ADVENTUS MINING CORPORATION

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

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

(Expressed in thousands of United States dollars)	Notes		September 30, 2022		December 31, 2021
ASSETS					
Current assets					
Cash and cash equivalents		$	9,670	$	2,929
Other receivables and prepaid expenses	8		1,115		361
Total current assets		$	10,785	$	3,290
Non-current assets					
Exploration and evaluation assets	7	$	102,934	$	88,549
Property, plant and equipment	6		7,240		6,354
Other assets	9		2,431		-
Total non-current assets		$	112,605	$	94,903
TOTAL ASSETS		$	123,390	$	98,193
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	5,048	$	2,515
Lease liability	10		15		-
Other liabilities	11		59	$	-
Total current liabilities		$	5,122	$	2,515
Non-current liabilities					
Lease liability	10	$	30	$	-
Other liabilities	11		1,024		-
Total non-current liabilities		$	1,054	$	-
Total liabilities		$	6,176	$	2,515
Equity					
Shareholders' equity		$	102,959	$	82,337
Non-controlling interest			14,255		13,341
Total equity		$	117,214	$	95,678
TOTAL LIABILITIES AND EQUITY		$	123,390	$	98,193

Commitments (Note 16)
Subsequent events (Note 17)

On behalf of the Board (Approved on November 24, 2022)

/s/ "Christian Kargl-Simard"

Christian Kargl-Simard, Director

/s/ "Mark Wellings"

Mark Wellings, Director

ADVENTUS MINING CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) EARNINGS

(UNAUDITED)

(Expressed in thousands of United States dollars, except per share amounts)	Notes	For the three months ended September 30, 2022	For the three months ended September 30, 2021	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
Expenses and other income					
Employee benefits		$ 347	$ 239	$ 1,220	$ 1,003
Professional and consulting fees		612	400	1,340	676
Other expenses		350	208	968	630
Share-based compensation	12(c)(d)	201	155	724	528
Exploration and evaluation assets abandoned or impaired	7	102	-	102	-
Reversal of impairment loss in investment	5	-	-	-	(1,253)
Depreciation	6	11	5	17	29
Foreign exchange loss		536	150	948	28
Interest income		(60)	(7)	(113)	(37)
Gain on dilution of investment in associate		-	-	-	(18)
Share of loss in associate		-	-	-	118
Gain on disposal of investment in associate	5	-	(2,985)	-	(2,985)
Fair value gain on other investments	9	(21)	-	(66)	-
Fair value gain on derivative liabilities	12(b)	(17)	-	(1,412)	-
Finance costs	9	150	-	150	-
		$ 2,211	$ (1,835)	$ 3,878	$ (1,281)
(Loss) earnings before income tax expense		(2,211)	1,835	(3,878)	1,281
Income tax expense		-	-	-	-
Net (loss) earnings		$ (2,211)	$ 1,835	$ (3,878)	$ 1,281
Net (loss) earnings attributable to:					
Common shareholders		(985)	1,839	(2,545)	1,291
Non-controlling interest		(1,226)	(4)	(1,333)	(10)
		$ (2,211)	$ 1,835	$ (3,878)	$ 1,281
Net (loss) earnings per common share attributable to common shareholders				`	
Basic and diluted		$ (0.01)	$ 0.01	$ (0.02)	$ 0.01
Weighted average number of shares outstanding					
Basic	12(e)	166,360,882	131,141,382	161,586,089	131,137,902
Diluted	12(e)	166,360,882	132,522,382	161,586,089	132,518,902

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (EARNINGS) (UNAUDITED)

(Expressed in thousands of United States dollars)	For the three months ended September 30, 2022	2021	For the nine months ended September 30, 2022	2021
Net (loss) earnings	$ (2,211)	$ 1,835	$ (3,878)	$ 1,281
Other comprehensive earnings (loss)				
To be reclassified subsequently to profit or loss:				
Foreign currency translation adjustment on foreign operations	10	(91)	20	(60)
Total comprehensive (loss) earnings	$ (2,201)	$ 1,744	$ (3,858)	$ 1,221
Total comprehensive (loss) earnings attributable to:				
Common shareholders	(975)	1,748	(2,525)	1,231
Non-controlling interest	(1,226)	(4)	(1,333)	(10)
	$ (2,201)	$ 1,744	$ (3,858)	$ 1,221

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(Expressed in thousands of United States dollars)	Notes	For the nine months ended September 30, 2022	2021
Operating activities			
Net (loss) earnings		$ (3,878)	$ 1,281
Adjustments for non-cash and non-operating activities:			
Depreciation		17	29
Share-based compensation	12(c)(d)	724	528
General exploration		286	284
Exploration and evaluation assets abandoned or impaired		102	-
Reversal of impairment loss in investment	5	-	(1,253)
Gain on dilution of investment in associate		-	(18)
Share of loss in associate		-	118
Gain on disposal of investment in associate	5	-	(2,985)
Finance costs	9	150	-
Fair value gain on other investments	9	(66)	-
Fair value gain on derivative liabilities	12(b)	(1,412)	-
Unrealized exchange loss		632	66
		$ (3,445)	$ (1,950)
Changes in non-cash operating working capital:			
Other receivables and prepaid expenses		(754)	545
Accounts payable and accrued liabilities		3,773	292
		$ 3,019	$ 837
Cash used in operating activities		$ (426)	$ (1,113)
Investing activities			
Exploration and evaluation assets		(15,809)	(2,373)
General exploration		(286)	(284)
Acquisition of property, plant and equipment		(1,011)	(15)
Options to acquire mineral interest		-	(13,938)
Net proceeds from disposal of investment in associate		-	5,168
Cash used in investing activities		$ (17,106)	$ (11,442)
Financing activities			
Lease payments	10	(4)	-
Net proceeds from issuance of shares and warrants	12(a)(b)	24,887	-
Issuance of common shares on exercise of stock options	12(c)	-	41
Cash provided by financing activities		$ 24,883	$ 41
Net increase (decrease) in cash and cash equivalents		7,351	(12,514)
Effect of foreign exchange on cash and cash equivalents		(610)	(61)
Cash and cash equivalents, beginning of period		2,929	21,618
Cash and cash equivalents, end of period		$ 9,670	$ 9,043
Cash and cash equivalents consist of:			
Deposits with banks		6,035	1,897
Short term deposits		3,635	7,146
Cash and cash equivalents, end of period		$ 9,670	$ 9,043

