollars)

	Number of shares	Share capital	Share-based payments reserve	Foreign currency translation reserve	Contributed surplus reserve	Non-controlling interests	Retained earnings (deficit)	**Total equity**
Balance as at December 31, 2018	98,502,337	$ 38,381,033	$ 3,399,066	$ (715,935)	$ 344,280	$ 4,205,328	$ 1,891,186	$ 47,504,958
Acquisition of Toachi	20,520,432	4,286,237	24,726	-	-	6,606,196	-	10,917,159
Share-based payments	-	-	224,609	-	-	-	-	224,609
Dividend declared by subsidiary	-	-	-	-	-	(458,019)	-	(458,019)
Net income and comprehensive income	-	-	-	-	-	393,002	1,543,901	1,936,903
Balance as at September 30, 2019	119,022,769	$ 42,667,270	$ 3,648,401	$ (715,935)	$ 344,280	$ 10,746,507	$ 3,435,087	$ 60,125,610
Balance as at December 31, 2017	98,501,337	$ 38,380,597	$ 2,994,866	$ (715,935)	$ 344,280	$ 3,993,553	$ (959,087)	$ 44,038,274
Exercise of stock options	1,000	436	(168)	-	-	-	-	268
Share-based payments	-	-	297,634	-	-	-	-	297,634
Dividend declared by subsidiary	-	-	-	-	-	(335,465)	-	(335,465)
Net income and comprehensive income	-	-	-	-	-	757,306	5,392,025	6,149,331
Balance as at September 30, 2018	98,502,337	$ 38,381,033	$ 3,292,332	$ (715,935)	$ 344,280	$ 4,415,394	$ 4,432,938	$ 50,150,042

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

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 4, 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 100% of the issued and outstanding common shares of Toachi Mining Inc. ("Toachi") in a plan of arrangement (Note 6).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and measurement

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). These condensed interim consolidated financial statements have been prepared on a historical cost basis. 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 consolidated financial statements follow the same accounting policies and methods of application as our most recent annual financial statements, except as described below, and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2018.

Accounting standards adopted during the period

Adoption of IFRS 16 Leases

Effective January 1, 2019, the Company has adopted IFRS 16 Leases ("IFRS 16") using the modified retrospective application method, where the 2018 comparatives are not restated and the cumulative effect of initially applying IFRS 16 has been recorded on January 1, 2019 for any differences identified, including adjustments to opening retained earnings balance.

IFRS 16 introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset ("ROU asset") and a lease liability at the lease commencement for all leases, except for short-term leases (lease terms of 12 months or less) and leases of low value assets.

In applying IFRS 16 for all leases, except as noted above, the Company (a) recognizes the ROU asset and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments; (b) recognizes the amortization of ROU assets and interest on lease liabilities in profit or loss; and (c) separates the total amount of cash paid into principal and interest portions in the consolidated statement of cash flows.

The Company has made use of the following practical expedients available on transition to IFRS 16:

- Measure the ROU assets equal to the lease liability calculated for each lease;
- Apply the recognition exemptions for low value leases and leases that end within 12 months of the date of initial application, and account for them as low value and short-term leases, respectively;
- Accounting for non-lease components and lease components as a single lease component.

In transitioning to IFRS 16, the Company analyzed its contracts to identify whether they are or contain a lease arrangement. As a result, the Company, as a lessee, has recognized $871,604 within lease obligations representing its obligation to make lease payments. ROU assets of the same amount were recognized within mineral property, plant and equipment, representing its right to use the underlying assets. The weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 8%.

(Expressed in United States Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Accounting standards adopted during the period (cont'd…)

New accounting policy for leases under IFRS 16

The following table summarizes the difference between operating lease commitments disclosed immediately preceding the date of initial application and lease liabilities recognized on the consolidated statement of financial position at the date of initial application:

		January 1 2019
Operating lease obligation as at December 31, 2018	$	34,434
Leases with lease term of 12 months or less and low value assets		(34,434)
Leases identified as a result of IFRS 16 implementation		998,168
Effect from discounting at the incremental borrowing rate		(126,564)
Lease liabilities due to initial application of IFRS 16 as at January 1, 2019	$	871,604

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a ROU asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (a) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (b) for leases of low value. The payments for such leases are recognized in profit or loss on a straight-line basis over the lease term.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is amortized over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

ROU assets are included in mineral property, plant and equipment, and the lease liability is presented as part of provisions in the consolidated statement of financial position.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in profit or loss.

