# SALAZAR RESOURCES LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2021

*(Unaudited - Expressed in Canadian Dollars)*

**NOTICE OF NO AUDITOR REVIEW OF**
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

# SALAZAR RESOURCES LIMITED
## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
*(Unaudited - Expressed in Canadian Dollars)*

| | Notes | September 30, 2021 $ | December 31, 2020 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash | | 4,354,154 | 1,345,851 |
| Restricted cash | 4(a) | 52,739 | 215,980 |
| Amounts receivable | | 142,868 | 253,082 |
| GST / IVA tax receivables | | 501,185 | 318,206 |
| Prepaid expenses | | 485,034 | 988,719 |
| Materials and supplies | | 585,241 | 945,250 |
| Due from joint-venture partner | 4(a) | 1,458,449 | - |
| **Total current assets** | | 7,579,670 | 4,067,088 |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 1,536,223 | 1,458,605 |
| Exploration and evaluation assets | 4 | 22,601,005 | 20,567,209 |
| **Total non-current assets** | | 24,137,228 | 22,025,814 |
| **TOTAL ASSETS** | | 31,716,898 | 26,092,902 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | | 2,045,677 | 2,103,828 |
| Advances from joint-venture partner | 4(a) | - | 155,340 |
| **TOTAL LIABILITIES** | | 2,045,677 | 2,259,168 |
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital | 5 | 45,647,452 | 39,283,561 |
| Share-based payments reserve | | 6,051,681 | 5,797,803 |
| Accumulated other comprehensive income | | 5,298,053 | 5,284,786 |
| Deficit | | (27,325,965) | (26,532,416) |
| **TOTAL SHAREHOLDERS' EQUITY** | | 29,671,221 | 23,833,734 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | 31,716,898 | 26,092,902 |

**Nature of Operations** - see Note 1

**Commitments -** see Note 7

**Event after the Reporting Period** - see Note 11

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on November 29, 2021 and are signed on its behalf by:

| | |
|---|---|
| /s/ ***Fredy Salazar*** | /s/ ***Pablo Acosta*** |
| Fredy Salazar | Pablo Acosta |
| Director | Director |

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

## SALAZAR RESOURCES LIMITED
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE (LOSS) INCOME**
*(Unaudited - Expressed in Canadian Dollars)*

| | Note | Three Months Ended September 30 2021 $ | Three Months Ended September 30 2020 $ | Nine Months Ended September 30 2021 $ | Nine Months Ended September 30 2020 $ |
|---|---|---|---|---|---|
| **Expenses** | | | | | |
| Accounting and administration | 6(b)(ii) | 16,456 | 13,925 | 48,723 | 42,540 |
| Audit | | - | 10,768 | 132,777 | 133,818 |
| Consulting | 6(b)(i) | 40,344 | 55,569 | 145,052 | 159,605 |
| Corporate development | | 22,957 | 80,984 | 85,459 | 140,329 |
| Depreciation | | 37,685 | 19,234 | 125,592 | 102,392 |
| Drill rig standby costs | | - | - | - | 448,236 |
| General exploration | | 15,056 | 5,968 | 29,696 | 35,839 |
| Legal | | 6,603 | 6,820 | 17,183 | 6,820 |
| Office | | 7,367 | 91,082 | 85,144 | 147,579 |
| Regulatory | | 21,045 | 4,323 | 46,833 | 15,456 |
| Salaries, compensation and benefits | 6(a) | 149,393 | 71,525 | 365,951 | 340,375 |
| Share-based compensation | 5(d),(e) | 95,279 | 4,161 | 177,269 | 31,257 |
| Shareholder costs | | 3,761 | 4,496 | 7,851 | 7,271 |
| Transfer agent | | 1,810 | 5,237 | 4,656 | 7,180 |
| Travel | | 3,836 | 4,808 | 3,836 | 17,563 |
| Cost recoveries | 4(a) | (101,512) | (98,098) | (293,856) | (270,886) |
| | | 320,080 | 280,802 | 982,166 | 1,365,374 |
| **Loss before other items** | | (320,080) | (280,802) | (982,166) | (1,365,374) |
| **Other items** | | | | | |
| Interest income | | 1,032 | 4,667 | 17,313 | 28,732 |
| Operator fees | 4(b) | 3,491 | 105 | 48,349 | 10,487 |
| Drill income, net of costs | 4(b) | 4,204 | 120,526 | 42,092 | 120,526 |
| Foreign exchange | | 86,910 | (1,177) | 80,863 | 17,423 |
| | | 95,637 | 124,121 | 188,617 | 177,168 |
| **Net loss for the period** | | (224,443) | (156,681) | (793,549) | (1,188,206) |
| **Other comprehensive income (loss)** | | | | | |
| Change in currency translation of foreign subsidiaries | | 708,469 | (612,553) | 13,267 | 427,697 |
| **Comprehensive income (loss) for the period** | | 484,026 | (769,234) | (780,282) | (760,509) |
| **Basic and diluted (loss) income per common share** | | $(0.00) | $(0.00) | $(0.01) | $(0.01) |
| **Weighted average number of common shares outstanding** | | 147,353,920 | 126,905,568 | 144,493,777 | 126,987,790 |

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

## SALAZAR RESOURCES LIMITED
### CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
*(Unaudited - Expressed in Canadian Dollars)*

