



ADVENTUS MINING CORPORATION

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**

TABLE OF CONTENTS

| | |
|---|------|
| Condensed Consolidated Statements of Financial Position | 1 |
| Condensed Consolidated Statements of Earnings (Loss)..... | 2 |
| Condensed Consolidated Statements of Comprehensive Earnings (Loss)..... | 3 |
| Condensed Consolidated Statements of Cash Flows | 4 |
| Condensed Consolidated Statements of Changes in Equity..... | 5 |
| Notes to the Condensed Consolidated Financial Statements | 6-17 |

ADVENTUS MINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED) AS AT



| (Expressed in thousands of United States dollars) | Notes | September 30, 2021 | December 31, 2020 |
|---|-------|-----------------------|-------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | \$ 9,043 | \$ 21,618 |
| Advances made on options to acquire mineral interests | 8 | 27 | 21 |
| Other receivables and prepaid expenses | 8 | 199 | 745 |
| Total current assets | | \$ 9,269 | \$ 22,384 |
| Non-current assets | | | |
| Exploration and evaluation assets | 7 | \$ 15,355 | \$ 12,866 |
| Options to acquire mineral interests | 7 | 44,221 | 28,844 |
| Property, plant and equipment | 6 | 281 | 337 |
| Investment in associate | 4 | - | 1,094 |
| Total non-current assets | | \$ 59,857 | \$ 43,141 |
| TOTAL ASSETS | | \$ 69,126 | \$ 65,525 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | \$ 3,377 | \$ 1,236 |
| Total current liabilities | | \$ 3,377 | \$ 1,236 |
| Equity | | | |
| Shareholders' equity | | \$ 64,301 | \$ 62,831 |
| Non-controlling interest | | 1,448 | 1,458 |
| Total equity | | \$ 65,749 | \$ 64,289 |
| TOTAL LIABILITIES AND EQUITY | | \$ 69,126 | \$ 65,525 |

Commitments (Note 13)

Subsequent event (Note 14)

On behalf of the Board (Approved on November 23, 2021)

/s/ "Christian Kargl-Simard"

Christian Kargl-Simard, Director

/s/ "Paul Sweeney"

Paul Sweeney, Director

ADVENTUS MINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)
(UNAUDITED)



| (Expressed in thousands of United States dollars, except per share amounts) | Notes | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|-----------|---|-------------|--|-------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Expenses and other income | | | | | |
| Employee benefits | | \$ 239 | \$ 248 | \$ 1,003 | \$ 704 |
| Professional and consulting fees | | 400 | 379 | 676 | 599 |
| Other expenses | | 208 | 117 | 630 | 352 |
| Share-based compensation | 9(b) 9(c) | 155 | 253 | 528 | 823 |
| Impairment loss on investment | 5 | - | - | - | 162 |
| Reversal of impairment loss in associate | 4 | - | - | (1,253) | - |
| Depreciation | | 5 | 8 | 29 | 10 |
| Foreign exchange loss (gain) | | 150 | (98) | 28 | 220 |
| Interest income | | (7) | (17) | (37) | (48) |
| Loss (gain) on dilution of investment in associate | 4 | - | 7 | (18) | - |
| Share of loss in associate | 4 | - | 13 | 118 | 42 |
| Gain on disposal of investment in associate | 4 | (2,985) | - | (2,985) | - |
| | | \$ (1,835) | \$ 910 | \$ (1,281) | \$ 2,864 |
| Earnings (loss) before income tax expense | | 1,835 | (910) | 1,281 | (2,864) |
| Income tax expense | | - | - | - | - |
| Net earnings (loss) | | \$ 1,835 | \$ (910) | \$ 1,281 | \$ (2,864) |
| Net earnings (loss) attributable to: | | | | | |
| Common shareholders | | 1,839 | (907) | 1,291 | (2,857) |
| Non-controlling interest | | (4) | (3) | (10) | (7) |
| | | \$ 1,835 | \$ (910) | \$ 1,281 | \$ (2,864) |
| Net earnings (loss) per common share attributable to common shareholders | | | | | |
| Basic and diluted | | \$ 0.01 | \$ (0.01) | \$ 0.01 | \$ (0.03) |
| Weighted average number of shares outstanding | | | | | |
| Basic | 9(d) | 131,141,382 | 116,233,483 | 131,137,902 | 105,845,460 |
| Diluted | 9(d) | 132,522,382 | 116,233,483 | 132,518,902 | 105,845,460 |

ADVENTUS MINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)
(UNAUDITED)



| (Expressed in thousands of United States dollars) | For the three months ended | | For the nine months ended | |
|---|----------------------------|----------|---------------------------|------------|
| | September 30, | | September 30, | |
| | 2021 | 2020 | 2021 | 2020 |
| Net earnings (loss) | \$ 1,835 | \$ (910) | \$ 1,281 | \$ (2,864) |
| Other comprehensive earnings (loss) | | | | |
| To be reclassified subsequently to profit or loss: | | | | |
| Foreign currency translation adjustment on foreign operations | 3 | 2 | 6 | (26) |
| Other comprehensive earnings | | | | |
| Reclassified to profit and loss: | | | | |
| Foreign currency translation adjustment on investment disposed of in the period | (94) | - | (66) | - |
| Total comprehensive earnings (loss) | \$ 1,744 | \$ (908) | \$ 1,221 | \$ (2,890) |
| Total comprehensive earnings (loss) attributable to: | | | | |
| Common shareholders | 1,748 | (905) | 1,231 | (2,883) |
| Non-controlling interest | (4) | (3) | (10) | (7) |
| | \$ 1,744 | \$ (908) | \$ 1,221 | \$ (2,890) |

ADVENTUS MINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)



