



**ADVENTUS MINING CORPORATION**

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022**

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



(Expressed in thousands of United States dollars)	Notes	June 30, 2023	December 31, 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 2,765	\$ 12,092
Other receivables and prepaid expenses	9	747	1,252
<b>Total current assets</b>		<b>\$ 3,512</b>	<b>\$ 13,344</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	8	\$ 126,572	\$ 112,450
Property, plant and equipment	7	8,092	7,657
Other assets	10	1,893	2,253
<b>Total non-current assets</b>		<b>\$ 136,557</b>	<b>\$ 122,360</b>
<b>TOTAL ASSETS</b>		<b>\$ 140,069</b>	<b>\$ 135,704</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 7,302	\$ 5,527
Lease liability	11	17	15
Other liabilities	12	191	\$ 5
<b>Total current liabilities</b>		<b>\$ 7,510</b>	<b>\$ 5,547</b>
<b>Non-current liabilities</b>			
Lease liability	11	\$ 17	26
Other liabilities	12	970	\$ 1,145
Deposit liability	5	13,150	13,000
<b>Total non-current liabilities</b>		<b>\$ 14,137</b>	<b>\$ 14,171</b>
<b>Total liabilities</b>		<b>\$ 21,647</b>	<b>\$ 19,718</b>
<b>Equity</b>			
Shareholders' equity		\$ 104,149	\$ 101,658
Non-controlling interest		14,273	14,328
<b>Total equity</b>		<b>\$ 118,422</b>	<b>\$ 115,986</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 140,069</b>	<b>\$ 135,704</b>

Commitments (Note 18)  
Subsequent events Note 19)

On behalf of the Board (Approved on August 25, 2023)

/s/ "Christian Kargl-Simard"

Christian Kargl-Simard, Director

/s/ "Mark Wellings"

Mark Wellings, Chairman and Director

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



(Expressed in thousands of United States dollars, except per share amounts)	Notes	For the three months ended June 30,		For the six months ended June 30,	
		2023	2022	2023	2022
<b>Expenses and other</b>					
Employee benefits		\$ 287	\$ 444	\$ 706	\$ 873
Professional and consulting fees		334	546	570	728
Other expenses		252	367	571	618
Share-based compensation	13(c)(d)	295	279	567	523
Depreciation	7	8	4	16	6
Foreign exchange (gain) loss		(41)	386	(56)	412
Interest income		(39)	(37)	(83)	(53)
Property, plant and equipment written off		16	-	16	-
Fair value loss (gain) on other investments	10	11	(45)	24	(45)
Fair value gain on derivative liabilities	13(b)	-	(614)	(5)	(1,395)
Finance costs	10	224	-	446	-
		\$ 1,347	\$ 1,330	\$ 2,772	\$ 1,667
Loss before income tax expense		(1,347)	(1,330)	(2,772)	(1,667)
Income tax expense		-	-	-	-
<b>Net loss</b>		\$ (1,347)	\$ (1,330)	\$ (2,772)	\$ (1,667)
<b>Net loss attributable to:</b>					
Common shareholders		(1,301)	(1,252)	(2,669)	(1,560)
Non-controlling interest		(46)	(78)	(103)	(107)
		\$ (1,347)	\$ (1,330)	\$ (2,772)	\$ (1,667)
<b>Net loss per common share attributable to common shareholders</b>					
Basic and diluted		\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
<b>Weighted average number of shares outstanding</b>					
Basic and diluted	13(e)	179,630,112	166,360,882	178,383,831	161,586,089



(Expressed in thousands of United States dollars)	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
<b>Net loss</b>	\$ (1,347)	\$ (1,330)	\$ (2,772)	\$ (1,667)
<b>Other comprehensive loss To be reclassified subsequently to profit or loss:</b>				
Foreign currency translation adjustment on foreign operations	(1)	7	(5)	10
<b>Total comprehensive loss</b>	\$ (1,348)	\$ (1,323)	\$ (2,777)	\$ (1,657)
<b>Total comprehensive loss attributable to:</b>				
Common shareholders	(1,302)	(1,245)	(2,674)	(1,550)
Non-controlling interest	(46)	(78)	(103)	(107)
	\$ (1,348)	\$ (1,323)	\$ (2,777)	\$ (1,657)