**Nine Months Ended September 30, 2021**

| | Share Capital | | | | | |
|---|---|---|---|---|---|---|
| | Number of Shares | Amount $ | Share-Based Payments Reserve $ | Accumulated Other Comprehensive Income (Loss) $ | Deficit $ | Total Shareholders' Equity $ |
| **Balance at December 31, 2020** | 127,087,790 | 39,283,561 | 5,797,803 | 5,284,786 | (26,532,416) | 23,833,734 |
| Common shares issued for: | | | | | | |
| - private placement | 18,572,000 | 6,500,200 | - | - | - | 6,500,200 |
| - share options | 2,023,514 | 281,542 | - | - | - | 281,542 |
| - option payment | 177,283 | 62,935 | 11,523 | - | - | 74,458 |
| Share issue costs | - | (683,137) | - | - | - | (683,137) |
| Transfer on exercise of share options | - | 202,351 | (202,351) | - | - | - |
| Share-based compensation: | | | | | | |
| - share options | - | - | 120,682 | - | - | 120,682 |
| - restricted share units | - | - | 56,587 | - | - | 56,587 |
| - finder's warrants | - | - | 267,437 | - | - | 267,437 |
| Currency translation adjustment | - | - | - | 13,267 | - | 13,267 |
| Net loss for the period | - | - | - | - | (793,549) | (793,549) |
| **Balance at September 30, 2021** | 147,860,587 | 45,647,452 | 6,051,681 | 5,298,053 | (27,325,965) | 29,671,221 |

**Nine Months Ended September 30, 2020**

| | Share Capital | | | | | |
|---|---|---|---|---|---|---|
| | Number of Shares | Amount $ | Share-Based Payments Reserve $ | Accumulated Other Comprehensive Income (Loss) $ | Deficit $ | Total Shareholders' Equity $ |
| **Balance at December 31, 2019** | 126,477,790 | 39,138,461 | 5,823,385 | 6,080,176 | (25,534,954) | 25,507,068 |
| Common shares issued for: | | | | | | |
| - share options | 510,000 | 70,100 | - | - | - | 70,100 |
| Transfer on exercise of share options | - | 51,000 | (51,000) | - | - | - |
| Share-based compensation | - | - | 31,257 | - | - | 31,257 |
| Currency translation adjustment | - | - | - | 427,697 | - | 427,697 |
| Net loss for the period | - | - | - | - | (1,188,206) | (1,188,206) |
| **Balance at September 30, 2020** | 126,987,790 | 39,259,561 | 5,803,642 | 6,507,873 | (26,723,160) | 24,847,916 |

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

## SALAZAR RESOURCES LIMITED
### CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
*(Unaudited - Expressed in Canadian Dollars)*

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2021<br>$ | 2020<br>$ |
| **Operating activities** | | |
| Net loss for the period | (793,549) | (1,188,206) |
| Adjustments for: | | |
| Depreciation | 125,592 | 131,476 |
| Share-based compensation | 177,269 | 31,257 |
| Changes in non-cash working capital items: | | |
| Restricted cash | 160,508 | (125,683) |
| Amounts receivable | 108,507 | 19,423 |
| GST/VAT receivable | (179,643) | (4,851) |
| Prepaid expenses and deposits | 494,724 | (1,078,486) |
| Materials and supplies | 354,307 | - |
| Accounts payable and accrued liabilities | (58,202) | 1,458,786 |
| Due (to) from joint venture partner | (1,585,397) | (267,596) |
| **Net cash used in operating activities** | (1,195,884) | (1,023,880) |
| **Investing activities** | | |
| Expenditures on exploration and evaluation assets, net of recoveries | (2,105,896) | (984,033) |
| Additions to property, plant and equipment, net of recoveries | (225,662) | (207,653) |
| **Net cash used in by investing activities** | (2,331,558) | (1,191,686) |
| **Financing activities** | | |
| Issuance of common shares | 6,781,742 | 70,100 |
| Share issue costs | (415,700) | - |
| **Net cash provided by financing activities** | 6,366,042 | 70,100 |
| **Effect of exchange rate changes on cash** | 169,703 | 434,865 |
| **Net change in cash** | 3,008,303 | (1,710,601) |
| **Cash at beginning of period** | 1,345,851 | 4,079,065 |
| **Cash at end of period** | 4,354,154 | 2,368,464 |

**Supplemental Cash Flow Information** - see Note 9

## 1. Nature of Operations

Salazar Resources Limited (the "Company") was incorporated on July 23, 1987 under the provisions of the Company Act (British Columbia). The Company's common shares are listed and trade on the TSX Venture Exchange ("TSXV") under the symbol "SRL", on the OTCQB under the symbol "SRLZF" and on the Frankfurt Exchange under the symbol "CCG". The Company's executive head office is located in Quito, Ecuador.

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of mineral properties located in Latin America. On the basis of information to date, the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Exploration and evaluation assets represent costs incurred to date, less amounts depreciated and/or written off, and do not necessarily represent present or future values.

The Company's mineral properties are located in Ecuador and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

The Company has negotiated a number of agreements to provide continued funding for exploration of its exploration and evaluation assets, as described in Note 4. As at September 30, 2021 the Company had working capital of $5,533,993 and management considers that the Company has adequate resources to maintain its core operations and, with the financial support of its partner, conduct ongoing exploration programs on its existing exploration and evaluation assets for the next twelve months.

These condensed consolidated interim financial statements do not include adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

In March 2020 the World Health Organization ("WHO") declared a global pandemic of the novel coronavirus identified as "COVID-19". In order to combat the spread of COVID-19 governments worldwide, including Ecuador and Canada, have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. The Company and its strategic partner temporarily had suspended all its site activities at the Curipamba, Pijili and Santiago projects, while desktop and office work continued remotely where possible. In July 2020 there was a partial lifting of COVID-19 related restrictions and the Company resumed field and drilling activities, complying with guidance from the government of Ecuador and the development of detailed COVID-19 health and safety protocol for resumption of field activities at both the Curipamba and Pijili projects and other Company owned projects. While the overall impact on the Company has not been material, whether or not there will be a significant impact in 2021 is dependent on whether there will be further spikes in infection, the spread of the virus and its 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 Company.