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(UNAUDITED)

(Expressed in United States dollars, except share amounts)	Notes	Common Shares Number	Common Shares Amount	Contributed Surplus	Purchase Warrants	Accumulated Other Comprehensive Loss	Accumulated earnings (loss)	Total Shareholders' Equity	Non-controlling Interest	Total Equity
Balance, January 1, 2021		131,091,382	$ 72,143	$ 2,319	$ -	$ 701	$ (12,332)	$ 62,831	$ 1,458	$ 64,289
Exercise of options	12(c)	50,000	68	(27)	-	-	-	41	-	41
Share-based compensation	12(c)(d)	-	-	528	-	-	-	528	-	528
Cash-settled RSUs	12(c)(d)	-	-	(330)	-	-	-	(330)	-	(330)
Net earnings		-	-	-	-	-	1,291	1,291	(10)	1,281
Other 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
Exercise of options	12(c)	450,000	141	(52)	-	-	-	89	-	89
Share-based compensation		-	-	113	-	-	-	113	-	113
Equity-settled RSUs		200,000	145	(145)	-	-	-	-	-	-
Non-controlling interest of Salazar Holdings	4	-	-	-	-	-	-	-	11,895	11,895
Net earnings		-	-	-	-	-	17,831	17,831	(2)	17,829
Other comprehensive earnings		-	-	-	-	3	-	3	-	3
Balance, December 31, 2021		131,791,382	$ 72,497	$ 2,406	$ -	$ 644	$ 6,790	$ 82,337	$ 13,341	$ 95,678
Shares issued under prospectus placement	12(a)	34,569,500	25,229	-	-	-	-	25,229	-	25,229
Share issuance costs	12(a)	-	(1,754)	-	-	-	-	(1,754)	-	(1,754)
Lender's Warrants	12(b)	-	-	-	1,363	-	-	1,363	-	1,363
Share-based compensation	12(c)	-	-	724	-	-	-	724	-	724
RSU settlement and reclassification to liabilities	12(d)	-	-	(168)	-	-	-	(168)	-	(168)
Non-controlling interest of Salazar Holdings	4	-	-	-	-	-	(2,247)	(2,247)	2,247	-
Net loss		-	-	-	-	-	(2,545)	(2,545)	(1,333)	(3,878)
Other comprehensive earnings		-	-	-	-	20	-	20	-	20
Balance, September 30, 2022		166,360,882	$ 95,972	$ 2,962	$ 1,363	$ 664	$ 1,998	$ 102,959	$ 14,255	$ 117,214

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

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. In 2021, it has completed all its obligations under an option agreement ("Option Agreement") with Salazar Resources Ltd. ("Salazar Resources") for earning into the Curipamba property ("Curipamba") in Ecuador and has acquired 75% of Salazar Holdings Ltd. ("Salazar Holdings") which holds Curimining S.A. ("Curimining"), the project owner of Curipamba. The focus of the Corporation has been on the advancement of the volcanogenic massive sulfide El Domo deposit ("El Domo") in Curipamba to a construction decision as well as in other exploration properties in Ecuador under an exploration alliance agreement ("Alliance Agreement") with Salazar Resources.

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 24, 2022.

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, 2021, 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, 2022.

As at September 30, 2022, the Corporation has approximately $9,670,000 in cash and cash equivalents (December 31, 2021: $2,929,000), with $5,663,000 in working capital (December 31, 2021: $775,000). The Corporation reported net loss attributable to common shareholders of $2,545,000 for the nine months ended September 30, 2022 (2021: net earnings of $1,291,000). 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 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. In the year ended December 31, 2021, the Corporation disposed of its investment in Canstar Resources Inc. ("Canstar") for gross proceeds of $5,182,000 (C$6,501,000).

In January 2022, following the earn-in of its interest into 75% of Curipamba, a subsidiary of the Corporation entered into a precious metals purchase agreement ("PMPA") with a subsidiary of Wheaton Precious Metals Corp ("Wheaton") with an upfront cash consideration of $175,500,000 and a $5,000,000 equity commitment. As at September 30, 2022, no amounts have been drawn. Concurrently it signed a commitment letter for an offtake financing arrangement ("OFA") with Trafigura Pte Ltd. ("Trafigura") with a $45,000,000 senior debt facility and a $10,000,000 equity commitment pursuant to which definitive agreements were signed in July 2022. (See Note 7 for more details).

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

2. BASIS OF PRESENTATION (CONTINUED)

In January 2022, the Corporation closed a bought deal prospectus financing ("January 2022 Offering") for 34,569,500 units (the "Units") at a price of C$0.97 per unit, each Unit consisting of one common share ("Common Share") of the Corporation and one-half warrant ("Warrant"). Each Warrant is exercisable for one Common Share in the Corporation at C$1.20 up to July 26, 2023. In addition, a total of 500,000 Warrants at a price of C$0.10 per Warrant were also issued as part of the January 2022 Offering, these closing in two tranches on January 26, 2022 and February 2, 2022. Total aggregate gross proceeds for the January 2022 financing were approximately $26,641,000 (C$33,582,000). (See Notes 12(a) and 12(b) for more details.)