For the nine months ended
September 30,

| (Expressed in thousands of United States dollars) | Notes | 2021 | 2020 |
|---|-----------|--------------------|-------------------|
| Operating activities | | | |
| Net earnings (loss) | | \$ 1,281 | \$ (2,864) |
| Adjustments for non-cash and non-operating activities: | | | |
| Depreciation | | 29 | 10 |
| Share-based compensation | 9(b) 9(c) | 528 | 823 |
| General exploration | | 284 | 252 |
| Impairment loss on investment | 5 | - | 162 |
| Reversal of impairment loss in associate | 4 | (1,253) | - |
| Gain on dilution of investment in associate | 4 | (18) | - |
| Share of loss in associate | 4 | 118 | 42 |
| Gain on disposal of investment in associate | | (2,985) | - |
| Foreign exchange | | 66 | 119 |
| | | \$ (1,950) | \$ (1,456) |
| Changes in non-cash operating working capital: | | | |
| Other receivables and prepaid expenses | | 545 | 33 |
| Accounts payable and accrued liabilities | 9(c) | 292 | 742 |
| | | \$ 837 | \$ 775 |
| Cash used in operating activities | | \$ (1,113) | \$ (681) |
| Investing activities | | | |
| Exploration and evaluation assets | | (2,373) | (1,908) |
| General exploration | | (284) | (252) |
| Acquisition of property, plant and equipment | | (15) | (127) |
| Options to acquire mineral interests | | (13,938) | (5,869) |
| Net proceeds from disposal of investment in associate | | 5,168 | - |
| Cash used in investing activities | | \$ (11,442) | \$ (8,156) |
| Financing activities | | | |
| Net proceeds from issuance of common shares | | - | 26,922 |
| Net proceeds from exercise of stock options | | 41 | 111 |
| Cash provided by financing activity | | \$ 41 | \$ 27,033 |
| Net decrease in cash and cash equivalents | | (12,514) | 18,196 |
| Effect of foreign exchange on cash and cash equivalents | | (61) | (107) |
| Cash and cash equivalents, beginning of period | | 21,618 | 9,892 |
| Cash and cash equivalents, end of period | | \$ 9,043 | \$ 27,981 |
| Cash and cash equivalents consist of: | | | |
| Deposits with banks | | 1,897 | 5,713 |
| Short term deposits | | 7,146 | 22,268 |
| Cash and cash equivalents, end of period | | \$ 9,043 | \$ 27,981 |

ADVENTUS MINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)



| (Expressed in thousands of United States dollars, except share amounts). | Notes | Common Shares Number | Common Shares Amount | Contributed Surplus | Accumulated Other Comprehensive Loss | Retained Deficit | Total Shareholders' Equity | Non- controlling Interest | Total Equity |
|--|----------|-------------------------|-------------------------|------------------------|---|---------------------|----------------------------------|---------------------------------|--------------|
| Balance, January 1, 2020 | | 100,594,371 | \$ 45,042 | \$ 1,342 | \$ 687 | \$ (9,345) | \$ 37,726 | \$ 1,470 | \$ 39,196 |
| Shares issued under private placement | 9(a) | 29,897,011 | 28,678 | - | - | - | 28,678 | - | 28,678 |
| Share issuance costs | 9(a) | - | (1,756) | - | - | - | (1,756) | - | (1,756) |
| Exercise of options | 9(b) | 600,000 | 181 | (70) | - | - | 111 | - | 111 |
| Share-based compensation | 9(b)9(c) | - | - | 823 | - | - | 823 | - | 823 |
| Net loss | | - | - | - | - | (2,857) | (2,857) | (7) | (2,864) |
| Comprehensive loss | | - | - | - | (26) | - | (26) | - | (26) |
| Balance, September 30, 2020 | | 131,091,382 | \$ 72,145 | \$ 2,095 | \$ 661 | \$ (12,202) | \$ 62,699 | \$ 1,463 | \$ 64,162 |
| Share-based compensation | 9(b)9(c) | - | - | 224 | - | - | 224 | - | 224 |
| Share issuance costs | | - | (2) | - | - | - | (2) | - | (2) |
| Net loss | | - | - | - | - | (130) | (130) | (5) | (135) |
| Comprehensive earnings | | - | - | - | 40 | - | 40 | - | 40 |
| Balance, December 31, 2020 | | 131,091,382 | \$ 72,143 | \$ 2,319 | \$ 701 | \$ (12,332) | \$ 62,831 | \$ 1,458 | \$ 64,289 |
| Exercise of stock options | 9(b) | 50,000 | 68 | (27) | - | - | 41 | - | 41 |
| Share-based compensation | 9(b)9(c) | - | - | 528 | - | - | 528 | - | 528 |
| Cash-settled RSUs | 9(c) | - | - | (330) | - | - | (330) | - | (330) |
| Net earnings (loss) | | - | - | - | - | 1,291 | 1,291 | (10) | 1,281 |
| Comprehensive loss | | - | - | - | (60) | - | (60) | - | (60) |
| Balance, September 30, 2021 | | 131,141,382 | \$ 72,211 | \$ 2,490 | \$ 641 | \$ (11,041) | \$ 64,301 | \$ 1,448 | \$ 65,749 |

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Adventus Mining Corporation (“Adventus” or “the Corporation”) is a mineral exploration and development company that is focused on the identification and acquisition of mineral properties and the exploration and development of its mineral properties. It is presently funding exploration and development expenditures in the Curipamba property (“Curipamba”) in Ecuador under an option agreement (“Option Agreement”) to earn an interest in Curipamba as well as in other exploration properties in Ecuador under an exploration alliance agreement (“Alliance Agreement”) with Salazar Resources Ltd (“Salazar”).