3. RECEIVABLES

		September 30 2019		December 31 2018
Trade receivables	$	1,777,559	$	849,726
GST/VAT and other taxes recoverable		1,936,849		1,612,161
Other receivables		113,753		26,046
	$	3,828,161	$	2,487,933

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, 2019 and December 31, 2018, the Company did not have any trade receivables that were past due. The Company's allowance for doubtful accounts at September 30, 2019 and December 31, 2018 was $Nil.

(Expressed in United States Dollars)

4. INVENTORIES

		September 30 2019		December 31 2018
Consumable parts and supplies	$	3,093,246	$	3,384,751
Ore stockpiles		737,774		1,029,030
Metals concentrate		6,552,848		9,567,283
	$	10,383,868	$	13,981,064

5. OTHER ASSETS

		September 30 2019		December 31 2018
Prepaid expenses and deposits	$	553,004	$	276,348
Derivative assets		312,525		296,671
	$	865,529	$	573,019

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, 2019, the Company recognized a negative net fair value adjustment of $14,455 (2018 - $27,061) on its derivative instruments, and a net realized loss of $92,294 (2018 - gain of $363,222) 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 proceeds if the contracted settlement rate is above the market exchange rate to purchase Colombian peso. As at September 30, 2019, the Company had outstanding arrangements to convert $10,344,000 (December 31, 2018 - $13,748,000) into Colombian peso at the negotiated exchange rates over the next twelve months.

6. MINERAL PROPERTIES

		Depletable El Roble		Non-depletable El Roble		Non-depletable La Plata		Total
As at December 31, 2018, net	$	40,563,414	$	6,722,457	$	-	$	47,285,871
Additions		363,054		1,797,729		69,683		2,230,466
Acquisition of Toachi		-		-		16,678,945		16,678,945
Depletion and amortization		(3,655,326)		-		-		(3,655,326)
As at September 30, 2019, net	$	37,271,142	$	8,520,186	$	16,748,628	$	62,539,956
As at December 31, 2018								
Historical cost	$	70,680,170	$	6,722,457	$	-	$	77,402,627
Accumulated amortization		(30,116,756)		-		-		(30,116,756)
Net carrying amount	$	40,563,414	$	6,722,457	$	-	$	47,285,871
As at September 30, 2019								
Historical cost	$	71,043,224	$	8,520,186	$	16,748,628	$	96,312,038
Accumulated amortization		(33,772,082)		-		-		(33,772,082)
Net carrying amount	$	37,271,142	$	8,520,186	$	16,748,628	$	62,539,956

Acquisition of Toachi

In September 2019, the Company acquired 100% of the issued and outstanding common shares of Toachi in a plan of arrangement (the “Arrangement”). Up to the closing date, the Company advanced $460,000 to Toachi as bridge financing. As part of the Arrangement, each of the issued and outstanding shares of Toachi was exchanged on a basis of 0.24897 common shares of the Company (the “Exchange Ratio”). Consequently, the Company issued 20,520,432 common shares, valued at $4,286,237, and 1,703,439 stock options and 2,489,689 share purchase warrants, valued at $24,726 and $7,213 respectively using the Black-Scholes option pricing model. In addition, the Company incurred transaction costs of $445,901.

(Expressed in United States Dollars)

6. MINERAL PROPERTIES (cont'd…)

Acquisition of Toachi (cont'd…)

At the time of the acquisition, the Company determined that Toachi did not constitute as a business as defined under IFRS 3 Business Combinations and accounted for the transaction as an asset acquisition. The Company has recognized the identifiable assets and liabilities acquired at their estimated acquisition date fair values, where the purchase price allocation is as follows:

		Amounts
Common shares issued	$	4,286,237
Stock options granted and share purchase w arrants issued		31,939
Bridge financing to Toachi		460,000
Acquisition costs incurred		445,901
	$	5,224,077
Cash	$	36,883
Receivables		128,134
Other assets		28,145
Mineral properties		16,678,945
Plant and equipment		10,818
Accounts payable and accrued liabilities		(1,561,198)
Loans payable and convertible debentures (Note 9)		(3,491,454)
		11,830,273
Non-controlling interests (Note 18)		(6,606,196)
	$	5,224,077

The Company has an option agreement to earn up to 75% ownership in Compania Minera La Plata S.A. ("CMLP") who holds the La Plata project located in Ecuador. To date, the Company has exercised its first option to acquire a 60% ownership interest. The Company has the further options to increase its ownership:

a) from 60% to 65% by financing the cost of a Feasibility Study by November 6, 2021; and
b) from 65% to 70% by arranging construction financing of less than US$60,000,000 to build a mine at the La Plata project; or
c) from 65% to 75% by arranging construction financing of more than US$60,000,000 to build a mine at the La Plata project.