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



(Expressed in thousands of United States dollars)	Notes	For the six months ended June 30,	
		2023	2022
<b>Operating activities</b>			
Net loss		\$ (2,772)	\$ (1,667)
Adjustments for operating activities:			
Depreciation		16	6
Share-based compensation	13(c)(d)	567	523
Loss on disposal/write-off of property, plant and equipment		16	-
Fair value loss (gain) on other investments		24	(45)
Fair value gain on derivative liabilities	13(b)	(5)	(1,395)
Finance costs		446	-
Unrealized foreign exchange (gain) loss		(43)	327
Changes in non-cash operating working capital	16	885	374
Receipt of precious metals stream deposit	5	150	-
<b>Cash used in operating activities</b>		<b>\$ (716)</b>	<b>\$ (1,877)</b>
<b>Investing activities</b>			
Exploration and evaluation assets		(12,229)	(7,024)
Acquisition of property, plant and equipment		(557)	(779)
<b>Cash used in investing activities</b>		<b>\$ (12,786)</b>	<b>\$ (7,803)</b>
<b>Financing activities</b>			
Net proceeds from issuance of shares and warrants	13(a)	4,646	24,804
Finance costs		(446)	-
Interest paid		(56)	-
Payment of lease obligations		(7)	-
<b>Cash provided by financing activities</b>		<b>\$ 4,137</b>	<b>\$ 24,804</b>
Net (decrease) increase in cash and cash equivalents		(9,365)	15,124
Effect of foreign exchange on cash and cash equivalents		38	(317)
Cash and cash equivalents, beginning of period		12,092	2,929
<b>Cash and cash equivalents, end of period</b>		<b>\$ 2,765</b>	<b>\$ 17,736</b>
<b>Cash and cash equivalents consist of:</b>			
Deposits with banks		2,688	7,212
Short term deposits		77	10,524
<b>Cash and cash equivalents, end of period</b>		<b>\$ 2,765</b>	<b>\$ 17,736</b>

ADVENTUS MINING CORPORATION



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 earnings (loss)	Accumulated earnings (loss)	Total Shareholders' Equity	Non- controlling Interest	Total Equity
<b>Balance, January 1, 2022</b>		131,791,382	\$ 72,497	\$ 2,406	\$ -	\$ 644	\$ 6,790	\$ 82,337	\$ 13,341	\$ 95,678
Shares issued under prospectus placement	13(a)	34,569,500	25,229	-	-	-	-	25,229	-	25,229
Share issuance costs	13(a)	-	(1,759)	-	-	-	-	(1,759)	-	(1,759)
Share-based compensation	13(c)(d)	-	-	523	-	-	-	523	-	523
RSU Settlement and reclassification to liabilities		-	-	(168)	-	-	-	(168)	-	(168)
Non-controlling interest of Salazar Holdings	4	-	-	-	-	-	(912)	(912)	912	-
Net loss		-	-	-	-	-	(1,560)	(1,560)	(107)	(1,667)
Other comprehensive earnings		-	-	-	-	10	-	10	-	10
<b>Balance, June 30, 2022</b>		166,360,882	\$ 95,967	\$ 2,761	\$ -	\$ 654	\$ 4,318	\$ 103,700	\$ 14,146	\$ 117,846
Share issuance costs		-	5	-	-	-	-	5	-	5
Lender's Warrants		-	-	-	1,363	-	-	1,363	-	1,363
Share-based compensation		-	-	475	-	-	-	475	-	475
Non-controlling interest of Salazar Holdings	4	-	-	-	-	-	(266)	(266)	266	-
Net loss		-	-	-	-	-	(3,609)	(3,609)	(84)	(3,693)
Other comprehensive loss		-	-	-	-	(10)	-	(10)	-	(10)
<b>Balance, December 31, 2022</b>		166,360,882	\$ 95,972	\$ 3,236	\$ 1,363	\$ 644	\$ 443	\$ 101,658	\$ 14,328	\$ 115,986
Shares issued under prospectus placement	13(a)	13,269,230	5,134	-	-	-	-	5,134	-	5,134
Share issuance costs	13(a)	-	(488)	-	-	-	-	(488)	-	(488)
Share-based compensation	13(c)(d)	-	-	567	-	-	-	567	-	567
Non-controlling interest of Salazar Holdings	4	-	-	-	-	-	(48)	(48)	48	-
Net loss		-	-	-	-	-	(2,669)	(2,669)	(103)	(2,772)
Other comprehensive loss		-	-	-	-	(5)	-	(5)	-	(5)
<b>Balance, June 30, 2023</b>		179,630,112	\$ 100,618	\$ 3,803	\$ 1,363	\$ 639	\$ (2,274)	\$ 104,149	\$ 14,273	\$ 118,422