The Corporation was incorporated on October 24, 2016 pursuant to the Canada Business Corporations Act. Its registered office is at 550-220 Bay Street, Toronto, ON, M5J 2W4. It is listed on the TSX Venture Exchange under the symbol ADZN and trades on the OTCQX under the symbol ADVZF.

The Corporation’s condensed consolidated financial statements were authorized for issue by the Board on November 23, 2021.

2. BASIS OF PRESENTATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting* using the same accounting policies and methods of computation as the Corporation’s most recent annual consolidated financial statements. These condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These condensed consolidated financial statements have been prepared on a historical cost basis, except for certain items at fair value. Additionally, these condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts are expressed in United States dollars, unless otherwise stated. Tabular amounts are presented in thousands of United States dollars with the exception of per share amounts.

Going concern

These condensed consolidated financial statements have been prepared on a going concern basis. In making the assessment that the Corporation is a going concern, management has considered all available information about the future, which is at least, but not limited to, the twelve months from September 30, 2021.

As at September 30, 2021, the Corporation has approximately \$9,043,000 in cash and cash equivalents (December 31, 2020: \$21,618,000), with \$5,892,000 in working capital (December 31, 2020: \$21,148,000). The Corporation reported net earnings attributable to common shareholders of \$1,291,000 for the nine months ended September 30, 2021 (September 30, 2020: net loss of \$2,857,000). The ability to continue operations in the normal course of business is dependent on several factors, including the Corporation’s ability to secure funding.

The recoverability of the amount capitalized to exploration and evaluation assets and to the options to acquire shares in mineral interests is dependent upon the existence of economically recoverable reserves, the ability of the Corporation to obtain financing on favourable terms to continue to perform exploration activities or complete the development of the properties where necessary, or alternatively, upon the Corporation’s ability to recover its incurred costs through a disposition of its interests, all of which are uncertain. These uncertainties may affect the ability of the Corporation to continue operations and meet its obligations and discharge its liabilities into the foreseeable future as a going concern and, accordingly, the ultimate appropriateness of the use of the accounting principles applicable to going concern.

The Corporation has been able to raise adequate funding for its operations in the past. On August 14, 2020, the Corporation closed a previously announced bought-deal prospectus financing (“Offering”), pursuant to which a consortium of underwriters (the “Underwriters”) agreed to purchase from the Corporation 27,559,100 common shares in the Corporation at a price of C\$1.27 per share (“Offering Price”) for aggregate gross proceeds of approximately \$26,415,000 (C\$35,000,000). On September 3, 2020, the Underwriters exercised their over-allotment option and purchased an additional 2,337,911 common shares at the Offering Price, for aggregate gross proceeds of approximately \$2,263,000 (C\$2,969,000). In the quarter ended September 30, 2021, the Corporation disposed of its investment in Canstar for gross proceeds of \$5,182,000 (C\$6,501,000).

While the Corporation has been successful in raising equity financing as required and at September 30, 2021, had \$9,043,000 in cash and cash equivalents, events or circumstances could arise that may limit the ability of the Corporation to raise funds in a timely manner. As such, management believes that material uncertainties remain, which may cast significant doubt upon the Corporation’s ability to continue as a going concern. Management continues to explore all available options to secure funding, including equity financing and strategic partnerships. Should the Corporation not be able to secure financing in a timely manner, the Corporation will curtail exploration spending and defer discretionary expenditures to conserve cash.

2. BASIS OF PRESENTATION (CONTINUED)

Following the World Health Organization's declaration of the outbreak of the novel coronavirus, COVID-19, a global pandemic in March 2020, public health safety measures were put in place by most of the world's nations, and certain mobility restrictions were imposed by various countries. This included countries in which the Corporation operates. As a result, the Corporation suspended site activities from mid-March 2020, while desktop studies and office work continued offsite. Activities gradually restarted from mid-2020 and in 2021, work proceeded relatively uninterrupted and the overall impact on the Corporation to date has not been material. Whether there will be a significant impact in 2021 is dependent on whether there will be further spike in infection, the spread of the virus, in particular the variants, the timely rollout of the vaccines and their effectiveness in managing the spread, the lifting of mobility restrictions, the recovery of the global economy and the volatility of the commodity markets, all of which are uncertain and may impose significant negative impact on the operations of the Corporation and its cash flow.

These condensed consolidated financial statements do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes to statement of earnings (loss) and comprehensive earnings (loss) that might be necessary if the Corporation was unable to continue as a going concern.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies, judgments and estimates applied in the Corporation's condensed consolidated financial statements are consistent with those of the annual consolidated financial statements as at and for the year ended December 31, 2020, except as noted below.

These condensed consolidated financial statements include all material subsidiaries in the accounts of the Corporation for the periods presented. These subsidiaries are listed as follows:

| Subsidiary | Ownership | Incorporated | Nature |
|-------------------------------|-----------|--------------|---------------------|
| Adventus Zinc Ireland Limited | 100% | Ireland | Mineral exploration |
| Dos Gemas Company M2G S.A. | 80% | Ecuador | Mineral exploration |
| Guayacán Gold GGC S.A. | 80% | Ecuador | Mineral exploration |
| Llaktawayku S.A. | 80% | Ecuador | Mineral exploration |

Investment in associates

Investment in associates over which the Corporation exercises significant influence are accounted for using the equity method, whereby the investment is initially recognized at cost and adjusted thereafter for the Corporation's share of change in net assets of the investee post-acquisition, while including its share of the investee's profit or loss in the Corporation's profit or loss and the investee's other comprehensive loss is included in the Corporation's other comprehensive loss. At each reporting date, the Corporation determines if there is objective evidence of impairment as a result of one or more loss events and where that exists, the Corporation will record an amount of impairment charge in its profit or loss for the period in the statements of earnings (loss).

Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as an impairment reversal for the period in the statements of earnings (loss).

New accounting standards

Amendment to IAS 1 – Presentation of Financial Statements: In January 2020, the International Standards Accounting Board ("IASB") issued an amendment that affect the presentation of liabilities in the statement of financial position, clarifying that one of the requirements for the classification of a liability as non-current under the standard is the right of the entity to defer settlement of the liability for at least 12 months after the reporting period and that such right should exist at the end of the reporting period. This amendment is effective for annual periods beginning on or after January 1, 2023, with earlier application allowed. The Corporation is currently evaluating the potential impact of these amendments on its financial statements.

Amendment to IAS 12 – Income Taxes: In May 2021 the Board issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (CONTINUED)

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognizes deferred tax for all temporary differences related to leases and decommissioning obligations and recognizes the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. The Corporation is evaluating the amendment and does not expect any material impact to the financial statements upon adoption in the future.

Amendment to IAS 16 – Property, Plant and Equipment: In May 2020, IASB issued a narrow-scope amendment regarding proceeds from selling items produced while bringing an asset into the location and condition intended to by management. The amendment prohibits entities from being able to deduct such proceeds from the cost of the item of property, plant and equipment and instead requires the proceeds from such sales and the cost of producing those items to be recognized in profit or loss. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The Corporation continues to evaluate the amendment and does not expect any material impact to the financial statements upon adoption in the future.

4. INVESTMENT IN ASSOCIATE

At the beginning of the quarter ended September 30, 2021, the Corporation owned approximately 20.07% (December 31, 2020: 23.86%) of common shares in Canstar and accounted for its investment in Canstar using the equity method. In May 2021 and throughout 2020, Canstar closed several private placements in which the Corporation did not participate and recorded dilution gain on investment. The May 2021 private placement undertaken by Canstar and the continuing increase in Canstar's share price above the price at which the Corporation made its initial investment, as well as the status of the underlying projects and their related funding requirements, were deemed by management to indicate that the conditions for the previous impairments no longer existed. As at June 30, 2021, the Corporation determined the recoverable value of its investment in Canstar and recorded a \$1,253,000 impairment reversal resulting in a carrying amount of \$2,276,000. The recoverable amount of the Corporation's investment in Canstar was based on the fair value less costs of disposal.

On July 8, 2021, the Corporation agreed to sell its 17,336,339 shares in Canstar at C\$0.375 per share. The sale was completed in two tranches, on July 15, 2021 and August 13, 2021 respectively with gross proceeds of approximately \$5,182,000 (C\$6,501,000) and resulted in a gain of \$2,985,000 after accounting for currency translation adjustment previously recorded as other comprehensive earnings as well as legal fees incurred for the transaction.

| (Expressed in thousands of United States dollars) | Canstar | |
|--|----------------|---------|
| Balance, January 1, 2020 | \$ | 601 |
| Share of loss in associate | | (112) |
| Gain on dilution of investment | | 582 |
| Currency Translation Adjustment | | 23 |
| Balance, December 31, 2020 | \$ | 1,094 |
| Share of loss in associate | | (118) |
| Gain on dilution of investment | | 18 |
| Reversal of impairment loss in associate | | 1,253 |
| Currency Translation Adjustment | | 29 |
| Sale of investment in associate | | (2,276) |
| Balance, September 30, 2021 | \$ | - |

5. INVESTMENT

In 2019, the Corporation had divested some properties in Ireland in return for common shares in BMEx Limited ("BMEx"), a company incorporated in Australia. Following an unsuccessful attempt to list on the Australian Securities Exchange and due to volatility in the capital markets resulting from COVID-19, management has determined that it is not likely that BMEx will obtain adequate financing for its operations, and hence a full impairment charge of \$162,000 is recorded against its investment in BMEx in the quarter ended March 31, 2020.

For the three and nine months ended September 30, 2021 and 2020

(Tabular amounts in thousands of United States dollars, except per share amounts)

6. PROPERTY PLANT AND EQUIPMENT

As at September 30, 2021, the Corporation has the following property plant and equipment:

(Expressed in thousands of United States dollars)

| Cost | Office furniture and equipment | Camp Vehicles and Equipment | Leasehold Improvement | Total |
|------------------------------------|---|--|----------------------------------|--------------|
| Balance, January 1, 2020 | \$ 110 | \$ 168 | \$ 5 | \$ 283 |
| Additions | 19 | 152 | 41 | 212 |
| Disposals | (30) | - | - | (30) |
| Balance, December 31, 2020 | 99 | 320 | 46 | 465 |
| Additions | 9 | 6 | - | 15 |
| Balance, September 30, 2021 | \$ 108 | \$ 326 | \$ 46 | \$ 480 |
| Accumulated depreciation | Office furniture and equipment | Camp Vehicles and Equipment | Leasehold Improvement | Total |
| Balance, January 1, 2020 | \$ 53 | \$ 29 | \$ 5 | \$ 87 |
| Additions | 10 | 26 | 17 | 53 |
| Disposals | (12) | - | - | (12) |
| Balance, December 31, 2020 | 51 | 55 | 22 | 128 |
| Additions | 13 | 34 | 24 | 71 |
| Balance, September 30, 2021 | \$ 64 | \$ 89 | \$ 46 | \$ 199 |
| Carrying value | Office furniture and equipment | Camp Vehicles and Equipment | Leasehold Improvement | Total |
| Balance, December 31, 2020 | \$ 48 | \$ 265 | \$ 24 | \$ 337 |
| Balance, September 30, 2021 | \$ 44 | \$ 237 | \$ - | \$ 281 |