7. PLANT AND EQUIPMENT

		Plant and building		Machinery and equipment		Assets under lease		Total
As at December 31, 2018, net	$	6,624,793	$	5,183,352	$	-	$	11,808,145
Initial adoption of IFRS 16		-		(807,945)		1,679,549		871,604
As at January 1, 2019, net		6,624,793		4,375,407		1,679,549		12,679,749
Additions		2,534,562		634,171		-		3,168,733
Acquisition of Toachi (Note 6)		-		10,818		-		10,818
Depletion and amortization		(854,953)		(2,082,880)		(686,816)		(3,624,649)
As at September 30, 2019, net	$	8,304,402	$	2,937,516	$	992,733	$	12,234,651
As at January 1, 2019								
Historical cost	$	8,525,368	$	16,329,692	$	3,174,012	$	28,029,072
Accumulated amortization		(1,900,575)		(11,954,285)		(1,494,463)		(15,349,323)
Net carrying amount	$	6,624,793	$	4,375,407	$	1,679,549	$	12,679,749
As at September 30, 2019								
Historical cost	$	11,059,930	$	16,974,681	$	3,174,012	$	31,208,623
Accumulated amortization		(2,755,528)		(14,037,165)		(2,181,279)		(18,973,972)
Net carrying amount	$	8,304,402	$	2,937,516	$	992,733	$	12,234,651

(Expressed in United States Dollars)

7. PLANT AND EQUIPMENT (cont'd…)

The Company leases various pieces of equipment that were previously classified as finance leases under IAS 17. For these finance leases, the carrying amount at January 1, 2019 of the right-of-use asset of $807,945 and of the lease obligation of $1,048,145 were determined based on the carrying amount of the asset under finance lease and finance lease liability, respectively, under IAS 17 immediately before that date. During the nine months ended September 30, 2018, the Company derecognized its fully amortized plant, building, machinery, and equipment with an aggregate gross historical cost of $6,412,749.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		September 30 2019		December 31 2018
Trade and other payables	$	6,615,074	$	4,348,408
Payables to non-controlling interest of MINER		212,633		186,965
Payroll and related liabilities		1,550,362		1,261,485
Taxes payable		1,664,052		2,717,460
Accrued liabilities		186,123		433,940
	$	10,228,244	$	8,948,258

9. LOANS PAYABLE AND CONVERTIBLE DEBENTURES

		Credit facilities		Loans payable		Convertible debentures		Total
As at December 31, 2018	$	6,510,544	$	-	$	-	$	6,510,544
Additions		-	$	3,300,000		-		3,300,000
Acquisition of Toachi (Note 6)		-		1,210,762		2,280,692		3,491,454
Interest expense		93,389		6,526		15,313		115,228
Fair value adjustment on derivative liability		-		-		58,709		58,709
Repayments - principal		(6,500,000)		(210,762)		-		(6,710,762)
Repayments - interest		(103,933)		-		-		(103,933)
Currency translation adjustments		-		(436)		(12,655)		(13,091)
		-		4,306,090		2,342,059		6,648,149
Less: current portion		-		2,106,090		2,342,059		4,448,149
Non-current portion	$	-	$	2,200,000	$	-	$	2,200,000

In September 2019, the Company entered into loan agreements with Colombian banks totaling $3,300,000, which carry interest rates between LIBOR plus 2.0% to 2.5% per annum repayable over three years. Of the balance outstanding, $1,106,090 will be payable within 12 months.

On the acquisition of Toachi, the Company assumed $1,210,762 of loans payable, of which $210,762 was immediately repaid concurrent to the closing of the transaction. The remaining loan payable to Dundee Corporation of $1,000,000, which was for the option exercised to acquire 60% of CMLP, carries an interest rate of CDOR plus 14% per annum payable by December 2019.