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



For the three and six months ended June 30, 2023 and 2022

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

## 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. Since 2017, the Corporation had been funding exploration and development expenditures in the Curipamba property ("Curipamba") in Ecuador under an option agreement ("Option Agreement") with Salazar Resources Ltd. ("Salazar Resources"), and in 2021, it has completed all its obligations under the Option Agreement 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 August 25, 2023.

## 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, 2022, 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 June 30, 2023.

As at June 30, 2023, the Corporation has approximately \$2,765,000 in cash and cash equivalents (December 31, 2022: \$12,092,000), with current liabilities exceeding current assets by \$3,998,000 (December 31, 2022: current assets exceeding current liabilities by \$7,797,000). The Corporation reported net loss attributable to common shareholders of \$2,669,000 for the six months ended June 30, 2023 (2022: \$1,560,000). 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 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 June 30, 2023, the Corporation has drawn \$13,150,000 from Wheaton. (See Note 5).



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**For the three and six months ended June 30, 2023 and 2022**

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

**2. BASIS OF PRESENTATION (CONTINUED)**

Concurrently it entered into a binding engagement 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. (See Note 6 for more details). Definitive agreements (“Trafigura Agreements”) were finalized and signed with Trafigura in July 2022. In July 2023, the Corporation drew on the first tranche (the “First Tranche”) of the debt facility and received \$5,000,000. Subject to an amendment to the Trafigura Agreements, should the Corporation not draw on the remainder of the facility, the First Tranche will be due on June 30, 2024.

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 for aggregate gross proceeds of approximately \$26,600,000 (C\$33,532,000), each Unit consisting of one 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. 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 for aggregate gross proceeds of approximately \$41,000 (C\$50,000), these closed in two tranches on January 26, 2022 and February 2, 2022. In January 2023, the Corporation closed a bought deal prospectus financing (“January 2023 Offering”) for 13,269,230 common shares for aggregate gross proceeds of approximately \$5,134,000 (C\$6,900,000).

In July 2023, the Corporation closed a \$4,000,000 unsecured convertible loan agreement (the “Convertible Loan Agreement”) with Altius Royalty Corporation, a subsidiary of Altius Minerals Corporation (TSX: ALS, “Altius”). (See Note 19 for more details).

With the various financing initiatives in 2022 and 2023, the Corporation had secured project and equity financing that will advance the Curipamba project towards 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 June 30, 2023 had \$2,765,000 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 significant doubt upon the Corporation’s ability to continue as a going concern. Management continues to explore all available options to secure funding, including equity financing and strategic partnerships. Should the Corporation not be able to secure financing in a timely manner, the Corporation will curtail exploration spending and defer discretionary expenditures to conserve cash.

The global conflicts seen in the last two years and its disruption of trade exacerbated the global supply-chain challenges, labour shortages and inflationary pressures that had been brought on by pandemic disruptions and the continued uncertainties around the global economy. Inflation and higher interest rates may continue and 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 statement of loss and comprehensive loss that might be necessary if the Corporation was unable to continue as a going concern.

**3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

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, 2022 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:

<b>Subsidiary</b>	<b>Ownership</b>	<b>Incorporated</b>	<b>Nature</b>
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

**a) New accounting standards**

Amendment to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies: In February 2021, the IASB issued amendment titled Presentation of Financial Statements to provide guidance on the application of materiality judgements to accounting policy disclosures. This amendment replaces the requirement to disclose “significant” accounting policies with the requirement to disclose “material” accounting policy information. The amendment is effective for annual periods beginning on or after January 1, 2023.

For the three and six months ended June 30, 2023 and 2022

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

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Prospective application is required on adoption. As a result of adopting the amendments, there were no adjustments to the presentation or amounts recognized in the Corporation's condensed interim consolidated financial statements.