7. EXPLORATION AND EVALUATION ASSETS AND OPTIONS TO ACQUIRE MINERAL INTERESTS

The Corporation has the following exploration and evaluation assets and options to acquire mineral interests:

| Project | As at Dec 31, 2020 | Additions | Effect of foreign currency exchange movements | As at September 30, 2021 |
|--|-----------------------|-----------|--|--------------------------------|
| Ireland | | | | |
| Rathkeale Limerick | \$ 1,590 | \$ - | \$ (83) | \$ 1,507 |
| Kingscourt | 123 | - | (6) | 117 |
| Fermoy | 25 | - | (2) | 23 |
| Ecuador | | | | |
| Pijilí | 8,453 | 1,663 | - | 10,116 |
| Santiago | 2,675 | 917 | - | 3,592 |
| Total mineral properties | \$ 12,866 | \$ 2,580 | \$ (91) | \$ 15,355 |
| Curipamba | \$ 28,844 | \$ 15,377 | \$ - | \$ 44,221 |
| Option to acquire mineral interests | \$ 28,844 | \$ 15,377 | \$ - | \$ 44,221 |

For the three and nine months ended September 30, 2021 and 2020

(Tabular amounts in thousands of United States dollars, except per share amounts)

7. EXPLORATION AND EVALUATION ASSETS AND OPTIONS TO ACQUIRE MINERAL INTERESTS (CONTINUED)

| Project | As at Dec 31, 2019 | Additions | Effect of foreign currency exchange movements | As at Dec 31, 2020 |
|--|-----------------------|-----------------|---|-----------------------|
| Ireland | | | | |
| Rathkeale Limerick | \$ 1,456 | \$ - | \$ 134 | \$ 1,590 |
| Kingscourt | 113 | - | 10 | 123 |
| Fermoy | 22 | - | 3 | 25 |
| Ecuador | | | | |
| Pijilí | 5,634 | 2,819 | - | 8,453 |
| Santiago | 2,103 | 572 | - | 2,675 |
| Total mineral properties | \$ 9,328 | \$ 3,391 | \$ 147 | \$ 12,866 |
| Curipamba | \$ 19,260 | \$ 9,584 | \$ - | \$ 28,844 |
| Option to acquire mineral interests | \$ 19,260 | \$ 9,584 | \$ - | \$ 28,844 |

The Corporation acquires exploration and evaluation assets through staking and from third party vendors and may sell some or a portion of its exploration and evaluation assets in exchange for exploration expenditures, royalty interests, cash and share-based payments.

The Corporation continued to advance the Curipamba project and during the nine months ended September 30, 2021 incurred an amount of \$15,377,000 in the option to acquire interest in the Curipamba project. The amount used was mainly for land acquisition, drilling, feasibility study, engineering studies such as environmental impact studies, permitting, preliminary engineering design, and metallurgical test work. As at September 30, 2021, the Corporation has funded a cumulative amount of \$44,221,000 of Qualifying Project Expenditures into the option in Curipamba, an amount which exceeded the \$25,000,000 amount required over five years as specified in the Curipamba Option Agreement and hence satisfied the cumulative spending condition of the earn-in. The remaining obligation for the earn-in is the completion of the feasibility study, the results of which have been announced on October 26, 2021 and the technical report of which is expected to be filed before the end of 2021.

During the nine months ended September 30, 2021, the Corporation invested \$1,663,000 (September 30, 2020: \$1,444,000) and \$917,000 (September 30, 2020: \$323,000) respectively into Pijilí and Santiago. The carrying value of Pijilí and Santiago at September 30, 2021 is \$10,116,000 (December 31, 2020: \$8,453,000) and \$3,592,000 (December 31, 2020: \$2,675,000) respectively.

On January 13, 2020, the Corporation entered into the South32 Agreement to advance the Rathkeale, Kingscourt and Fermoy projects (the "Irish Projects") in the Limerick Basin in the Republic of Ireland. The Irish Projects are owned by Adventus Ireland. The South32 Agreement grants South32 Ireland the right to acquire a 70% interest in the Irish Projects by funding €3,500,000 in exploration on the Irish Projects over a four-year period. Adventus Ireland will operate the exploration activities during the earn-in period. On March 24, 2020, Adventus Ireland received approval for the earn-in agreement and funding arrangements from the Department of Communications, Climate and Environment in the Republic of Ireland. Pursuant to the South32 Agreement signed on January 13, 2020 with South32 Ireland, work continued the South32 Earn-In Projects with funding from South32. As at September 30, 2021, South32 has funded \$2,159,000 (€1,859,000) of the South32 Earn-In Projects.

As of September 30, 2021, the Corporation has included in its accounts payable an amount of \$480,000 attributable to exploration and evaluation asset expenditures as well as expenditures for the option to acquire mineral interest (December 31, 2020: \$479,000).

8. ADVANCES, OTHER RECEIVABLES AND PREPAID EXPENSES

Advances represent amounts in relation to the option to acquire mineral interests that have been advanced to Salazar for project expenditures in Curipamba but have not been spent. No interest is receivable on the advances. Other receivables include interest receivable, deposits with suppliers, deferred share issuance costs, sales tax recoverable from the government and other prepaid expenses.

For the three and nine months ended September 30, 2021 and 2020

(Tabular amounts in thousands of United States dollars, except per share amounts)

8. ADVANCES, OTHER RECEIVABLES AND PREPAID EXPENSES (CONTINUED)

| (Expressed in thousands of United States dollars) | September 30, 2021 | December 31, 2020 |
|---|--------------------|-------------------|
| Advances made on options to acquire mineral interests | \$ 27 | \$ 21 |
| Total advances | \$ 27 | \$ 21 |
| Sales tax receivables | \$ 51 | \$ 110 |
| Interest and other receivables | 3 | 205 |
| Deposits with suppliers | 28 | 36 |
| Other prepaid expenses | 117 | 394 |
| Total other receivables and prepaid expenses | \$ 199 | \$ 745 |

9. SHAREHOLDERS' EQUITY

The Corporation is authorized to issue an unlimited number of common shares at no par value. The directors are authorized to fix the number of shares and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares.