With the various financing initiatives in January 2022, the Corporation had secured project and equity financing that will ensure that the Curipamba project is well funded for pre-construction, environmental and social impact assessment, and community development activities, paving the way for a construction decision. The Corporation has been successful in raising equity financing as required and at September 30, 2022 had $9,670,000 in cash and cash equivalents. However, events or circumstances could arise in the future that may limit the ability of the Corporation to raise funds in a timely manner. As such, management believes that uncertainties continue to remain, which may cast 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.

Almost three years since COVID-19 was declared a pandemic, most countries have emerged from the various public health safety measures that were put in place by most of the world's nations. The overall impact of the COVID-19 pandemic on the Corporation to date has not been material, and work in 2022 is relatively uninterrupted. Whether there will be further impact in 2022 is dependent on whether variants, if any, will result in renewed spike of infection and hospitalizations, the continued efficacy of vaccines to the new variants, the re-imposing 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.

On February 24, 2022, Russian troops entered Ukraine and the ensuing military action has led to significant casualties and damage to infrastructure and mass relocation in Ukraine. In response, various jurisdictions across the globe have imposed economic sanctions on Russia and its allies and a large number of companies, both large and small, public and private, have opted to curtail business in Russia, or to cease operations in Russia or to cease providing services and goods to Russia. While the Corporation is not directly affected by these, the ripple effect of the war and its disruption of trade exacerbated the global supply-chain challenges, labour shortages and inflationary pressures that had been brought on by the pandemic disruptions and the war, and the continued uncertainties around the global recovery will linger and may impose significant negative impact on 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 condensed consolidated statement of loss and earnings 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, 2021 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
Curimining S.A.	75%	Ecuador	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

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

a) *Share purchase warrants*

Warrants issued in exchange for goods or services are usually accounted for in accordance with IFRS 2 Share-based Payment: when determined to be an equity-settled award, will be measured at the fair value of the goods or services received, unless the fair value of the services cannot reliably be measured whereby the fair value of the equity instruments granted will be used, and when determined to be a cash-based award, will be measured at the fair value as a liability.

Where warrants issued without services provided, as in the issue of shares and warrants together as a unit to lenders or investors, are usually accounted for under IAS 32 when a fixed amount of cash or liability, denominated in the issuer's functional currency, is exchanged for a fixed number of shares, or IFRS 9 Financial Instruments and classified as a derivative financial liability that is measured at fair value, with changes in value recorded in profit or loss, or as an equity instrument. Where the warrants are denominated in a currency which is different to that of the functional currency, it Is measured at fair value as a financial liability and remeasured at the end of each reporting period with the change in value being recorded in profit or loss.

Where there is a sale of units comprising common shares and share purchase warrants, and where there exists a transaction price for the warrant, that transaction price is used as the fair value of the share purchase warrants and the value of the common shares are measured under the residual method to be the difference between the unit and the value of the share purchase warrants.

b) *Leases*

The Corporation assesses whether a contract entered into by the Corporation contains a lease. If it constitutes a lease, and the lease is of low value or its term is of twelve months or less, the Corporation will claim exemption under IFRS 16 and the payments are charged as expense on a straight-line basis over the period of the lease. For all other leases, the Corporation recognizes a right-of-use asset ("ROU Asset") and a lease liability on the consolidated statement of financial position. The ROU asset is initially measured based on the present value of the lease payments, discounted using the implicit interest rate in the lease. Where such rate is not easily determined, the incremental borrowing rate is used instead. The ROU Assets are subsequently measured at cost less accumulated amortization and any impairment costs. The lease liability is initially measured at the present value of lease payments not yet paid at the commencement date. ROU Assets are included in property plant and equipment and are depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Subsequent to initial measurement, a lessee shall remeasure the lease liability to reflect changes to the lease payments. The liability is remeasured to reflect any reassessment or modification. Where the lease liability is remeasured, the corresponding adjustment is reflected in the consolidated statement of earnings or loss if the ROU Asset is already reduced to zero and where there is further reduction in the measurement of the lease liability, a lessee shall recognize any remaining amounts of the remeasurement in profit and loss.

c) *New accounting standards*

Amendment to IAS 1 – Presentation of Financial Statements: In January 2020, the IASB issued an amendment that affects 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, 2024, with earlier application allowed. 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 12 – Income Taxes: In May 2021 the IASB 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.

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.

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

4. ACQUISITIONS AND OPTIONS TO EARN-IN

Investment in Salazar Holdings

In 2017, the Corporation entered into the Option Agreement with Salazar Resources, pursuant to which the Corporation was to have the option ("Curipamba option") to acquire 75% of the interest in Salazar Holdings, the entity which holds Curimining, which owns the Curipamba concessions, by spending $25,000,000 and completing a feasibility study report.

By December 31, 2021, the Corporation has already incurred $47,127,000 of its expenditure commitment, well over the required $25,000,000. On December 10, 2021, the Corporation filed the feasibility study report titled "NI 43-101 Technical Report Feasibility Study – Curipamba El Domo Report" ("Feasibility Study"). The Corporation, having completed its obligations under the Option Agreement, delivered written notice of its exercise ("Option Exercise Notice") to Salazar Resources on December 10, 2021, and as Salazar Resources did not object to the Option Exercise Notice, it became final and the option exercise date ("Option Exercise Date") was the date of delivery of the Option Exercise Notice.

Pursuant to the Option Agreement, as of the Option Exercise Date,

(a) the aggregate amount of advances from Adventus for the project shall be capitalized in Salazar Holdings. Adventus shall be granted 75 Class A common shares representing 75% of the total issued and outstanding Class A common shares, and 95 Class B preferred shares, representing 100% of the total issued and outstanding Class B preferred shares; and

(b) the Corporation, Salazar Resources, Salazar Holdings and Curimining shall enter into a shareholders' agreement ("Shareholders' Agreement") and reconstitute the board of directors of Curimining ("Curimining Board") with two Adventus nominees and one Salazar nominee.