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. Prospective application is required on adoption. As a result of adopting the amendments, there were no adjustments to the presentation or amounts recognized in the Corporation's condensed consolidated financial statements.

#### b) *Future accounting pronouncements*

Amendment to IAS 1 – Presentation of Financial Statements: In October 2022, the IASB issued an amendment for Non-Current Liabilities with covenants with the objective to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. This amendment incorporates the previous amendment issued in January 2020 that affected 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 amendments and does not expect any material impact to the financial statements upon future adoption.

### 4. 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 to acquire 75% of the interest in Salazar Holdings, by spending \$25,000,000 and completing a feasibility study report. By December 31, 2021, having satisfied all conditions of the earn-in, the Corporation exercised its option and the appropriate shares in Salazar Holdings were issued to the Corporation for a 75% ownership of Salazar Holdings and indirectly the Curipamba project and entered into a shareholders' agreement (the "Shareholders' Agreement") with Salazar Resources.

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 June 30, 2023, based on the same formula and on the net assets as at June 30, 2023, the percentage of non-controlling interest of the net assets was 13.18% or an amount of \$12,835,000.

### 5. DEPOSIT LIABILITY

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 was made available as an early deposit (the "Early Deposit") for pre-construction activities, and \$500,000 for local community development initiatives (the "ESG Deposit") 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 145,000 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 \$175,500,000, at which point the Production Payment will increase to 22% of the spot prices. The Corporation and its subsidiaries have provided securities and guarantees in favour of Wheaton in respect of their obligations under the PMPA, such securities and guarantees ranking *pari passu* with Trafigura.

The PMPA transaction is fully committed, and as at June 30, 2023 amounts totalling \$13,150,000 have been drawn, being \$13,000,000 as Early Deposit and \$150,000 as ESG Deposit to support the training programs for members of the communities. These are recorded as deposit liability on the condensed consolidated statements of financial position.

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**For the three and six months ended June 30, 2023 and 2022**

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

**6. TRAFIGURA AGREEMENTS**

The Trafigura Agreements closed on July 31, 2022 and the credit agreement with Trafigura (the "Credit Agreement") 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 Credit Agreement is subject to completion of executed inter-creditor agreements. Pursuant to the Credit Agreement, the Corporation and its subsidiaries have provided securities and guarantees in favour of Trafigura in respect of their obligations under the Credit Agreement, such securities and guarantees ranking pari passu with Wheaton. As at June 30, 2023, the Corporation has not drawn on the Credit Agreement. In July 2023, the Corporation drew on the first tranche (the "First Tranche") of the debt facility and received \$5,000,000. Subject to an amendment to the Trafigura Agreements, should the Corporation not draw on the remainder of the facility, the First Tranche will be due on June 30, 2024.

Upon closing of the Trafigura Agreements, 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. In July 2023, the Lender's Warrants were repriced to C\$0.448, representing the mean between the C\$0.513 original exercise price and C\$0.384, a 25% premium to the 10-day VWAP of the common shares of the Corporation on the TSXV immediately prior to July 10, the date of the amendment to the Warrant Agreement. The Lender's Warrants expires August 3, 2026, subject to accelerator provisions based on Adventus' share price. If exercised, the Lender's Warrants will bring approximately C\$6,048,000 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 July 31, 2022 closing date and is subject to certain conditions precedent as those for the construction instalments under the Credit Agreement.

**7. PROPERTY, PLANT AND EQUIPMENT**

As at June 30, 2023, the Corporation has the following property plant and equipment:

Cost	Office furniture and equipment	Camp Vehicles and Equipment	Leasehold Improvement	Land	Total
<b>Balance, January 1, 2022</b>	\$ 181	\$ 719	\$ 46	\$ 5,623	\$ 6,569
Additions	80	49	-	1,410	1,539
Disposals/Write-Offs	(19)	-	-	-	(19)
<b>Balance, December 31, 2022</b>	\$ 242	\$ 768	\$ 46	\$ 7,033	\$ 8,089
Additions	26	1	-	530	557
Disposals/Write-Offs	(2)	(74)	-	-	(76)
<b>Balance, June 30, 2023</b>	\$ 266	\$ 695	\$ 46	\$ 7,563	\$ 8,570