(a) Common Shares

The following shows the Corporation's issued and outstanding common shares and the prices at which the shares are issued.

| | Number of Common Shares |
|---|-------------------------|
| Balance as at January 1, 2020 | 100,594,371 |
| Shares issued under prospectus offering | 29,897,011 |
| Share options exercised | 600,000 |
| Balance as at December 31, 2020 | 131,091,382 |
| Share options exercised | 50,000 |
| Balance as at September 30, 2021 | 131,141,382 |

On August 14, 2020, the Corporation closed the Offering, pursuant to which a total of 27,559,100 common shares of the Corporation (the "Shares") were issued at a price of C\$1.27 per Share (the "Offering Price") for aggregate gross proceeds of approximately \$26,415,000 (C\$35,000,000). On September 3, 2020, the Underwriters exercised an overallotment option to subscribe for an additional 2,337,911 common shares at the Offering Price, for aggregate gross proceeds of approximately \$2,263,000 (C\$2,969,000). The Underwriters received a cash commission equal to 5.5% of the gross proceeds from the sale of the Shares pursuant to the Offering, which commission was reduced to 2.75% or 1.0% in respect of certain president's list purchasers. An amount of \$1,758,000 has been recorded as share issuance costs against the carrying value of the common shares. Proceeds of Offering net of issuance costs is \$26,920,000.

(b) Stock Options

The following table summarizes the Corporation's stock option plan as of September 30, 2021 and changes during the periods then ended:

| (Expressed in Canadian dollars, except per share amounts) | Number of Options | Weighted Average Exercise Price |
|---|-------------------|---------------------------------|
| Options outstanding, January 1, 2020 | 5,550,000 | C\$ 0.80 |
| Granted | 1,050,000 | 1.07 |
| Exercised | (600,000) | 0.25 |
| Options outstanding, December 31, 2020 | 6,000,000 | 0.90 |
| Exercised | (50,000) | 1.06 |
| Forfeited | (233,334) | 0.97 |
| Balance as at September 30, 2021 | 5,716,666 | C\$ 0.90 |

For the three and nine months ended September 30, 2021 and 2020

(Tabular amounts in thousands of United States dollars, except per share amounts)

9. SHAREHOLDERS' EQUITY (CONTINUED)

No options were granted or expired during the nine months ended September 30, 2021. During the nine months ended September 30, 2021, 50,000 options were exercised (September 30, 2020: NIL) with a weighted average share price of C\$1.06 (September 30, 2020: C\$ NIL) with gross proceeds of C\$53,000 (September 30, 2020: C\$ NIL), and the share price of C\$1.20 on the exercise date (September 30, 2020: C\$ NIL). During the nine months ended September 30, 2021, 233,334 options were forfeited.

During the nine months ended September 30, 2021, the Corporation recorded share-based compensation expense of \$277,000 (September 30, 2020: \$595,000) relating to stock options.

Stock options outstanding and exercisable as September 30, 2021 and December 31, 2020 are as follows:

| Range of exercise prices (\$/option) | Number, outstanding at September 30, 2021 | Number, exercisable at September 30, 2021 | Weighted Average Remaining contractual life (years) |
|---|---|---|---|
| \$0.00 - \$0.50 | 450,000 | 450,000 | 0.22 |
| \$0.51 - \$1.00 | 3,866,666 | 2,900,000 | 1.71 |
| \$1.01 - \$1.50 | 1,400,000 | 549,998 | 3.33 |
| Balance as at September 30, 2021 | 5,716,666 | 3,899,998 | 1.99 |

| Range of exercise prices (\$/option) | Number, outstanding at December 31, 2020 | Number, exercisable at December 31, 2020 | Weighted Average Remaining contractual life (years) |
|--|--|--|---|
| \$0.00 - \$0.50 | 450,000 | 450,000 | 0.97 |
| \$0.51 - \$1.00 | 4,100,000 | 2,666,666 | 2.53 |
| \$1.01 - \$1.50 | 1,450,000 | 299,996 | 4.06 |
| Balance as at December 31, 2020 | 6,000,000 | 3,416,662 | 2.78 |

(c) Restricted Share Units ("RSUs")

The following table summarizes the Corporation's RSUs as of September 30, 2021 and changes during the periods then ended:

| (Expressed in Canadian dollars) | Number of RSUs | | Weighted Average Value at Date of Grant |
|---|----------------|------------|---|
| RSUs outstanding, January 1, 2020 | 655,000 | C\$ | 1.05 |
| Granted | 422,500 | | 0.90 |
| RSUs outstanding, December 31, 2020 | 1,077,500 | C\$ | 0.99 |
| Settled | (455,000) | | 0.915 |
| Forfeited | (25,000) | | 0.86 |
| Balance as at September 30, 2021 | 597,500 | C\$ | 0.92 |

During the nine months ended September 30, 2021, 25,000 RSUs were forfeited and 455,000 RSUs were settled in cash at C\$0.915 per share for an aggregate amount of \$330,000 (September 30, 2020: NIL). These RSUs were originally recorded based on fair value at grant date as there was no present obligation to settle in cash and no past practice of stated policies of settling in cash. On changing to cash settlement, the Corporation recognized the amount owed as a payroll liability. The Corporation recorded share-based compensation expense of \$251,000 (September 30, 2020: \$228,000) relating to RSUs.