On December 31, 2021, Salazar Resources indicated that it is prepared to enter into the Shareholders' Agreement with the Corporation and to issue to the Corporation the necessary shares in Salazar Holdings to bring the Corporation to a 75% ownership of Salazar Holdings and control was determined to have passed on that date. These were filed with the British Columbia Registry Services on January 4, 2022.

The Corporation elected to apply the concentration test and determined the acquisition represented an asset acquisition. It assessed that the fair value of the assets being purchased upon exercise of the Option are concentrated in the overall mineral properties being acquired. The Corporation concluded that Salazar Holdings did not constitute a business as defined under IFRS 3 Business Combinations and the acquisition is therefore accounted for as an asset acquisition. The Corporation has recognized the identifiable assets and liabilities acquired at their estimated acquisition date fair values as follows:

		Amounts
Fair value of Salazar Holdings	$	77,580
Cash and cash equivalents	$	44
Receivables and other assets		116
Curipamba mineral property including land and equipment		78,643
Accounts payable and accrued liabilities		(1,223)
	$	77,580

Pursuant to the Option Agreement and the Shareholders' Agreement, the Corporation has priority repayment of its investment in Curipamba according to an agreed distribution formula between the common shareholders and preferred shareholders. Based on this formula, the percentage of non-controlling interest of the net assets on the date of acquisition was 15.33% or an amount of $11,895,000. In subsequent periods, the percentage share of non-controlling interest will change as a function of advances made by the Corporation and the earnings or loss recorded by Salazar Holdings and its subsidiaries over the period. After the Corporation has received priority repayment of its investment, the non-controlling interest will revert to 25%. As at September 30, 2022, the percentage of non-controlling interest of the net assets was 14.12% or an amount of $12,817,000.

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

5. INVESTMENT IN ASSOCIATE

The Corporation has owned shares in Canstar Resources Inc. ("Canstar") since 2018 and as it has significant influence over Canstar, it accounts for its investment in Canstar using the equity method. 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 all its 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.

6. PROPERTY, PLANT AND EQUIPMENT

As at September 30, 2022, the Corporation has the following property plant and equipment:

Cost	Office furniture and equipment	Camp Vehicles and Equipment	Leasehold Improvement	Land	Total
Balance, January 1, 2021	$ 99	$ 320	$ 46	$ -	$ 465
Additions	9	6	-	-	15
Acquisition of Salazar Holdings	73	393	-	5,623	6,089
Balance, December 31, 2021	$ 181	$ 719	$ 46	$ 5,623	$ 6,569
Additions	71	49	-	940	1,060
Write-Offs	(19)	-	-	-	(19)
Balance, September 30, 2022	$ 233	$ 768	$ 46	$ 6,563	$ 7,610

Accumulated depreciation	Office furniture and equipment	Camp Vehicles and Equipment	Leasehold Improvement	Land	Total
Balance, January 1, 2021	$ 51	$ 55	$ 22	$ -	$ 128
Additions	17	46	24	-	87
Balance, December 31, 2021	$ 68	$ 101	$ 46	$ -	$ 215
Additions	46	128	-	-	174
Write-Offs	(19)	-	-	-	(19)
Balance, September 30, 2022	$ 95	$ 229	$ 46	$ -	$ 370

Carrying value	Office furniture and equipment	Camp Vehicles and Equipment	Leasehold Improvement	Land	Total
Balance, December 31, 2021	$ 113	$ 618	$ -	$ 5,623	$ 6,354
Balance, September 30, 2022	$ 138	$ 539	$ -	$ 6,563	$ 7,240

Depreciation for the nine months ended September 30, 2022, included $157,000 (September 30, 2021: $42,000) which is capitalized to the various projects and $17,000 (September 30, 2021: $29,000) which is expensed during the period.

Property, plant and equipment as of September 30, 2022 includes ROU Assets with a net book value of $44,000 (2021: NIL). See Note 10.

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

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, 2021	Additions	Effect of foreign currency exchange movements	Abandoned or Impaired	As at September 30, 2022
Ireland					
Rathkeale Limerick	$ 1,472	$ -	$ (206)	$ -	$ 1,266
Kingscourt	115	-	(13)	(102)	-
Fermoy	22	-	(3)	-	19
Ecuador					
Curipamba	72,554	12,748	-	-	85,302
Pijilí	10,394	629	-	-	11,023
Santiago	3,992	1,332	-	-	5,324
Total mineral properties	$ 88,549	$ 14,709	$ (222)	(102)	$ 102,934

Project	As at Dec 31, 2020	Additions	Effect of foreign currency exchange movements	Fair value changes	Option Exercise	As at Dec 31, 2021
Ireland						
Rathkeale Limerick	$ 1,590	$ -	$ (118)	$ -	$ -	$ 1,472
Kingscourt	123	-	(8)	-	-	115
Fermoy	25	-	(3)	-	-	22
Ecuador						
Curipamba	-	72,554	-	-	-	72,554
Pijilí	8,453	1,941	-	-	-	10,394
Santiago	2,675	1,317	-	-	-	3,992
Total mineral properties	$ 12,866	$ 75,812	$ (129)	$ -	$ -	88,549
Curipamba	$ 28,844	$ 18,283	$ -	$ 18,559	$ (65,686)	$ -
Option to acquire mineral interests	$ 28,844	$ 18,283	$ -	$ 18,559	$ (65,686)	$ -

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

During the nine months ended September 30, 2022, the Corporation incurred $12,748,000 in Curipamba in exploration and evaluation assets. In the same period in 2021, it incurred $15,377,000 in the option to earn into Salazar Holdings, the entity that holds the Curipamba mining interest. Throughout the earn-in period, as the fair value of the option could not reasonably be measured, cost was used as the proxy to fair value. On the release of the Feasibility Study, indicating the existence of reserves and resources, the fair value of the mineral property could be more reliably estimated and a valuation was made. This resulted in a fair value increase of $18,559,000 in the value of the option in the year ended December 31, 2021. The value of the option lies primarily in the value of the mineral property and on exercising the option to acquire Salazar Holdings, an amount of $72,554,000 was recorded as fair value of the Curipamba projects added during the year ended December 31, 2021.