Accumulated depreciation	Office furniture and equipment	Camp Vehicles and Equipment	Leasehold Improvement	Land	Total
<b>Balance, January 1, 2022</b>	\$ 68	\$ 101	\$ 46	\$ -	\$ 215
Additions	64	172	-	-	236
Disposals/Write-Offs	(19)	-	-	-	(19)
<b>Balance, December 31, 2022</b>	\$ 113	\$ 273	\$ 46	\$ -	\$ 432
Additions	33	73	-	-	106
Disposals/Write-Offs	(2)	(58)	-	-	(60)
<b>Balance, June 30, 2023</b>	\$ 144	\$ 288	\$ 46	\$ -	\$ 478

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2023 and 2022

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

**7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Carrying value	Office furniture and equipment	Camp Vehicles and Equipment	Leasehold Improvement	Land	Total
Balance, January 1, 2022	\$ 113	\$ 618	\$ -	\$ 5,623	\$ 6,354
Balance, December 31, 2022	\$ 129	\$ 495	\$ -	\$ 7,033	\$ 7,657
Balance, June 30, 2023	\$ 122	\$ 407	\$ -	\$ 7,563	\$ 8,092

Depreciation for the six months ended June 30, 2023, included \$90,000 (June 30, 2022: \$104,000) which is capitalized to the various projects and \$16,000 (June 30, 2022: \$6,000) which is expensed during the period.

**8. EXPLORATION AND EVALUATION ASSETS**

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

Project	As at Dec 31, 2022	Additions	Effect of foreign currency exchange movements	As at June 30, 2023
Ireland				
Rathkeale Limerick	\$ 1,384	\$ -	\$ 31	\$ 1,415
Fermoy	21	-	1	22
Ecuador				
Curipamba	94,407	13,109	-	107,516
Pijilí	11,116	171	-	11,287
Santiago	5,522	810	-	6,332
<b>Total mineral properties</b>	<b>\$ 112,450</b>	<b>\$ 14,090</b>	<b>\$ 32</b>	<b>126,572</b>

Project	As at Jan 1, 2022	Additions	Effect of foreign currency exchange movements	Abandoned or impaired	As at Dec 31, 2022
Ireland					
Rathkeale Limerick	\$ 1,472	\$ -	\$ (88)	-	\$ 1,384
Kingscourt	115	-	(13)	(102)	-
Fermoy	22	-	(1)	-	21
Ecuador					
Curipamba	72,554	21,853	-	-	94,407
Pijilí	10,394	722	-	-	11,116
Santiago	3,992	1,530	-	-	5,522
<b>Total mineral properties</b>	<b>\$ 88,549</b>	<b>\$ 24,105</b>	<b>\$ (102)</b>	<b>(102)</b>	<b>112,450</b>

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.

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**8. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

During the six months ended June 30, 2023, the Corporation incurred \$13,109,000 (2022: \$5,835,000) in Curipamba. During the same period, the Corporation incurred \$171,000 and \$810,000 (June 30, 2022: \$478,000 and \$1,004,000) respectively into Pijili and Santiago. As of June 30, 2023, the Corporation has included in its accounts payable and accrued liabilities an amount of \$5,709,000 attributable to exploration and evaluation asset expenditures.

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. Having spent the initial €3,500,000, South32 intends to exercise the option into Rathkeale and Fermoy and work commenced on the transaction documents associated with the joint venture that will be formed after the option is exercised. In June 2023, South32 and the Corporation signed an amendment to the South32 Agreement (the "South32 Amendments") to extend the Earn-In beyond the initial €3,500,000 and to continue to fully fund Rathkeale and Fermoy until the transaction documents are completed. Pursuant to the South32 Amendments, the participating interests of South32 and Adventus will be adjusted by the additional funding that South32 will have invested above the initial €3,500,000 until the joint venture is formed.

**9. OTHER RECEIVABLES AND PREPAID EXPENSES**

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

	June 30, 2023	December 31, 2022
Sales tax receivables	\$ 279	\$ 310
Interest and other receivables	3	27
Deposits with suppliers	349	674
Other prepaid expenses	116	241
<b>Total other receivables and prepaid expenses</b>	<b>\$ 747</b>	<b>\$ 1,252</b>

**10. OTHER ASSETS**

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

	June 30, 2023	December 31, 2022
Transaction costs for arranging Trafigura credit facilities	\$ 911	\$ 1,022
Trafigura warrants	947	1,172
Investment in marketable securities	35	59
<b>Total other assets - non-current</b>	<b>\$ 1,893</b>	<b>\$ 2,253</b>

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. These transaction costs 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. During the six months ended June 30, 2023, \$446,000 finance costs (2022: \$NIL) were recorded.