## 2. Basis of Preparation

### *Statement of Compliance*

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations, using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS as issued by the IASB and

(Unaudited - Expressed in Canadian Dollars)

2. **Basis of Preparation** (continued)

interpretations of the IFRS Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's consolidated financial statements for the year ended December 31, 2020.

***Basis of Measurement***

The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

3. **Property, Plant and Equipment**

| | Land $ | Drill Rigs and Equipment $ | Total $ |
|---|---|---|---|
| **Cost**: | | | |
| Balance at December 31, 2019 | 264,763 | 2,249,739 | 2,514,502 |
| Additions | 1,889,942 | 985,603 | 2,875,545 |
| Cost recoveries (Note 4(a)) | (1,753,140) | (503,666) | (2,256,806) |
| Foreign exchange movement | (13,566) | (85,654) | (99,220) |
| Balance at December 31, 2020 | 387,999 | 2,646,022 | 3,034,021 |
| Additions | 304,139 | 324,160 | 628,299 |
| Cost recoveries (Note 4(a)) | (304,139) | (98,498) | (402,637) |
| Foreign exchange movement | 275 | 5,870 | 6,145 |
| Balance at September 30, 2021 | 388,274 | 2,877,554 | 3,265,828 |
| **Accumulated Depreciation**: | | | |
| Balance at December 31, 2019 | - | (1,456,183) | (1,456,183) |
| Depreciation | - | (161,725) | (161,725) |
| Foreign exchange movement | - | 42,492 | 42,492 |
| Balance at December 31, 2020 | - | (1,575,416) | (1,575,416) |
| Depreciation | - | (149,975) | (149,975) |
| Foreign exchange movement | - | (4,214) | (4,214) |
| Balance at September 30, 2021 | - | (1,729,605) | (1,729,605) |
| **Carrying Value**: | | | |
| Balance at December 31, 2020 | 387,999 | 1,070,606 | 1,458,605 |
| Balance at September 30, 2021 | 388,274 | 1,147,949 | 1,536,223 |

*(Unaudited - Expressed in Canadian Dollars)*

## 4. Exploration and Evaluation Assets

| | As at September 30, 2021 | | | |
|---|---|---|---|---|
| | Acquisition Costs $ | Deferred Exploration Costs $ | Foreign Exchange Movement $ | Total $ |
| Ecuador | | | | |
| Curipamba | - | 11,190,293 | 5,463,907 | 16,654,200 |
| Other | 1,097,498 | 4,927,864 | (78,556) | 5,946,806 |
| | 1,097,498 | 16,118,157 | 5,385,351 | 22,601,006 |

| | As at December 31, 2020 | | | |
|---|---|---|---|---|
| | Acquisition Costs $ | Deferred Exploration Costs $ | Foreign Exchange Movement $ | Total $ |
| Ecuador | | | | |
| Curipamba | - | 12,008,151 | 5,615,044 | 17,623,195 |
| Other | 754,855 | 2,322,370 | (133,211) | 2,944,014 |
| | 754,855 | 14,330,521 | 5,481,833 | 20,567,209 |

*(Unaudited - Expressed in Canadian Dollars)*

## 4. Exploration and Evaluation Assets (continued)

| | Curipamba $ | Other $ | Total $ |
|---|---|---|---|
| **Balance at December 31, 2019** | 18,793,643 | 1,192,820 | 19,986,463 |
| **Exploration costs** | | | |
| Assay analysis | 323,038 | 71,050 | 394,088 |
| Camp supervision and personnel | 113,707 | 677,957 | 791,664 |
| Camp supplies | - | 113,969 | 113,969 |
| Community relations | 754,264 | 28,568 | 782,832 |
| Construction | 144,310 | - | 144,310 |
| Consulting | 159,388 | - | 159,388 |
| Depreciation | - | 14,902 | 14,902 |
| Drilling | 1,456,980 | 275,422 | 1,732,402 |
| Environmental studies | 222,408 | 28,913 | 251,321 |
| Equipment maintenance | 373,071 | 35,163 | 408,234 |
| Exploration site | 260,845 | 94,692 | 355,537 |
| Geological | 717,093 | 65,099 | 782,192 |
| Legal | 137,328 | 32,556 | 169,884 |
| Permits | 33,085 | - | 33,085 |
| Salaries | 2,562,805 | 2,916 | 2,565,721 |
| Supplies | 22,819 | 96,148 | 118,967 |
| Travel | 215,414 | 51,024 | 266,438 |
| VAT incurred | 421,253 | 36,082 | 457,335 |
| | 7,917,808 | 1,624,461 | 9,542,269 |
| **Acquisition costs** | | | |
| Property / concession / option payments | 231,089 | 248,886 | 479,975 |
| **Other** | | | |
| Cost recoveries | (7,897,627) | - | (7,897,627) |
| Management fees | (502,950) | - | (502,950) |
| Advance payment | (335,300) | - | (335,300) |
| Drilling services | (59,497) | - | (59,497) |
| Foreign exchange movement | (523,971) | (122,153) | (646,124) |
| | (9,319,345) | (122,153) | (9,441,498) |
| **Balance at December 31, 2020** | 17,623,195 | 2,944,014 | 20,567,209 |
| **Exploration costs** | | | |
| Assay analysis | 791,192 | 209,896 | 1,001,088 |
| Camp supervision and personnel | 268,460 | 787,153 | 1,055,613 |
| Camp supplies | - | 93,152 | 93,152 |
| Community relations | 1,246,775 | 26,183 | 1,272,958 |
| Depreciation | - | 24,383 | 24,383 |
| Drilling | 4,135,506 | 399,333 | 4,534,839 |
| Environmental studies | 431,028 | 13,845 | 444,873 |
| Equipment maintenance | 442,055 | 52,717 | 494,772 |
| Exploration site | - | 209,727 | 209,727 |
| Geological | - | 97,208 | 97,208 |
| Geophysics | 2,358,934 | - | 2,358,934 |
| Legal | - | 38,363 | 38,363 |
| Salaries | 2,776,047 | 351,122 | 3,127,169 |
| Supplies | 370,590 | 150,838 | 521,428 |
| Travel | 197,304 | 76,487 | 273,791 |
| VAT incurred | 849,607 | 75,087 | 924,694 |
| | 13,867,498 | 2,605,494 | 16,472,992 |
| **Acquisition costs** | | | |
| Property / concession / option payments | 252,657 | 342,643 | 595,300 |
| **Other** | | | |
| Cost recoveries | (14,120,155) | - | (14,120,155) |
| Management fees | (422,415) | - | (422,415) |
| Drilling services | (395,443) | - | (395,443) |
| Foreign exchange movement | (151,137) | 54,655 | (96,482) |
| | (15,089,150) | 54,655 | (15,034,495) |
| **Balance at September 30, 2021** | 16,654,200 | 5,946,806 | 22,601,006 |