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

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

The PMPA with Wheaton provides the Corporation with access to an upfront cash consideration of $175,500,000 and a $5,000,000 equity commitment. Of this, $13,000,000 is available as an early deposit for pre-construction activities, and $500,000 for local community development initiatives prior to production. The remainder will be available in four instalments during construction, subject to certain customary conditions precedent being satisfied. Under the PMPA, Wheaton will purchase 50% of the payable gold production until 150,000 ounces have been delivered, thereafter dropping to 33% for the life of mine; and 75% of the payable silver production until 4,600,000 ounces have been delivered, thereafter dropping to 50% for the life of mine. Wheaton will make ongoing payments for the gold and silver ounces delivered equal to 18% of the spot prices ("Production Payment") until the value of gold and silver delivered less the Production Payment is equal to the upfront consideration of US$175,500,000, at which point the Production Payment will increase to 22% of the spot prices. The PMPA transaction is fully committed, with initial early deposit drawdown available at the Corporation's discretion subject to certain customary conditions precedent being satisfied. As at September 30, 2022, no drawdown has been made from the PMPA.

Definitive agreements ("Trafigura Agreements") for the OFA with Trafigura closed on July 31, 2022 and provided the Corporation with a credit facility of $45,000,000 and a $10,000,000 equity commitment. $5,000,000 of the facility can be paid on an early deposit basis for pre-construction activities and the remainder in two instalments during construction, subject to certain customary conditions precedent being satisfied. The facility has a 5-year term with an 8% interest margin and a credit adjustment spread of 0.1%, subject to a 0.5% Secured Overnight Financing Rate ("SOFR") floor. It includes an offtake agreement which provides certain concentrate offtake rights to Trafigura for future production over the life of mine, based on terms in the Feasibility Study. The OFA is subject to completion of executed inter-creditor agreements. As of September 30, 2022, the Corporation has not drawn on the Deposit. Upon closing, 13,500,000 common share purchase warrants ("Lender's Warrants") were issued to Trafigura, priced at C$0.513 per common share, on the basis of 25% premium to the 10-day volume weighted average price ("VWAP") at the closing date subject to approval of the TSX Venture Exchange. The Lender's Warrants have a 3-year term, subject to accelerator provisions based on Adventus' share price. If exercised, the Lender's Warrants will bring approximately C$6,926,000 into the Corporation's treasury. In addition, Trafigura has agreed to invest US$10,000,000 in equity of the Corporation not to exceed 19.99% ownership on a partially diluted basis. Such investment is at the option of the Corporation for a period of thirty months after the closing date and is subject to certain conditions precedent as those for the construction instalments under the OFA.

During the nine months ended September 30, 2022, the Corporation incurred $629,000 and $1,332,000 (2021: $1,663,000 and $917,000) respectively into Pijilí and Santiago.

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. As South32 has indicated that it has no plans to continue with explorations in the Kingscourt properties, the Corporation has decided to let the licences lapse when they come up for renewal, and to write off the properties with a charge of $102,000 in the three months ended September 30, 2022.

As at September 30, 2022, South32 has funded $3,313,000 (€3,393,000) (September 2021: $2,159,000 (€1,859,000)) in the South32 Earn-In Projects.

As of September 30, 2022, the Corporation has included in its accounts payable and accrued liabilities an amount of $2,595,000 (2021: $480,000) attributable to exploration and evaluation asset expenditures and $423,000 (2021: $774,000) attributable to South 32.

8. OTHER RECEIVABLES AND PREPAID EXPENSES

Other receivables include interest receivable, sales tax recoverable from government, deposits with suppliers and other prepaid expenses.

		September 30, 2022		December 31, 2021
Sales tax receivables	$	116	$	179
Interest and other receivables		9		6
Deposits with suppliers		762		35
Other prepaid expenses		228		141
Total other receivables and prepaid expenses	$	1,115	$	361

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

9. OTHER ASSETS

Other assets include deferred financing costs and an investment in marketable securities.

		September 30, 2022		December 31, 2021
Transaction costs for arranging Trafigura credit facilities	$	1,078	$	-
Trafigura warrants		1,287		-
Investment in marketable securities		66		-
Total other assets - non-current	$	2,431	$	-

Pursuant to the Trafigura Agreements, the Corporation is obliged to reimburse Trafigura for certain disbursements in drawing up the Trafigura Agreements, as well as an arrangement fee ("Agreement Fee") of $900,000 calculated as 2% of the total commitments, such Agreement Fee to be paid in kind by adding the amount to the principal amount of the advance. The Corporation considers these to be transaction costs incurred to access the capital over the contractual term and therefore accounts for these costs as a deferred asset since the facility is set up to support the eventual development and construction of the project. As there is no evidence that it is probable that some or all of the facility will be drawn down, these are amortized over the facility period of five years on a straight-line basis.

In addition, an availability fee ("Availability Fee") calculated at the rate of 2% per annum on the aggregate amount of the commitments which have not been advanced at any time during the period was to be paid quarterly, in arrears. These are not fees incurred for future economic benefit and are expensed as finance costs. In the three months ended September 30, 2022, $150,000 finance costs were recorded.

Upon closing, 13,500,000 common share purchase warrants ("Lender's Warrants") were issued to Trafigura, priced at C$0.513 per common share, on the basis of 25% premium to the 10-day VWAP at the closing date. The Lender's Warrants have a 3-year term, subject to accelerator provisions based on Adventus' share price. If exercised, the Lender's Warrants are expected to bring potentially approximately C$6,926,000 into the Corporation's treasury. The Lender's Warrants are issued to secure the credit facilities and are considered to be deferred assets amortized over the life of the facility period of five years on a straight-line basis. They are accounted for as equity instruments. As a result of the accelerator provisions embedded in the Lender's Warrants, they are valued using a Monte Carlo simulation to estimate the fair value of the Lender's Warrants at issuance.