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**10. OTHER ASSETS (CONTINUED)**

Upon closing, 13,500,000 common share purchase warrants (“Lender’s Warrants”) were issued to Trafigura. The Lender’s Warrants are issued to secure the credit facilities and are considered to be deferred assets amortized over the life of the Lender’s Warrants 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. As the Lender’s Warrants were issued as consideration to secure financing, it is treated in the same manner as transaction costs. In July 2023, these were re-priced at C\$0.448 per common share. (See Note 6 for more details).

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 is remeasured at fair value each reporting period with the change recorded through profit or loss. The carrying value of other investments, as measured at fair value on June 30, 2023, was \$35,000 (2022: \$NIL) and a fair value loss on other investments of \$24,000 was recorded for the six months ended June 30, 2023 (2022: gain of \$45,000).

**11. LEASE LIABILITY**

	<b>Right-of-Use assets</b>	
<b>Balance, January 1, 2022</b>	\$	-
Additions		49
Depreciation		(9)
<b>Balance, December 31, 2022</b>		40
Additions		-
Depreciation		(8)
<b>Balance, June 30, 2023</b>	\$	32
	<b>June 30, 2023</b>	<b>December 31, 2022</b>
<b>Current liability</b>		
Lease liability	\$ 17	\$ 15
<b>Total current liability</b>	\$ 17	\$ 15
<b>Non-current liability</b>		
Lease liability	\$ 17	\$ 26
<b>Total non-current liability</b>	\$ 17	\$ 26
	<b>Lease liability</b>	
<b>Balance, January 1, 2022</b>	\$	-
Additions		49
Interest expense		(4)
Lease payments		(4)
<b>Balance, December 31, 2022</b>	\$	41
Interest expense		(3)
Lease payments		(4)
<b>Balance, June 30, 2023</b>	\$	34

Undiscounted lease payments associated with the Corporation’s lease liabilities as of June 30, 2023, are summarized below:

	<b>Less than 1 year</b>		<b>1-3 years</b>	
<b>Total lease liability</b>	\$	20	\$	19

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## 12. OTHER LIABILITIES

Other liabilities included Restricted Share Units (“RSUs”), the Trafigura Arrangement fee and the warrant liabilities accounted for as a financial liability.

	June 30, 2023	December 31, 2022
Restricted Share Unit (“RSU”) liability	\$ 261	\$ 245
Warrants from January 2022 Offering	-	5
Trafigura Arrangement Fee	900	900
<b>Total other liabilities</b>	<b>\$ 1,161</b>	<b>\$ 1,150</b>
Current	\$ 191	\$ 5
Non-current	970	1,145
<b>Total other liabilities</b>	<b>\$ 1,161</b>	<b>\$ 1,150</b>

RSUs which are considered cash-settled are accounted for as a financial liability. (See Note 13(d)).

## 13. 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, 2022	131,791,382	
Shares issued under prospectus offering	34,569,500	C\$ 0.92
Balance as at December 31, 2022	166,360,882	
Shares issued under prospectus offering	13,269,230	C\$ 0.52
<b>Balance as at June 30, 2023</b>	<b>179,630,112</b>	

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 \$1,759,000 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.

On January 17, 2023, the Corporation closed the January 2023 Offering for 13,269,230 common shares at C\$0.52 per common shares, for aggregate gross proceeds of approximately \$5,134,000 (C\$6,900,000). The underwriters received a cash commission equal to 6% of the gross proceeds from the sale of common shares pursuant to the January 2023 Offering, which commission to 3% in respect of certain president’s list purchasers. An amount of \$488,000 has been recorded as share issuance costs against the carrying value of the Common Shares. Proceeds of the January 2023 Offering net of issuance costs is \$4,646,000.