In addition, on the acquisition date, the Company assumed Toachi's convertible debentures, valued at $2,280,692, carry an interest rate of 10.85% per annum payable between January to March 2020. In consideration of the Exchange Ratio of the Arrangement, the principal balance of C$2,800,000 is convertible into common shares of the Company at C$0.48 per share.

10. OTHER LIABILITIES

		September 30 2019		December 31 2018
Derivative liabilities (Note 5)	$	62,943	$	13,878
Share purchase w arrants outstanding		7,173		-
Provision for restricted share units (Note 14)		60,314		99,333
		130,430		113,211
Less: current portion		102,144		98,299
Non-current portion	$	28,286	$	14,912

(Expressed in United States Dollars)

11. LEASE LIABILITIES

	September 30 2019	December 31 2018
Not later than one year	$ 1,239,580	$ 403,064
Later than one year and not later than five years	1,110,061	802,181
Later than five years	86,252	-
Total minimum lease payments	2,435,893	1,205,245
Future finance charges at implicit rate	(1,062,325)	(157,100)
Present value of minimum lease payments	1,373,568	1,048,145
Less: current portion	755,212	318,853
Non-current portion	$ 618,356	$ 729,292

12. DECOMMISSIONING AND RESTORATION PROVISION

	Amount
As at December 31, 2018	$ 1,888,879
Accretion expense	136,125
As at September 30, 2019	$ 2,025,004

A decommissioning and restoration provision have 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, 2019 were $3,150,000 (December 31, 2018 - $3,150,000), 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, 2018 - 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.

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:

Nine months ended	September 30 2019	September 30 2018
Income before income taxes	$ 4,120,570	$ 6,437,792
Canadian federal and provincial income tax rates	27.00%	26.00%
Expected income tax expense at statutory income tax rate	1,112,554	1,314,208
Difference betw een Canadian and foreign tax rates	294,730	417,727
Changes in effective tax rates	(210,296)	(281,069)
Permanent differences and other adjustments	380,707	385,485
Changes in unrecognized deferred tax assets	511,936	96,120
Impact of foreign exchange on deferred tax assets and liabilities	94,036	(54,233)
	$ 2,183,667	$ 1,878,238
Current income tax expense (recovery)	$ 1,792,669	$ 3,357,472
Deferred income tax expense (recovery)	390,998	(1,479,234)

(Expressed in United States Dollars)

14. SHARE CAPITAL (cont'd…)

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

Issued share capital

During the nine months ended September 30, 2019, the Company issued 20,520,432 common shares pursuant to the acquisition of Toachi (Note 6).

During the nine months ended September 30, 2018, the Company issued 1,000 common shares pursuant to the exercise of stock options for gross proceeds of $268.

Restricted share units

Expiry Date	December 31 2018	Granted	Vested	Expired/ Cancelled	September 30 2019
Apr 12, 2019	385,714	-	(385,714)	-	-
Apr 17, 2020	117,890	-	(44,209)	-	73,681
Feb 22, 2021	124,644	-	(24,929)	-	99,715
May 02, 2022	-	782,829	-	-	782,829
Outstanding	628,248	782,829	(454,852)	-	956,225

As at September 30, 2019, the weighted average remaining life of the restricted share units ("RSUs") outstanding is 2.31 (December 31, 2018 - 0.84) years with vesting periods of 36 months.

Share purchase warrants

Expiry Date	Exercise price (CAD)	**December 31 2018**	Issued	Exercised	Cancelled	**September 30 2019**
Apr 13, 2020	$ 0.68	-	2,489,689	-	-	2,489,689
Total		-	2,489,689	-	-	2,489,689
Weighted average exercise price (CAD)		$ -	$ 0.68	$ -	$ -	$ 0.68

As at September 30, 2019, the weighted average remaining life of the share purchase warrants outstanding is 0.54 (December 31, 2018 - Nil) years.