**4. Exploration and Evaluation Assets** (continued)

The Company holds interests in the following properties in Ecuador:

(a) ***Curipamba Project***

The Company owns a 100% interest in seven concessions (the "Curipamba Project") located in the provinces of Bolivar and Los Rios, Ecuador. The Curipamba Project is subject to a 2% net smelter return royalty ("NSR").

On September 14, 2017, as amended September 19, 2019, the Company entered into a definitive option agreement (the "Curipamba Option") whereby Adventus Mining Corporation ("Adventus") may earn (the "Earn-In") a 75% interest in the Company's Curipamba Project by funding costs on the Curipamba Project of US $25,000,000 over the next five years (now met), including the completion of a feasibility study on the El Domo deposit, subject to certain exceptions. A feasibility study is required to be completed no later than April 30, 2022, after which Adventus is required to fund 100% of the development and construction expenditures to commercial production.

Adventus will provide the Company with non-refundable advance payments of US $250,000 per year until achievement of commercial production, to a maximum cumulative total of US $1,500,000. As at September 30, 2021 the Company has received total advance payments of US $1,000,000 (December 31, 2020 - US $1,000,000).

Upon achievement of commercial production, Adventus will receive 95% of the dividends from the Curipamba Project until its aggregate investment, including the US $25,000,000, has been recouped minus the approximate Company carrying value of US $18,200,000 when the Curipamba Option was signed, after which dividends will be shared on a pro-rata basis according to their respective ownership. In certain circumstances where project development is delayed post earn-in, Adventus' ownership position could be diluted.

Adventus has also agreed to pay the Company a 10% management fee on certain expenditures for the duration of the Curipamba Option, with a prescribed minimum annual amount of US $350,000 by each anniversary date. During the nine months ended September 30, 2021 the Company earned $422,415 (2020 - $355,399) in management fees and, as at September 30, 2021 $139,320 (December 31, 2020 - $148,805) remained outstanding and was included in amounts receivable.

During the nine months ended September 30, 2021 Adventus funded a total of $14,816,648 for costs incurred by the Company, of which $402,637 was applied against property, plant and equipment, $14,120,155 against exploration and evaluation assets and $293,856 as an expense recovery.

During fiscal 2020 Adventus funded a total of $10,462,071 for costs incurred by the Company, of which $2,256,806 was applied against property, plant and equipment, $7,897,627 against exploration and evaluation assets and $307,638 as an expense recovery.

Funding by Adventus of cash calls is segregated in separate bank accounts and payments are disbursed as approved by Adventus. As at September 30, 2021 the Company has recorded a balance of $1,458,449 as due from the joint-venture partner and $52,739 of unspent funding remained in restricted cash. As at December 31, 2020 the Company recorded a balance of $155,340 as advances from the joint-venture partner and $215,980 of unspent funding remained in restricted cash.

Drilling services required by Adventus' exploration program as part of Adventus' Earn-In are being provided by a subsidiary of the Company. As drilling services to third parties are not in the Company's ordinary activities and the drilling services have been contracted with Adventus in which both the Company and Adventus share in the risks and benefits that result from the drilling services Adventus is not considered a customer and the drilling services are not in the scope of IFRS 15 - *Revenue from Contracts with Customers*. In accordance with IFRS 6 - *Exploration for and Evaluation of Mineral Resources* the Company recognizes all amounts received from drilling services against the carrying amount of the Curipamba exploration and evaluation asset.

**4. Exploration and Evaluation Assets** (continued)

(b) ***Exploration Alliance***

On September 13, 2017, as amended December 21, 2017, the Company and Adventus signed an exploration alliance memorandum of understanding (the "MOU") to jointly explore in Ecuador (the "Alliance"). Under the MOU the venture would be owned 80% by Adventus and 20% by the Company, with the Company operating the Alliance and Adventus funding all activities incurred on behalf of the Alliance up to a construction decision.