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**13. SHARE CAPITAL AND SHARE-BASED COMPENSATION (CONTINUED)**

In November 2022, the Corporation entered into a mining contract with STRACON-RIPCONCIV, a joint venture between Stracon S.A. ("Stracon") and RIPCONCIV Construcciones Civiles CIA Ltda. ("RIPCONCIV"). The contract, which 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 Ripconci have signed definitive binding agreements to invest in the Corporation, with each contributing \$2.5 million for an aggregate \$5 million subject to each holding, after each issuance, less than 10% of Adventus' issued and outstanding common shares. This issuance of common shares is structured such that \$2.5 million will be through a private placement calculated at the 10-day VWAP preceding the Curipamba construction decision approval by Adventus' board, and the other \$2.5 million will be issued in tranches once specific invoicing thresholds for the noted services have been achieved based on the 10-day VWAPs prior to issuance, and will be based on a percentage of the invoices that will be settled in common shares in lieu of cash. As at June 30, 2023, no such common shares have been issued.

In the six months ended June 30, 2023, no common shares were issued in respect of the exercise of stock options (2022: NIL) nor in respect of the settlement of RSUs (2022: NIL).

**(b) Purchase Warrant**

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 a derivative financial liability, which is 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 June 30, 2023, 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 4.54%, a share price of C\$0.30, an expected share price volatility of 16% and a dividend yield of 0%. A \$5,000 fair value gain on derivative liabilities was recorded in the statement of loss during the six months ended June 30, 2023 (2022: \$1,395,000).

The following table summarizes the Corporation's Warrants as of June 30, 2023 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	-		(1,407)
Balance as at December 31, 2022	31,284,750	\$	1,368
Change in fair value of derivative liabilities	-		(5)
<b>Balance as at June 30, 2023</b>	<b>31,284,750</b>	<b>\$</b>	<b>1,363</b>
<b>Warrant – Liability</b>	<b>17,784,750</b>		<b>-</b>
<b>Warrant – Equity</b>	<b>13,500,000</b>		<b>1,363</b>
<b>Total Warrants as at June 30, 2023</b>	<b>31,284,750</b>	<b>\$</b>	<b>1,363</b>



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**13. SHARE CAPITAL AND SHARE-BASED COMPENSATION (CONTINUED)***(c) Stock Options*

The following table summarizes the Corporation's stock option plan as of June 30, 2023 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, 2022	5,150,000	C\$	0.95
Granted	4,875,000		0.84
Forfeited	(366,668)		0.99
Expired unexercised	(2,199,999)		0.86
Options outstanding, December 31, 2022	7,458,333	C\$	0.90
Granted	5,703,500		0.52
Forfeited	(713,334)		0.66
Expired, unexercised	(248,333)		1.01
<b>Balance as at June 30, 2023</b>	<b>12,200,166</b>	<b>C\$</b>	<b>0.74</b>

During the six months ended June 30, 2023, the Corporation recorded share-based compensation expense of \$567,000 (June 30, 2022: \$519,000) relating to stock options. 5,703,500 options were granted during the six months ended June 30, 2023 (June 30, 2022: 4,475,000) and 713,334 were forfeited (June 30, 2022: 175,001) while 248,333 expired unexercised (June 30, 2022: 1,300,000).

The weighted-average fair value of stock options granted during the six months ended June 30, 2023 was estimated on the dates of grant to be C\$0.49 per option granted using the Black-Scholes option pricing model with the following assumptions:

	2023	2022
Expected life (years)	5.0	5.0
Risk-free interest rate (%)	2.82	1.61 - 1.82
Expected volatility (%)	66	71 – 83
Expected dividend yield (%)	-	-
Expected forfeitures (%)	-	-

Stock options outstanding and exercisable as June 30, 2023 and December 31, 2022 are as follows:

Range of exercise prices (\$/option)	Number, outstanding June 30, 2023	Number, exercisable at June 30, 2023	Weighted Average Remaining contractual life (years)
\$0.00 - \$0.50	400,000	-	4.31
\$0.51 - \$1.00	10,631,833	2,808,337	3.79
\$1.01 - \$1.50	1,168,333	1,035,005	1.55
<b>Balance as at June 30, 2023</b>	<b>12,200,166</b>	<b>3,843,342</b>	<b>3.59</b>