Stock options

Expiry Date	Exercise price (CAD)	December 31 2018	Granted	Exercised	Expired/ Cancelled	September 30 2019
Jul 11, 2019	$ 0.79	2,531,304	-	-	(2,531,304)	-
Oct 11, 2019	$ 0.40-1.77[(1)]	-	629,637	-	-	629,637
Mar 10, 2020	$ 0.40-1.77[(1)]	-	575,865	-	-	575,865
Apr 12, 2021	$ 0.345	2,241,184	-	-	-	2,241,184
Jun 28, 2021	$ 1.53[(1)]	-	62,242	-	-	62,242
Apr 17, 2022	$ 0.77	841,119	-	-	-	841,119
Aug 09, 2022	$ 1.77[(1)]	-	49,794	-	-	49,794
Jan 31, 2023	$ 0.88[(1)]	-	261,418	-	-	261,418
Feb 22, 2023	$ 0.69	1,597,678	-	-	-	1,597,678
May 07, 2023	$ 0.56[(1)]	-	37,345	-	-	37,345
Jun 05, 2023	$ 0.59	35,000	-	-	-	35,000
Mar 22, 2024	$ 0.40[(1)]	-	87,138	-	-	87,138
May 02, 2024	$ 0.285	-	2,200,000	-	-	2,200,000
Outstanding		7,246,285	3,903,439	-	(2,531,304)	8,618,420
Weighted average exercise price (CAD)		$ 0.63	$ 0.658	$ -	$ 0.79	$ 0.59
Exercisable		3,818,120				4,521,590

(1) Related to the acquisition of Toachi (Note 6)

(Expressed in United States Dollars)

14. SHARE CAPITAL (cont'd…)

Stock options (cont'd…)

As at September 30, 2019, the Company had 4,521,590 (December 31, 2018 - 3,818,120) stock options exercisable and the weighted average remaining life of the stock options outstanding is 2.69 (December 31, 2018 - 2.21) years with vesting periods ranging from 0 to 36 months.

Share-based payments and share-based payment reserve

During the nine months ended September 30, 2019, the Company granted 2,200,000 (2018 - 1,632,678) stock options and 782,829 (2018 - 124,644) 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 options granted to be C$393,820 or C$0.18 per option (2018 - C$728,482 or C$0.45). The fair value of the stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows:

Weighted average:	September 30 2019	September 30 2018
Risk free interest rate	1.61%	2.09%
Expected dividend yield	0%	0%
Expected stock price volatility	77%	80%
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 $298,429 (2018 - $153,606) with an offsetting credit of $224,609 (2018 - $183,506) to the share-based payments reserve and $73,820 (2018 - debit of $29,900) to the provision, respectively, during the nine months ended September 30, 2019.

15. SALES

	Three months ended September 30 2019	Three months ended September 30 2018	Nine months ended September 30 2019	Nine months ended September 30 2018
Metals concentrate shipped and invoiced	$ 9,554,769	$ 21,605,007	$ 38,568,384	$ 29,478,595
Provisional pricing adjustments	26,518	(6,704,935)	(948,671)	13,171,789
	$ 9,581,287	$ 14,900,072	$ 37,619,713	$ 42,650,384

16. COST OF SALES

	Three months ended September 30 2019	Three months ended September 30 2018	Nine months ended September 30 2019	Nine months ended September 30 2018
Direct mining and processing costs	$ (4,344,859)	$ (10,033,750)	$ (18,896,699)	$ (20,629,022)
Royalties	(167,315)	(316,715)	(639,475)	(674,437)
Selling expense	(795,620)	(882,308)	(1,969,040)	(2,680,555)
Depletion and amortization	(1,806,610)	(3,257,025)	(7,732,294)	(8,148,883)
	$ (7,114,404)	$ (14,489,798)	$ (29,237,508)	$ (32,132,897)

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 transportation, storage, and security costs of concentrate prior to provisional invoicing.

(Expressed in United States Dollars)

17. EARNINGS (LOSS) PER SHARE

	Three months ended September 30 2019	Three months ended September 30 2018	Nine months ended September 30 2019	Nine months ended September 30 2018
Net income (loss) attributable to equity holders	$ (352,100)	$ 2,625,660	$ 1,543,901	$ 5,392,025
Weighted average number of shares	102,740,252	98,502,337	99,930,499	98,502,326
Dilutive effect of stock options	-	466,400	-	450,196
Diluted w eighted average number of shares	102,740,252	98,739,162	99,930,499	98,952,522
Basic earnings (loss) per share	$ (0.00)	$ 0.03	$ 0.02	$ 0.05
Diluted earnings (loss) per share	$ (0.00)	$ 0.03	$ 0.02	$ 0.05

(1) Attributable to equity holders of the Company

(2) Amounts are Nil for periods w ith basic loss per share, as the effects w ould be anti-dilutive