*Dos Gemas*

On February 19, 2018 the Company, Adventus and Minera Dos Gemas M2G S.A. ("Dos Gemas") entered into the definitive exploration alliance agreement (the "Exploration Alliance Agreement") to formalize the terms of the MOU. Dos Gemas is owned 80% by Adventus and 20% by the Company. As operator of the Alliance the Company will be paid a 10% operator's fee on all expenditures incurred, subject to an annual maximum fee of US $200,000 on costs pertaining to surface rights acquisitions. During the nine months ended September 30, 2021 the Company earned $6,267 (2020 - $1,977) in operator fees and, as at September 30, 2021 $1,854 (December 31, 2020 - $6,258) has been included in amounts receivable. In addition, commencing fiscal 2020 the Company provided drilling services to Dos Gemas. During the nine months ended September 30, 2021 the Company recorded $283,725 (2020 - $727,488) revenue and incurred $241,633 (2020 - $606,962) operating costs resulting in $42,092 (2020 - $120,526) in net drill income.

During fiscal 2018 Adventus assumed control of Dos Gemas and, as such, the Company derecognized the assets and liabilities of Dos Gemas from the consolidated financial statements. The remaining 20% investment retained in Dos Gemas was recognized at fair value when control was assumed by Adventus and the Company subsequently accounted for its investment using the equity method. The Company's share of losses exceeds its interest in Dos Gemas and, as such, the Company has discontinued recognizing its share of any further losses as there are no legal or constructive obligations.

*Pijili Project*

In August 2017 the Company was awarded three concessions (the "Pijili Project"), located in the province of Azuay, Ecuador. On March 28, 2018 the Company, Adventus and Dos Gemas entered into a letter agreement whereby the Company agreed to transfer the Pijili Project to Dos Gemas under the Alliance upon completion by Adventus of the following considerations:

(i) on July 17, 2018 the Company received 2,536,232 Adventus common shares at an ascribed value of $2,028,986;
(ii) Adventus was also required to fully fund a US $1,000,000 exploration budget on the Pijili Project by September 28, 2020. Adventus fulfilled this funding commitment in fiscal 2018; and
(iii) payment of US $150,000 cash, of which $129,320 (US $100,000) was received by the Company as at December 31, 2018, and the remaining $66,385 (US $50,000) was received in August 2019.

The official transfer of the Pijili Project was completed in May 2021. During the nine months ended June 30, 2021 the Company earned $40,417 (2020 - $7,911) in operator fees and, as at September 30, 2021 $nil (December 31, 2020 - $66,500) has been included in amounts receivable.

*Santiago Concession*

The Company held a 100% interest in a concession (the "Santiago Concession") located in the province of Loja, Ecuador. On May 22, 2018 the Company, Adventus and Dos Gemas entered into an agreement whereby the Company agreed to transfer the Santiago Project to Dos Gemas under the Alliance upon completion of the following considerations:

**4. Exploration and Evaluation Assets** (continued)

(i) on July 17, 2018 the Company received 1,268,116 Adventus common shares at an ascribed value of $1,014,492;
(ii) Adventus was also required to fully fund a US $500,000 exploration budget on the Santiago Project by May 22, 2020. Adventus fulfilled this funding commitment in March 2019; and
(iii) payment of US $75,000 in cash to the Company, of which $64,365 (US $50,000) was received during fiscal 2018 and the remaining $32,753 (US $25,000) was received in July 2019.

During the nine months ended September 30, 2021 the Company earned $1,665 (2020 - $599) in operator fees and as at September 30, 2021 $1,665 (December 31, 2020 - $nil) has been included in amounts receivable.

The official transfer of the Santiago Project was completed in fiscal 2019. The Santiago Project is subject to a 1.5% net smelter royalty that can be bought out for US $1,000,000, as well as a 4% net profits interest royalty that is in favour of INV Metals Inc.

(c) ***Other***

*Macara Project*

The Macara Project comprises two concessions as follows:

(i) On November 6, 2017 the Company entered into an option agreement with an Ecuadorian individual (the "Macara Vendor") whereby the Company was granted an option (the "Macara Option") to acquire a 100% interest in one concession (the "Macara Concession") located in the province of Loja, Ecuador. The Macara Vendor is currently an employee of the Company however, at the time the Macara Vendor acquired the Macara concessions they were at arm's length to the Company. Pursuant to the terms of the Macara Option the Company has paid US $200,000 and agreed to make additional cash payments totalling US $400,000 (collectively the "Option Proceeds"), as follows:

- US $200,000 on the earlier of a NI43-101 resource calculation or November 6, 2021; and
- US $200,000 on the earlier of a preliminary economics assessment of November 21, 2024.

The Macara Vendor also retains a 0.5% NSR, which may be purchased by the Company for US $1,000,000 at any time.

The Macara Vendor has entered into a participation agreement with an employee of the Company and the son of the Company's President to share the Option Proceeds equally.

As at September 30, 2021 the Company has incurred $519,862 (December 31, 2020 - $243,272) of costs on the Macara Project; and

(ii) In July 2017 the Company was awarded a concession (the "Bonanza Concession") located in the provinces of Loja and Tacamoros, Ecuador. As at September 30, 2021 the Company has incurred $2,235,115 (December 31, 2020 - $1,333,267) of costs on the Bonanza Concession.

*Ruminahui Project*

The Company owns a 100% interest in two concessions (the "Ruminahui Project") located in the province of Pichincha, Ecuador. As at September 30, 2021 the Company has incurred $1,394,504 (December 31, 2020 - $720,023) of costs on the Ruminahui Project.