The Corporation owns common shares in Felix Gold Limited ("Felix Gold"), a company trading on the Australian Securities Exchange ("ASX") under the ticker symbol ASX:FXG. The Corporation accounts for its investment in Felix Gold as a financial asset at fair value through profit or loss. The investment will be remeasured at fair value on subsequent reporting date and the change recorded through profit or loss. The carrying value of other investments, as measured at fair value on September 30, 2022, was $66,000 (2021: $Nil) and a fair value gain on other investments of the same amount was recorded for the nine months ended September 30, 2022.

10. LEASES

		2022
Right-of-Use assets		
Balance, January 1	$	-
Additions		49
Depreciation		(5)
Balance, September 30	$	44

		September 30, 2022		December 31, 2021
Current liability				
Lease liability	$	15	$	-
Total current liability	$	15	$	-
Non-current liability	$		$	-
Lease liability		30		-
Total non-current liability	$	30	$	-

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

10. LEASES (CONTINUED)

		2022
Lease liability		
Balance, January 1	$	-
Additions		49
Interest expense		(2)
Lease payments		(2)
Balance September 30	$	45

Undiscounted lease payments associated with the Corporation's lease liabilities as of September 30, 2022, are summarized below:

		Less than 1 year		1-3 years
Total lease liability	$	20	$	34

11. OTHER LIABILITIES

Other liabilities included Restricted Share Units ("RSUs") and warrant liabilities accounted for as a financial liability.

	Note		September 30, 2022		December 31, 2021
Restricted Share Unit ("RSU") liability	12(d)	$	183	$	-
Trafigura Arrangement Fee	9		900		-
Total other liabilities		$	1,083	$	-
Current		$	59	$	-
Non-current			1,024		-
Total other liabilities		$	1,083	$	-

RSUs which are considered cash-settled are accounted for as a financial liability.

12. SHARE CAPITAL AND SHARE-BASED COMPENSATION

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		Weighted Average Share Price
Balance as at January 1, 2021	131,091,382		
Share options exercised	500,000	C$	0.33
Equity-settled RSUs	200,000	C$	0.94
Balance as at December 31, 2021	131,791,382		
Shares issued under prospectus offering	34,569,500	C$	0.92
Balance as at September 30, 2022	166,360,882		

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

12. SHARE CAPITAL AND SHARE-BASED COMPENSATION (CONTINUED)

On January 26, 2022, the Corporation closed the January 2022 Offering for 34,569,500 Units at a price of C$0.97 per Unit, each Unit consisting of one Common Share of the Corporation and one-half Warrant. Each Warrant is exercisable for one Common Share in the Corporation at C$1.20 up to July 26, 2023. In addition, a total of 500,000 Warrants at a price of C$0.10 per Warrant were also issued as part of the January 2022 Offering), these closing in two tranches on January 26, 2022 and February 2, 2022. Total aggregate gross proceeds for the January 2022 financing were approximately $26,641,000 (C$33,582,000) of which $25,229,000 is attributable to the Common Share and $1,412,000 to the Warrants. The Underwriters received a cash commission equal to 6% of the gross proceeds from the sale of the Units pursuant to the January 2022 Offering, which commission was reduced to 3% in respect of certain president's list purchasers. Each Common Share is valued at C$0.92, being the difference between the price of a Unit (C$0.97) and the price of a half Warrant (C$0.05). An amount of $1,754,000 has been recorded as share issuance costs against the carrying value of the Common Shares. Proceeds of the January 2022 Offering net of issuance costs is $23,475,000.

(b) Warrant and Lender's Warrants

As part of the January 2022 Offering, 17,784,750 Warrants were issued, 17,284,750 as part of the Units being issued, and 500,000 being Warrants issued at C$0.10 per Warrant. As the Warrants are denominated in a currency (C$) that is different from the functional currency (US$) of the Corporation, they represent derivative financial liabilities, which are recognized at fair value on inception and remeasured at the end of each reporting period with changes in value being recorded in profit or loss.

The fair value of the Warrants on date of issue was $1,412,000 based on the issue price of C$0.10 per Warrant. On September 30, 2022, the fair value of the Warrants was determined to be $NIL using the Black-Scholes option pricing model with level 2 fair value inputs that included a risk-free interest rate of 3.09%, a share price of C$0.385, and an implied volatility of 36%, as there was a 14% adjustment from the 58% volatility rate due to the fact that when issued, the value attributed to the warrant based on the actual price of the warrant and the calculated valuation was adjusted over the life of the facilities, and a dividend yield of 0%.

The Lender's Warrants issued to Trafigura as part of the OFA in return for the arrangement of the credit facility and are accounted for as equity instruments. These warrants contained acceleration provisions and are valued using Monte Carlos simulation.

The fair value of the Lender's Warrants on the date of issue was $1,363,000 based on Monte Carlos simulation, with fair value inputs that included a risk-free interest rate of 2.75%, a share price of C$0.425, an expected share price weighted average volatility of 61.59% and a dividend yield of 0%.

A $1,412,000 fair value gain on derivative liabilities was recorded in the statement of loss during the nine months ended September 30, 2022.