18. RELATED PARTY BALANCES AND TRANSACTIONS

Non-controlling interests

MINER is a 90%-owned subsidiary of the Company and is 10% owned by a minority shareholder' group. For the nine months ended September 30, 2019, income of $393,002 (2018 - $410,044) has been allocated and a dividend of $458,019 (2018 - $335,465) has been paid or accrued to the non-controlling interests of MINER. Summarized financial information about MINER is as follows:

Nine months ended	September 30 2019	September 30 2018
Current assets	$ 21,292,323	$ 22,732,062
Non-current assets	70,220,450	55,831,594
Current liabilities	13,326,645	15,741,408
Non-current liabilities	19,004,517	18,139,576
Net income and comprehensive income	$ 3,930,020	$ 4,100,440

As part of the acquisition of Toachi, the Company acquired CMLP, which is a 60%-owned subsidiary, and allocated $6,859,712 to the 40% non-controlling interests (Note 6). For the nine months ended September 30, 2019, loss of $Nil has been allocated to the non-controlling interests of CMLP. Summarized financial information about CMLP is as follows:

Nine months ended	September 30 2019
Current assets	$ 1,430
Non-current assets	16,637,735
Current liabilities	164,885
Net income and comprehensive income	$ -

Compensation of key management personnel

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

Nine months ended September 30, 2019	Salary or fees	Share-based payments	Total
Management	$ 492,222	$ 225,609	$ 717,831
Directors	105,067	77,463	182,530
Seabord Services Corp.	134,595	-	134,595
	$ 731,884	$ 303,072	$ 1,034,956

(Expressed in United States Dollars)

18. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd…)

Compensation of key management personnel (cont'd…)

Nine months ended September 30, 2018		Salary or fees		Share-based payments		Total
Management	$	480,000	$	55,768	$	535,768
Directors		86,850		55,042		141,892
Seabord Services Corp.		138,189		-		138,189
	$	705,039	$	110,810	$	815,849

As at September 30, 2019, the Company had $900,475 (December 31, 2018 - $846,188) due to directors and management related to remuneration and performance-based remuneration, which have been included in accounts payable and accrued liabilities.

Seabord Services Corp. ("Seabord") is a management services company controlled by a director. Seabord provides the Chief Financial Officer, Corporate Secretary, accounting staff, administration staff and office space to the Company pursuant to a service agreement. The Chief Financial Officer and Corporate Secretary are employees of Seabord and are not paid directly by the Company. In addition to the service agreement with Seabord, the Company entered into rental agreements with companies with common directors for office space for $2,200 and $800 per month, respectively.

19. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Changes in non-cash working capital

		Three months ended September 30 2019		Three months ended September 30 2018		Nine months ended September 30 2019		Nine months ended September 30 2018
Receivables	$	3,811,148	$	(70,577)	$	(1,212,094)	$	2,143,453
Inventories		(2,242,791)		2,333,253		2,632,693		(2,471,435)
Prepaids and deposits		264,026		(652,293)		(248,511)		(837,101)
Accounts payable and accrued liabilities		(2,170,800)		2,352,091		(606,683)		2,704,066
Net change in non-cash w orking capital	$	(338,417)	$	3,962,474	$	565,405	$	1,538,983

Significant non-cash investing and financing activities

During the nine months ended September 30, 2019, the Company:

a) reallocated mineral property depletion of $2,267,707 to the carrying amount of ore stockpile and metals concentrate inventories produced but not yet sold at the reporting date;
b) reallocated mineral property depletion of $3,232,210 previously recognized in carrying amounts of metals concentrate inventories sold to cost of sales;
c) issued and/or granted 20,520,432 common shares, valued at $4,286,237, 1,703,439 stock options valued at $24,726, and 2,489,689 share purchase warrants, valued at $7,213 for the acquisition of Toachi (Note 6); and
d) recorded $871,604 of ROU asset and lease liability, respectively, on the adoption of IFRS 16 (Note 2).

During the nine months ended September 30, 2018, the Company:

a) reallocated mineral property depletion of $2,656,487 to the carrying amount of ore stockpile and metals concentrate inventories produced but not yet sold at the reporting date;
b) reallocated mineral property depletion of $1,804,949 previously recognized in carrying amounts of metals concentrate inventories sold to cost of sales;
c) declared and accrued dividend of $335,465 to non-controlling interests of MINER; and
d) reallocated $168 from reserves to share capital for the exercise of stock options.