For the three and nine months ended September 30, 2021 and 2020

(Tabular amounts in thousands of United States dollars, except per share amounts)

9. SHAREHOLDERS' EQUITY (CONTINUED)*(d) Net earnings (loss) per share*

Basic and diluted net earnings (loss) per share were calculated using the weighted average number of common shares for the respective periods. The diluted net earnings (loss) per share was calculated using the weighted average number of common shares outstanding for the respective periods after giving effect to dilutive stock options and RSUs. For loss periods, the diluted net earnings (loss) per share was calculated using weighted average number of common shares outstanding for the respective periods without giving effect to dilutive stock options and RSUs since their inclusion would be anti-dilutive.

| Weighted average number of shares outstanding | For the three months ended September 30, | | For the nine months ended September 30, | |
|--|---|--------------------|--|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Basic | 131,141,382 | 116,233,483 | 131,137,902 | 105,845,460 |
| Effect of dilutive common share equivalents | 1,381,000 | - | 1,381,000 | - |
| Diluted weighted average number of shares outstanding | 132,522,382 | 116,233,483 | 132,518,902 | 105,845,460 |

The calculation of diluted earnings per share excludes 1,400,000 share options that were non-dilutive for the year because the exercise price together with the future IFRS 2 charge of the option exceeded the average fair value of the shares during the year.

10. RELATED PARTY TRANSACTIONS

Compensation for key management personnel and directors for the three and nine months ended September 30, 2021 and 2020 is as follows:

| (Expressed in thousands of United States dollars) | For the three months ended September 30, | | For the nine months ended September 30, | |
|---|---|--------|--|----------|
| | 2021 | 2020 | 2021 | 2020 |
| Salaries and benefits | \$ 366 | \$ 366 | \$ 1,304 | \$ 1,025 |
| Share-based compensation | 150 | 179 | 570 | 602 |
| | \$ 516 | \$ 545 | \$ 1,874 | \$ 1,627 |

For the nine months ended September 30, 2021, an amount of \$378,000 (September 30, 2020: 266,000) of salaries and benefits of key management personnel were charged to the options to acquire mineral interest in Ecuador in accordance with the option agreement.

The Corporation shares its office with Altius Minerals Corporation ("Altius"), which is a major shareholder of the Corporation, and which shared a common director on their boards until June 10, 2021. During the nine months ended September 30, 2021, the Corporation charged Altius an amount of \$14,600 for its share of office rental (September 30, 2020: \$13,000) and the amounts included in accounts receivable is \$1,800 (December 31, 2020: \$NIL).

These transactions are in the normal course of operations and are measured at the fair value amount, which is the amount of consideration established and agreed to by the related parties.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments recorded at fair value on the condensed consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; inputs that are derived principally from or corroborated by observable market data by correlation or other means; and estimates of expected volatility, expected life and expected risk-free rate of return, and;

Level 3 – valuation techniques with significant unobservable market inputs.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The Corporation has classified its financial instruments as follows:

(Expressed in thousands of United States dollars).

| As at September 30, 2021 | FVTPL | Amortised cost | Total |
|---|------------------|-----------------|------------------|
| Financial Assets | | | |
| Cash and cash equivalents | \$ 9,043 | \$ - | \$ 9,043 |
| Other receivables | - | 54 | 54 |
| Advances made on options to acquire mineral interests | - | 27 | 27 |
| Options to acquire mineral interests ¹ | 44,221 | - | 44,221 |
| Total Financial Assets | \$ 53,264 | \$ 81 | \$ 53,345 |
| Financial Liabilities | | | |
| Accounts payable and accrued liabilities | - | 3,377 | 3,377 |
| Total Financial Liabilities | \$ - | \$ 3,377 | \$ 3,377 |

Note 1: Cost remains the best estimate of fair value until such a date that the final NI 43-101 feasibility study is filed, and fair value will be reassessed upon filing.

(Expressed in thousands of United States dollars)

| As at December 31, 2020 | FVTPL | Amortised cost | Total |
|---|------------------|-----------------|------------------|
| Financial Assets | | | |
| Cash and cash equivalents | \$ 21,618 | \$ - | \$ 21,618 |
| Other receivables | - | 315 | 315 |
| Advances made on options to acquire mineral interests | - | 21 | 21 |
| Options to acquire mineral interests ¹ | 28,844 | - | 28,844 |
| Total Financial Assets | \$ 50,462 | \$ 336 | \$ 50,798 |
| Financial Liabilities | | | |
| Accounts payable and accrued liabilities | - | 1,236 | 1,236 |
| Total Financial Liabilities | \$ - | \$ 1,236 | \$ 1,236 |

Note 1: Cost remains the best estimate of fair value until such a date that the final NI 43-101 feasibility study is filed, and fair value will be reassessed upon filing.

The Corporation's financial assets as measured in accordance with the fair value hierarchy described above are

| As at September 30, 2021 (expressed in Canadian dollars) | Level 1 | Level 2 | Level 3 | Total |
|---|-----------------|-------------|------------------|------------------|
| Financial Assets | | | | |
| Cash and cash equivalents | \$ 9,043 | \$ - | \$ - | \$ 9,043 |
| Options to acquire mineral interests | - | - | 44,221 | 44,221 |
| Total Financial Assets | \$ 9,043 | \$ - | \$ 44,221 | \$ 53,264 |

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

| (Expressed in thousands of United States dollars) | | | | |
|---|------------------|-------------|------------------|------------------|
| As at December 31, 2020 | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Cash and cash equivalents | \$ 21,618 | \$ - | \$ - | \$ 21,618 |
| Options to acquire mineral interests | - | - | 28,844 | 28,844 |
| Total Financial Assets | \$ 21,618 | \$ - | \$ 28,844 | \$ 50,462 |

Risk Management

The Corporation's financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. The Corporation manages these risks through prudent investment and business decisions and, where the exposure is deemed too high, the Corporation may enter into derivative contracts to reduce this exposure.