*(Unaudited - Expressed in Canadian Dollars)*

**4. Exploration and Evaluation Assets** (continued)

*Los Osos Concession*

On March 21, 2019 the Company entered into an option agreement with an Ecuadorian individual (the "Los Osos Vendor"), whereby the Company has been granted the option to acquire up to a 100% interest in one mineral concession ("Los Osos Concession") located in the Province of El Oro, Ecuador. The Los Osos Vendor is currently an employee of the Company however, at the time the Los Osos Vendor acquired the Los Osos concession they were at arm's length to the Company. Pursuant to the terms of the agreement the Company may earn the following interests by payments of:

| Interest | Amount US $ | |
|---|---|---|
| 15% on March 21, 2019 | 35,000 | (paid) |
| 15% on March 21, 2020 | 35,000 | (paid) |
| 20% on March 21, 2021 | 50,000 | (paid) |
| 25% on March 21, 2022 | 65,000 | |
| 25% on March 21, 2023 | 65,000 | |
| | 250,000 | |

The Los Osos Vendor also retains a 1% NSR, which may be purchased by the Company for US $1,000,000 at any time. As at September 30, 2021 the Company has incurred $1,378,907 (December 31, 2020 - $533,955) of costs on the Los Osos Concession.

*Los Santos Concession*

On December 8, 2020 the Company entered into a binding letter of intent (the "Los Santos LOI") with Minera Mesaloma S.A. ("Mesaloma") whereby the Company may acquire up to a 100% interest in the Los Santos Concession, located in southwest Ecuador. Pursuant to the terms of the LOI the Company made an initial payment of US $25,000 in December 2020 and, at Mesaloma's election, in January 2021 the Company issued 177,283 units, comprising 177,283 common shares and 88,642 warrants, with each warrant entitling Mesaloma to acquire an additional common share at a price of $0.385 per share, expiring July 22, 2022. The value assigned to the common shares was $62,935 and to the warrants was $11,523 for a total fair value of $74,458. The fair value of the warrants has been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 0.14%; expected volatility of 83%; an expected life of 1.5 years; a dividend yield of 0%; and an expected forfeiture rate of 0%.

The parties are proceeding with the preparation and execution of a definitive agreement under which the Company may then earn the following interests by making further option payments (the "Option Payments") of:

| Interest | Amount US $ |
|---|---|
| 26% on first anniversary | 150,000 |
| 25% on second anniversary | 250,000 |
| 10% on third anniversary | 350,000 |
| 19% on fourth anniversary | 500,000 |
| 10% on fifth anniversary | 700,000 |
| 90% | 1,950,000 |

Mesaloma can elect to receive any of the Option Payments, in lieu of the respective cash amounts, in units of the Company. Each unit will comprise one common share and one-half share purchase warrant. Each unit will be issuable at the greater of $0.23 or the five-day volume weighted average price of the Company's common shares minus a discount of 7.5% from the market price prior to the payment date. Each warrant will be exercisable for 18 months at the greater of $0.305 or the market price prior to the payment date.

*(Unaudited - Expressed in Canadian Dollars)*

**4. Exploration and Evaluation Assets** (continued)

Upon the Company having earned a beneficial 90% interest in the Los Santos Concession the Company may acquire the remaining 10% interest by paying Mesaloma US $2,000,000 and granting a 1.5% NSR, which may be repurchased by the Company for a price of US $1,250,000 per 0.5% NSR.

**5. Share Capital**

(a) ***Authorized Share Capital***

The Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) ***Reconciliation of Changes in Share Capital***

*Nine Months Ended September 30, 2021*

On February 2, 2021 the Company completed a non-brokered private placement of 18,572,000 common shares at $0.35 per share, for total proceeds of $6,500,200. The Company paid finders' fees totalling $390,012 and issued 1,114,320 finders' warrants. Each finders' warrant entitles the holder to purchase one common share of the Company at a price of $0.35 per share, expiring February 2, 2026. The value assigned to the finders' warrants was $267,437. The weighted average fair value of the Broker Warrants issued was $0.24 per warrant. The fair value of the finders' warrants has been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 0.44%; expected volatility of 78%; an expected life of 5 years; a dividend yield of 0%; and an expected forfeiture rate of 0%.

The Company incurred a total of $415,700 for legal and other costs associated with this private placement financing.

In January 2021 the Company received TSXV approval to the Los Santos LOI and issued 177,283 units of the Company at a fair value of $74,458. See also Note 4(c).

*Fiscal 2020*

No financings were conducted during fiscal 2020.

(c) ***Warrants***

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at September 30, 2021 and 2020 and the changes for the nine months ended on those dates is as follows:

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Number | Weighted Average Exercise Price $ | Number | Weighted Average Exercise Price $ |
| Balance, beginning of period | 1,000,000 | 0.12 | 1,000,000 | 0.12 |
| Issued | 1,202,962 | 0.35 | - | - |
| Balance, end of period | 2,202,962 | 0.25 | 1,000,000 | 0.12 |

*(Unaudited - Expressed in Canadian Dollars)*

**5. Share Capital** (continued)

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at September 30, 2021:

| Number | Exercise Price $ | Expiry Date |
|---|---|---|
| 88,642 | 0.385 | July 22, 2022 |
| 1,000,000 | 0.12 | February 16, 2024 |
| 1,114,320 | 0.35 | February 2, 2026 |
| 2,202,962 | | |

(d) ***Share Option Plan***

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years.