20. 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 with a number of Colombian banks, including Banco Davivienda S.A., Banco de Occidente, Bancolombia, and Banco Popular, of up to $1,500,000 and Colombian pesos ("COP") $31,000,000,000 (approximately $9,700,000).

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 believes that the capital resources of the Company as at September 30, 2019 are sufficient for its present needs for at least the next twelve months. The Company is not subject to externally imposed capital requirements.

21. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	Fair value hierarchy		September 30 2019		December 31 2018
Financial assets - amortized cost:					
Cash		$	7,223,136	$	6,014,723
Receivables			113,753		26,046
Financial assets - fair value through profit or loss:					
Trade receivables from provisional sales	Level 2		1,777,559		849,726
Derivative assets	Level 2		312,525		296,671
Financial liabilities - amortized cost:					
Accounts payable and accrued liabilities			8,564,192		6,230,798
Loans payable			6,570,870		6,510,544
Financial liabilities - fair value through profit or loss:					
Derivative liabilities	Level 2		62,943		13,878
Share purchase w arrants outstanding	Level 2		7,173		-
Derivative liabiity of convertible debentures	Level 2		77,279		-
Provision for restricted share units	Level 2	$	60,314	$	99,333

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 dollar. 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.

21. FINANCIAL INSTRUMENTS (cont'd…)

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 shipped and provisionally invoiced during the nine months ended September 30, 2019, a 1% change in copper and gold prices would result in an increase/decrease of approximately $438,000 and $115,000 respectively in the Company's pre-tax income or loss on an annualized basis, respectively.

Credit risk

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.

Liquidity risk

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, 11, and 12. All current liabilities are settled within one year.

Interest rate risk

As at September 30, 2019, a 10% change in LIBOR rates would result in an increase/decrease of approximately $81,000 in the Company's pre-tax income or loss on an annualized basis based on the loan and credit facilities used.

Currency risk

Based on the Company's net exposure, as at September 30, 2019, and assuming that all other variables remain constant, a 1% 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 $69,000 in the Company's pre-tax income or loss.

22. CONTINGENCY

During the year ended December 31, 2015, the Company's Colombian operating subsidiary, MINER, received notice of claim from the mining authority in Colombia requesting payment of royalties related to past copper production. The mining authority is basing its claim on the current mining law, which is subsequent to the prevailing mining law under which MINER executed the contract regulating its royalty obligations. The current mining law in Colombia explicitly states that it does not affect contracts executed prior to this law entering into force. Therefore, the Company and its legal counsel's position is that MINER has complied rigorously with royalty payments due and called for under the current contractual obligations. In April 2018, the Company received a revised claim of approximately $5,000,000 (up from $2,000,000) and additional interest and fees from the Administrative Tribunal of Cundinamarca (the "Tribunal"). After exhausting all options to find a resolution at the administrative level, the Company will vigorously defend itself against this action before the Tribunal. The Company has been advised by its Colombian legal counsel that this claim lacks merit, as it is in violation of Colombian law, and that such claims may take up to ten years to reach a resolution. As at September 30, 2019, no provisions have been recorded for any potential liability arising from this matter.

While the outcome of this matter is uncertain, based upon the information currently available, the Company does not believe that this matter in aggregate will have a material adverse effect on its consolidated financial position or results of operations. In the event that management's estimate of the future resolution of this matter changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

(Expressed in United States Dollars)

23. 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, 2019, 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, 2019		Canada		Colombia		Ecuador and other		Total
Cash and other current assets	$	96,177	$	21,393,684	$	810,833	$	22,300,694
Mineral properties		-		45,791,328		16,748,628		62,539,956
Plant and equipment		-		12,220,129		14,522		12,234,651
Total assets	$	96,177	$	79,405,141	$	17,573,983	$	97,075,301

As at December 31, 2018		Canada		Colombia		Other		Total
Cash and other current assets	$	162,979	$	22,324,793	$	568,967	$	23,056,739
Mineral properties		-		47,285,871		-		47,285,871
Plant and equipment				11,793,328		14,817		11,808,145
Total assets	$	162,979	$	81,403,992	$	583,784	$	82,150,755

24. EVENT AFTER REPORTING DATE

Subsequent to September 30, 2019, the Company granted 1,445,258 stock options exercisable at $0.335 per share for five years to employees, directors, and officers of the Company.