The following table summarizes the Corporation's Warrants as of September 30, 2022 and changes during the period:

	Warrants		Amount
Balance as at January 1, 2022	-	$	-
Fair value allocated in the Warrants	17,784,750		1,412
Fair value allocated to the Lender's Warrants	13,500,000		1,363
Change in fair value of derivative liabilities	-		(1,412)
Balance as at September 30, 2022	31,284,750	$	1,363
Warrant – Liability	17,784,750		-
Warrant – Equity	13,500,000		1,363
Total Warrants	31,284,750	$	1,363

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

12. SHARE CAPITAL AND SHARE-BASED COMPENSATION (CONTINUED)

(c) *Stock Options*

The following table summarizes the Corporation's stock option plan as of September 30, 2022 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, 2021	6,000,000	C$	0.90
Forfeited	(350,000)		0.97
Exercised	(500,000)		0.33
Options outstanding, December 31, 2021	5,150,000		0.95
Granted	4,675,000		0.86
Forfeited	(366,666)		0.91
Expired, unexercised	(1,300,000)		0.80
Balance as at September 30, 2022	8,158,334	C$	0.92

During the nine months ended September 30, 2022, the Corporation recorded share-based compensation expense of $720,000 (September 30, 2021: $277,000) relating to stock options. 4,675,000 options were granted during the nine months ended September 30, 2022 (September 30, 2021: NIL) and 366,666 were forfeited (September 30, 2021: 233,334) while 1,300,000 options expired unexercised (September 30, 2021: NIL).

The weighted-average fair value of stock options granted during the nine months ended September 30, 2022 was estimated on the dates of grant to be C$0.47 per option granted using the Black-Scholes option pricing model with the following assumptions:

	2022	2021
Expected life (years)	5.0	-
Risk-free interest rate (%)	1.61 – 3.24	-
Expected volatility (%)	71 – 83	-
Expected dividend yield (%)	-	-
Expected forfeitures (%)	-	-

Stock options outstanding and exercisable as September 30, 2022 and December 31, 2021 are as follows:

Range of exercise prices ($/option)	Number, outstanding at September 30, 2022	Number, exercisable at September 30, 2022	Weighted Average Remaining contractual life (years)
$0.00 - $0.50	200,000	-	5.00
$0.51 - $1.00	6,641,667	1,983,334	3.26
$1.01 - $1.50	1,316,667	1,016,679	2.29
Balance as at September 30, 2022	8,158,334	3,000,013	3.15

Range of exercise prices ($/option)	Number, outstanding at December 31, 2021	Number, exercisable at December 31, 2021	Weighted Average Remaining contractual life (years)
$0.51 - $1.00	3,750,000	3,083,334	1.41
$1.01 - $1.50	1,400,000	733,346	3.08
Balance as at December 31, 2021	5,150,000	3,816,680	1.87

Subsequent to September 30, 2022, the Corporation granted 150,000 options and 850,000 options expired unexercised.

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

12. SHARE CAPITAL AND SHARE-BASED COMPENSATION (CONTINUED)

(d) RSUs

The following table summarizes the Corporation's RSUs as of September 30, 2022 and December 31, 2021 and changes during the periods then ended:

(Expressed in Canadian dollars, except per share amounts)	Number of RSUs		Weighted Average Value at Date of Grant
RSUs outstanding, January 1, 2021	1,077,500	C$	0.99
Settled	(655,000)		0.92
Forfeited	(25,000)		0.86
RSUs outstanding, December 31, 2021	397,500	C$	0.90
Granted	1,530,000		0.79
Forfeited	(195,000)		0.68
Settled	(122,500)		0.79
Balance as at September 30, 2022	1,610,000	C$	0.86

Under the Corporation's share compensation plan, RSUs are granted to employees, directors and non-employees as approved by the Corporation's Board of Directors. Each RSU represents a unit with the underlying value equal to the value of one common share of the Corporation, vests over a specified period of service in accordance with the plan and can be equity or cash settled at the discretion of the Corporation. RSUs granted to date vest over a period of two years. In February 2022, 122,500 RSUs were settled in cash at C$0.79 per share for an aggregate amount of $77,000 (September 30, 2021: $330,000). These RSUs were originally recorded as equity settled instruments as there was no present obligation to settle in cash and no past practice of stated policies of settling in cash. As management has an option to settle in cash or equity and now has history of cash settlement since September 2021, the Corporation now recognize the amounts on cash basis as a liability.

In February 2022, 1,480,000 RSUs were granted. As the Corporation has a history of cash settlement, the cost of the RSUs is recognized as other liability in the statement of financial position and as an expense in the condensed consolidated statements of (loss) earnings. The liability is re-measured to fair value at each reporting date with changes in fair value recognized in the condensed consolidated statement of (loss) earnings. To reflect the settlement history, the Corporation reclassified an amount of $91,000 previously recorded on equity basis from contributed surplus to other liabilities. In May 2022, an additional 50,000 RSUs were granted.

During the nine months ended September 30, 2022, 195,000 RSUs were forfeited (September 30, 2021: $25,000) and the Corporation recorded share-based compensation expense of $4,000 (September 30, 2021: $251,000) relating to RSUs before the change to cash-based settlement. During the nine months ended September 30, 2022, an amount of $92,000 (September 30, 2021: NIL) relating to RSUs after the change was recorded in employee benefits expense.

(e) Net (loss) earnings per share

Basic and diluted net loss per share were calculated using the weighted average number of common shares for the respective periods. The diluted net 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 Restricted Stock Units ("RSUs"). For loss periods, the diluted net 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,	
	2022	2021	2022	2021
Basic	166,360,882	131,141,382	161,586,089	131,137,902
Effect of dilutive common share equivalents	-	1,381,000	-	1,381,000
Diluted weighted average number of shares	166,360,882	132,522,382	161,586,089	132,518,902

13. RELATED PARTY TRANSACTIONS

Compensation for key management personnel and directors for the three and nine months ended September 30, 2022 and 2021 is as follows:

(Expressed in thousands of United States dollars)	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Salaries and benefits	$ 568	$ 366	$ 1,760	$ 1,304
Share-based compensation	242	150	738	570
	$ 810	$ 516	$ 2,498	$ 1,874

For the nine months ended September 30, 2022, an amount of $385,000 (September 30, 2021: $378,000) of salaries and benefits of key management personnel were charged to exploration and evaluation assets and the option to acquire mineral interest in Ecuador in 2021.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Classification

The Corporation has classified its financial instruments as follows:

As at September 30, 2022	FVTPL	Amortised cost	Total
Financial Assets			
Cash and cash equivalents	$ 9,670	$ -	$ 9,670
Other receivables	-	125	125
Other assets	66	-	66
Total Financial Assets	$ 9,736	$ 125	$ 9,861
Financial Liabilities			
Accounts payable and accrued liabilities	-	5,048	5,048
Other liabilities	183	900	1,083
Total Financial Liabilities	$ 183	$ 5,948	$ 6,131

As at December 31, 2021	FVTPL	Amortised cost	Total
Financial Assets			
Cash and cash equivalents	$ 2,929	$ -	$ 2,929
Other receivables	-	185	185
Total Financial Assets	$ 2,929	$ 185	$ 3,114
Financial Liabilities			
Accounts payable and accrued liabilities	-	2,515	2,515
Total Financial Liabilities	$ -	$ 2,515	$ 2,515

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

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Fair value measurements and hierarchy

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.

Management assessed that the fair values of cash and cash equivalents, other receivables and prepaid expenses, accounts payables, and accrued liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments.

Other investments are investments in quoted securities. Other liabilities consist of RSU liabilities and the derivative liabilities of the Warrant. With the availability of quoted prices in an active market, other investments and RSU liabilities are classified as Level 1 in the fair value hierarchy. As the Warrants are unlisted, they are classified as Level 2 in the fair value hierarchy as the inputs to the determination of fair value such as share price of underlying common shares, risk-free discount rates, dividend rates, etc. can be observed in the open market.

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

As at September 30, 2022	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash and cash equivalents	$ 9,670	$ -	$ -	$ 9,670
Other investments	66			66
Total Financial Assets	$ 9,736	$ -	$ -	$ 9,736
Financial Liabilities				
Other liabilities	$ 183	$ -	$ -	$ 183
Total Financial Liabilities	$ 183	$ -	$ -	$ 183

As at December 31, 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash and cash equivalents	$ 2,929	$ -	$ -	$ 2,929
Total Financial Assets	$ 2,929	$ -	$ -	$ 2,929

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, 2021.

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

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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, 2022, the Corporation is exposed to currency risk through the following assets and liabilities denominated in the Canadian dollar:

		September 30, 2022		December 31, 2021
Cash and cash equivalents	$	4,708	$	1,415
Other receivables & prepaid expenses		119		69
Accounts payable and accrued liabilities		(594)		(802)
Other liabilities		(1,546)		-
Net asset exposure	$	2,687	$	682

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, 2022, the Corporation is exposed to currency risk through the following assets and liabilities denominated in the Euro:

		September 30, 2022		December 31, 2021
Cash and cash equivalents	$	444	$	522
Other receivables & prepaid expenses		90		57
Accounts payable and accrued liabilities		(433)		(568)
Net asset exposure	$	101	$	11

15. SEGMENTED INFORMATION

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

The geographic distribution of the Corporation's assets in exploration and evaluation assets as well as total assets are as follows:

Exploration and Evaluation assets		September 30, 2022		December 31, 2021
Ecuador	$	101,649	$	86,940
Ireland		1,285		1,609
	$	102,934	$	88,549

Total Assets		September 30, 2022		December 31, 2021
Ecuador	$	111,801	$	93,502
Ireland		1,743		2,182
Canada		9,846		2,509
	$	123,390	$	98,193

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

16. COMMITMENTS AND OBLIGATIONS

As at September 30, 2022, the Corporation has the following obligations for mineral property exploration expenditures and other significant contractual obligations:

	Less than 1 year	1-3 years	Total
Exploration expenditure commitments	$ 2,904	$ 654	$ 3,558
Purchase and other commitments	50	302	352
Balance as at September 30, 2022	$ 2,954	$ 956	$ 3,910

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.

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. All of the Corporation's concessions fall into the latter category and are subject to annual expenditure plan.

Royalty obligations

The Corporation has the following royalty obligations on its properties:

Projects	Country	Royalty
Rathkeale	Ireland	2% Net Smelter Return ("NSR")
Fermoy	Ireland	2% NSR
Curipamba	Ecuador	2% NSR
Santiago (1)	Ecuador	1.5% NSR
Santiago	Ecuador	4% net profits interest

(1): The NSR royalty on Santiago can be bought out for $1,000,000.

17. SUBSEQUENT EVENTS

(a) Investment Contract ("IC")

In November, 2022 the Corporation announced that the Government of Ecuador had approved by Resolution No. 203- CEPA 2022 dated November 1, 2022 the signing of the IC between the Government of Ecuador on one side and the parties consisting of the Corporation, Salazar Resources and their subsidiary Salazar Holdings Ltd. ("Salazar Holdings") on the other, in support of the development of the El Domo copper-gold mining project. For the foreign direct investments, the Resolution grants incentives including among other matters tax reduction in the income tax tariff, exemption from the capital outflow tax, and import exemption duties of capital goods and raw materials, as well as tax and legal stability and international arbitration. The final IC is expected to be signed within 120 days.

17. SUBSEQUENT EVENTS (CONTINUED)

(b) *Mining and Construction Contractor*

On August 1, 2022, the Corporation signed a letter of intent ("LOI") for the award of a mining and construction contract with a joint venture between Stracon S.A. ("Stracon") and Ripconciv (the "Stracon-Ripconciv JV"). Subsequent to the end of the quarter, the Corporation announced the award of the open pit mining contract of El Domo to the Stracon-Ripconciv JV. The contract is structured in an alliance-partnership model and is for a duration of 48 months, expected to include the construction period as well as the first two years of operations, and can be extended upon mutual agreement. It includes scope consisting of open pit pre-strip and mining, as well as construction of the tailings facility, waste rock facilities and associated mine infrastructure. At the same time, both Stracon and Ripconciv have signed definitive binding agreements to invest in the Corporation, with each contributing US$2.5 million for an aggregate US$5 million.