During the nine months ended September 30, 2021 the Company granted share options to purchase 2,450,000 (2020 - 100,000) common shares and recorded compensation expense of $120,682 (2020 - $16,000). the Company also recorded compensation expense of $nil (2020 - $15,257) on the vesting of share options previously granted. The fair value of share options granted and vested is estimated using the Black-Scholes option pricing model using the following assumptions:

| | 2021 | 2020 |
|---|---|---|
| Risk-free interest rate | 0.86% - 0.92% | 0.34% - 1.89% |
| Estimated volatility | 71% - 75% | 94% - 100% |
| Expected life | 5 years | 5 years |
| Expected dividend yield | 0% | 0% |
| Estimated forfeiture rate | 0% | 0% |

The weighted average measurement date fair value of all share options granted during the nine months ended September 30, 2021 was $0.10 (2020 - $0.17) per share option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at September 30, 2021 and 2020 and the changes for the nine months ended on those dates, is as follows:

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Number of Options Outstanding | Weighted Average Exercise Price $ | Number of Options Outstanding | Weighted Average Exercise Price $ |
| Balance, beginning of period | 11,462,000 | 0.14 | 11,972,000 | 0.14 |
| Granted | 2,450,000 | 0.31 | 100,000 | 0.22 |
| Exercised | (2,023,514) | 0.14 | (510,000) | 0.14 |
| Expired | (100,000) | 0.29 | - | - |
| Balance, end of period | 11,788,486 | 0.17 | 11,562,000 | 0.14 |

*(Unaudited - Expressed in Canadian Dollars)*

**5. Share Capital** (continued)

The following table summarizes information about the share options outstanding and exercisable at September 30, 2021:

| Number Outstanding | Number Exercisable | Exercise Price $ | Expiry Date |
|---|---|---|---|
| 4,501,486 | 4,501,486 | 0.14 | December 1, 2021 |
| 1,000,000 | 1,000,000 | 0.12 | January 25, 2024 |
| 3,837,000 | 3,837,000 | 0.135 | February 14, 2024 |
| 100,000 | 100,000 | 0.22 | June 15, 2025 |
| 1,850,000 | - | 0.29 | April 6, 2026 |
| 500,000 | - | 0.37 | June 14, 2026 |
| 11,788,486 | 9,438,486 | | |

(e) ***Restricted Share Units ("RSU") Plan***

On August 27, 2020 the Company adopted a restricted share unit plan (the "RSU Plan"). The RSU Plan provides for the issuance of up to 1,000,000 restricted share units (the "RSUs"). Under the RSU Plan, RSUs may be granted to directors, officers, employees and consultants of the Company (excluding investor relations consultants) as partial compensation for the services they provide to the Company. The RSU Plan is a fixed number plan, and the number of common shares issued under the RSU Plan, when combined with the number of stock options available under the Company's share option plan, will not exceed 10% of the Company's outstanding common shares.

On April 6, 2021 the Company awarded 798,000 RSUs which will vest, as to 100%, on April 6, 2023. During the nine months ended September 30, 2021 35,000 RSUs expired upon the resignation of a director.

During the nine months ended September 30, 2021 the Company recorded $56,587 as share-based compensation expense relating to the RSUs.

**6. Related Party Disclosures**

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Compensation of Key Management Personnel*

During the nine months ended September 30, 2021 and 2020 the following amounts were incurred with respect to the President & Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), and the Executive Vice-President of the Company:

| | 2021 $ | 2020 $ |
|---|---|---|
| Salaries and fees | 284,824 | 254,088 |
| Health benefits | 4,876 | 7,084 |
| Share-based compensation - share options | 56,994 | 15,257 |
| Share-based compensation - RSUs | 29,074 | - |
| | 375,768 | 276,429 |

*(Unaudited - Expressed in Canadian Dollars)*

**6. Related Party Disclosures** (continued)

As at September 30, 2021 $nil (December 31, 2020 - $14,335) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Other Related Party Transactions*

(i) During the nine months ended September 30, 2021 and 2020 the following amounts were incurred with respect non-executive directors of the Company:

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Consulting | 64,335 | 90,872 |
| Share-based compensation - share options | 32,029 | - |
| Share-based compensation - RSUs | 8,155 | - |
| | 104,519 | 90,872 |

As at September 30, 2021 $3,822 (December 31, 2020 - $nil) remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During the nine months ended September 30, 2021 the Company incurred a total of $48,723 (2020 - $42,540) to Chase Management Ltd. ("Chase"), a private corporation owned by a director of the Company, for accounting and administration services provided by Chase personnel, excluding the director. As at September 30, 2021 $4,459 (December 31, 2020 - $4,456) remained unpaid and has been included in accounts payable and accrued liabilities.

(iii) During the nine months ended September 30, 2021 the Company incurred $180,231 (2020 - $83,039) for equipment rental services and $137,801 (2020 - $104,589) for professional services provided by a private corporation controlled by the President and the CFO of the Company. As at September 30, 2021 $44,400 (December 31, 2020 - $95,244) remained unpaid and has been included in accounts payable and accrued liabilities.

(iv) During the nine months ended September 30, 2021 the Company incurred $25,908 (2020 - $26,401) for storage rental provided by a private corporation controlled by the son of the President of the Company.

(v) During the nine months ended September 30, 2021 the Company incurred $147,921 (2020 - $42,230) for environmental studies provided by a private corporation controlled by the CFO of the Company.

(vi) During the nine months ended September 30, 2021 the Company incurred $4,712 (2020 - $6,959) for geological services provided by a private corporation controlled by the CFO of the Company.

(vii) See also Note 4(c).

(c) Certain of the expenses incurred by the Company with related parties and remuneration paid to Company personnel have been recovered from Adventus. See Note 4.