A summary of the major financial instrument risks and the Corporation's approach to the management of these risks are included in the annual consolidated financial statements for the year ended December 31, 2020.

Foreign currency risk

The Corporation is exposed to the financial risks related to the fluctuation of foreign exchange rates of the Canadian dollar relative to the United States dollar. As at September 30, 2021, the Corporation is exposed to currency risk through the following assets and liabilities denominated in the Canadian dollar:

| (Expressed in thousands of United States dollars) | September 30, 2021 | December 31, 2020 |
|---|-----------------------|-------------------|
| Cash and cash equivalents | \$ 3,045 | \$ 7,367 |
| Other receivables and prepaid expenses | 86 | 133 |
| Accounts payable and accrued liabilities | (1,207) | (352) |
| Net asset exposure | \$ 1,924 | \$ 7,148 |

The Corporation is exposed to the financial risks related to the fluctuation of foreign exchange rates of the Euro relative to the United States dollar. As at September 30, 2021, the Corporation is exposed to currency risk through the following assets and liabilities denominated in the Euro:

| (Expressed in thousands of United States dollars) | September 30, 2021 | December 31, 2020 |
|---|-----------------------|-------------------|
| Cash and cash equivalents | \$ 817 | \$ 59 |
| Other receivables and prepaid expenses | 61 | 333 |
| Accounts payable and accrued liabilities | (780) | (236) |
| Net asset exposure | \$ 98 | \$ 156 |

For the three and nine months ended September 30, 2021 and 2020

(Tabular amounts in thousands of United States dollars, except per share amounts)

12. SEGMENTED INFORMATION

The Corporation operates in one reportable segment, that of exploration and development of mineral properties. It has three geographic locations, namely, Ecuador, Ireland and Canada.

The geographic distribution of the Corporation's assets in exploration and evaluation assets and options to acquire mineral interests as well as total assets are as follows:

(Expressed in thousands of United States dollars)

| Exploration and Evaluation assets and Options to acquire mineral interests | September 30, 2021 | December 31, 2020 |
|--|-----------------------|----------------------|
| Ecuador | \$ 57,929 | \$ 39,972 |
| Ireland | 1,647 | 1,738 |
| | \$ 59,576 | \$ 41,710 |

(Expressed in thousands of United States dollars)

| Total Assets | September 30, 2021 | December 31, 2020 |
|--------------|-----------------------|-------------------|
| Ecuador | \$ 58,381 | \$ 40,418 |
| Ireland | 2,470 | 2,023 |
| Canada | 8,275 | 23,084 |
| | \$ 69,126 | \$ 65,525 |

13. COMMITMENTS*Mineral property expenditures*

The Corporation has obtained various mineral rights licenses by staking claims and paying refundable security deposits. Certain expenditures are required on an annual basis, from the date of license issuance, to maintain the licenses in good standing and for refund of security deposits.

Ireland

In Ireland, on or before the anniversary date of license issuance, and if the required expenditures are not met, the Corporation has the option of reducing claims on a property, posting a refundable security bond for the deficient amount or elect to allow title of the license be cancelled. The Corporation is required to spend \$103,000 (€89,000) by December 31, 2021 and \$157,000 (€135,000) by December 31, 2022 in Ireland to maintain various licenses in good standing.

Ecuador

In Ecuador, for concessions applied through the public tender process, an investment offer is presented for each concession, the offer of which represents the total amounts required to be spent in order to maintain possession of the concession area at the end of the four-year investment period. For concessions not acquired through the public tender process or for concessions acquired through the public tender process and have fulfilled the initial investment conditions, the Corporation is required to submit an annual expenditure plan specifying its minimum amount of committed expenditures for the upcoming year. As at September 30, 2021, all committed expenditure amounts have been made.

For the three and nine months ended September 30, 2021 and 2020

(Tabular amounts in thousands of United States dollars, except per share amounts)

13. COMMITMENTS (CONTINUED)*Contractual obligations*

The Corporation has the following royalty obligations on its properties, with the royalties on the Irish properties held by a subsidiary of Altius:

| Projects | Country | Royalty |
|------------|---------|--|
| Rathkeale | Ireland | 2% Net Smelter Return ("NSR") |
| Kingscourt | Ireland | 2% NSR |
| Kingscourt | Ireland | 0.5% NSR – all but one licence |
| Fermoy | Ireland | 2% NSR |
| Santiago | Ecuador | 1.5% NSR – can be bought out for \$1,000,000 |
| Santiago | Ecuador | 4% net profits interest |

Under the Option Agreement in Curipamba, the Corporation shall pay to Salazar an annual advance payment of \$250,000 to an aggregate maximum of \$1,750,000. Should the Option Agreement be terminated without the Option having been exercised, any such amounts of advance payment made will not be refundable.

The Corporation has acquired an artisanal mine at Pijilí and is committed to the remaining payments:

| (Expressed in thousands of United States dollars) | Year ended December 31, |
|---|----------------------------|
| 2022 | 30 |
| 2023 | 20 |
| Total commitments | \$ 50 |

14. SUBSEQUENT EVENT*El Domo Feasibility Study*

On October 26, 2021, the Corporation announced the results of the Feasibility Study for the El Domo deposit at Curipamba. A National Instrument 43-101 ("NI 43-101") technical report will be filed within 45 days of the announcement, at which time the Corporation will look to exercise its option to earn into the entity which holds the mineral interest of Curipamba. The Corporation will assess the fair value of the option once exercised, and the corresponding impact on its financial position, during the remainder of 2021 (Note 7).