*(Unaudited - Expressed in Canadian Dollars)*

## 7. Commitments

The Company is obligated to fulfill certain investment obligations on its mineral concessions in Ecuador pursuant to the following rules:

(a) When applying for new concessions via the public tender process in Ecuador, the Company, either directly or under option agreement, presented its investment offers for each concession. The investment offer represents the total amount that is required to be spent in order to maintain possession of the concession area at the end of the four-year investment period required by the Government of Ecuador. Accordingly, should the Company wish to retain possession of all the concession areas it holds as at September 30, 2021, the Company's commitment for fiscal 2021 is approximately US $2,300,000.

(b) Concessions in Ecuador that were not acquired via the public tender process require the Company to submit an annual expenditure plan to the Government of Ecuador outlining the minimum amount of committed expenditures for the upcoming year. The total obligation of the Company for these concession areas for the fiscal 2021 is approximately US $2,400,000.

## 8. Financial Instruments and Risk Management

***Categories of Financial Assets and Financial Liabilities***

Financial instruments are classified into one of the following categories: FVTPL, FVOCI and amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

| Financial Instrument | Category | September 30, 2021 $ | December 31, 2020 $ |
|---|---|---|---|
| Cash | FVTPL | 4,354,154 | 1,345,851 |
| Restricted cash | FVTPL | 52,739 | 215,980 |
| Amounts receivable | Amortized cost | 142,868 | 253,082 |
| Due from joint-venture partner | Amortized cost | 1,458,449 | - |
| Accounts payable and accrued liabilities | Amortized cost | (2,045,677) | (2,103,828) |
| Advances from joint-venture partner | Amortized cost | - | (155,340) |

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable, accounts payable and accrued liabilities and due from joint venture partner approximate their fair value due to their short-term nature. The Company's cash, restricted cash and investments under the fair value hierarchy are measured using Level 1 inputs.

**8. Financial Instruments and Risk Management** (continued)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is remote.

*Liquidity Risk*

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

| | Contractual Maturity Analysis at September 30, 2021 | | | | |
|---|---|---|---|---|---|
| | Less than 3 Months $ | 3 - 12 Months $ | 1 - 5 Years $ | Over 5 Years $ | Total $ |
| Cash | 4,354,154 | - | - | - | 4,354,154 |
| Restricted cash | 52,739 | - | - | - | 52,739 |
| Amounts receivable | 142,868 | - | - | - | 142,868 |
| Due from joint-venture partner | 1,458,449 | - | - | - | 1,458,449 |
| Accounts payable and accrued liabilities | (2,045,677) | - | - | - | (2,045,677) |

*Market Risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's significant subsidiary is located in Ecuador which has adopted the US Dollar as its currency.

The Company also maintains cash deposits in US Dollars with its Canadian bank. As such, the fluctuation of the Canadian Dollar in relation to the US Dollar will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At September 30, 2021, 1 Canadian Dollar was equal to 0.78 US Dollar.

*(Unaudited - Expressed in Canadian Dollars)*

**8. Financial Instruments and Risk Management** (continued)

Balances are as follows:

| | US $ | CDN $ Equivalent |
|---|---|---|
| Cash | 2,116,402 | 2,612,842 |
| Restricted cash | 41,393 | 52,739 |
| Amounts receivable | 115,285 | 142,327 |
| VAT receivable | 326,973 | 403,670 |
| Due from joint-venture partner | 1,144,689 | 1,458,449 |
| Accounts payable and accrued liabilities | (1,521,357) | (1,878,219) |
| | 2,223,385 | 2,791,808 |

Based on the net exposures as of September 30, 2021 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's comprehensive loss being approximately $325,000 higher (or lower).

*Capital Management*

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain development of the business. The Company defines capital that it manages as share capital and cash. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

**9. Supplemental Cash Flow Information**

During the nine months ended September 30, 2021 and 2020 non-cash activities were conducted by the Company as follows:

| | 2021 $ | 2020 $ |
|---|---|---|
| Operating activity | | |
| Depreciation | 24,383 | 14,542 |
| Investing activity | | |
| Exploration and evaluation assets | (24,383) | (14,542) |
| Financing activities | | |
| Issuance of common shares | 265,286 | 51,000 |
| Share-based payments reserve | (532,723) | (51,000) |
| Share issue costs | 267,437 | - |
| | - | - |

*(Unaudited - Expressed in Canadian Dollars)*

## 10. Segmented Information

The Company operates in one reportable segment, the exploration and development of unproven exploration and evaluation assets. The Company's exploration and evaluation assets are located in Ecuador and its corporate assets are located in Canada.

| | September 30, 2021 | | |
|---|---|---|---|
| | Corporate Canada $ | Mineral Operations Ecuador $ | Total $ |
| Current assets | 7,579,670 | - | 7,579,670 |
| Property, plant and equipment | - | 1,536,223 | 1,536,223 |
| Exploration and evaluation assets | - | 22,601,005 | 22,601,005 |
| | 7,579,670 | 24,137,228 | 31,716,898 |

| | December 31, 2020 | | |
|---|---|---|---|
| | Corporate Canada $ | Mineral Operations Ecuador $ | Total $ |
| Current assets | 4,067,088 | - | 4,067,088 |
| Property, plant and equipment | - | 1,590,574 | 1,590,574 |
| Exploration and evaluation assets | - | 20,435,240 | 20,435,240 |
| | 4,067,088 | 22,025,814 | 26,092,902 |

## 11. Event after the Reporting Period

Subsequent to September 30, 2021 the Company issued 2,401,486 common share for $342,958 on the exercise of share options.