Range of exercise prices (\$/option)	Number, outstanding at December 31, 2022	Number, exercisable at December 31, 2022	Weighted Average Remaining contractual life (years)
\$0.00 - \$0.50	400,000	-	4.81
\$0.51 - \$1.00	5,791,667	1,400,001	3.47
\$1.01 - \$1.50	1,266,666	1,116,672	2.04
<b>Balance as at December 31, 2022</b>	<b>7,458,333</b>	<b>2,516,673</b>	<b>3.30</b>

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**13. SHARE CAPITAL AND SHARE-BASED COMPENSATION (CONTINUED)***(d) RSUs*

The following table summarizes the Corporation's RSUs as of June 30, 2023 and December 31, 2022 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, 2022	397,500	C\$	0.90
Granted	1,530,000		0.79
Settled	(347,500)		0.79
Forfeited	(195,000)		0.68
RSUs outstanding, December 31, 2022	1,385,000	C\$	0.79
Granted	1,428,000		0.52
Forfeited	(280,000)		0.64
<b>Balance as at June 30, 2023</b>	<b>2,533,000</b>	<b>C\$</b>	<b>0.65</b>

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 2023, 1,428,000 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 employee benefits expense in the consolidated statements of loss. The liability is re-measured to fair value at each reporting date with changes in fair value recognized in the consolidated statement of loss.

During the six months ended June 30, 2023, 280,000 RSUs were forfeited (June 30, 2022: \$85,000) and the Corporation recorded employee benefits of \$17,000 (June 30, 2022: \$92,000) and share based compensation expense of NIL (June 30, 2022: \$4,000) relating to RSUs.

*(e) Net loss per share*

Basic and diluted net loss per share were calculated using the weighted average number of common shares for the respective periods. 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 June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Basic	179,630,112	166,360,882	178,383,831	161,586,089
Effect of dilutive common share equivalents	-	-	-	-
<b>Diluted weighted average number of shares outstanding</b>	<b>179,630,112</b>	<b>166,360,882</b>	<b>178,383,831</b>	<b>161,586,089</b>

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#### 14. RELATED PARTY TRANSACTIONS

Compensation for key management personnel and directors for the three and six months ended June 30, 2023 and 2022 is as follows:

(Expressed in thousands of United States dollars)	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Salaries and benefits	\$ 488	\$ 643	\$ 1,081	\$ 1,192
Share-based compensation	278	261	532	496
	\$ 766	\$ 904	\$ 1,613	\$ 1,688

For the six months ended June 30, 2023, an amount of \$359,000 (June 30, 2022: \$385,000) of salaries and benefits of key management personnel were charged to exploration and evaluation assets.

#### 15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

##### *Financial Instruments*

##### Classification

The Corporation has classified its financial instruments as follows:

As at June 30, 2023	FVTPL	Amortized cost	Total
Financial Assets			
Cash and cash equivalents	\$ -	\$ 2,765	\$ 2,765
Other receivables	-	282	282
Other investments	35	-	35
<b>Total Financial Assets</b>	\$ 35	\$ 3,047	\$ 3,082
Financial Liabilities			
Accounts payable and accrued liabilities	-	7,302	7,302
Other liabilities	261	900	1,161
<b>Total Financial Liabilities</b>	\$ 261	\$ 8,202	\$ 8,463
As at December 31, 2022			
Financial Assets			
Cash and cash equivalents	\$ -	\$ 12,092	\$ 12,092
Other receivables	-	337	337
Other assets	59	-	59
<b>Total Financial Assets</b>	\$ 59	\$ 12,429	\$ 12,488
Financial Liabilities			
Accounts payable and accrued liabilities	-	5,527	5,527
Other liabilities	250	900	1,150
<b>Total Financial Liabilities</b>	250	\$ 6,427	\$ 6,677

##### 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;

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**15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

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:

<b>As at June 30, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>				
Other investments	\$ 35	\$ -	\$ -	\$ 35
<b>Total Financial Assets</b>	<b>\$ 35</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35</b>
<b>Financial Liabilities</b>				
Other liabilities	\$ 261	\$ -	\$ -	\$ 261
<b>Total Financial Liabilities</b>	<b>\$ 261</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 261</b>
<b>As at December 31, 2022</b>				
<b>Financial Assets</b>				
Other investments	\$ 59	\$ -	\$ -	\$ 59
<b>Total Financial Assets</b>	<b>\$ 59</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59</b>
<b>Financial Liabilities</b>				
Other liabilities	\$ 245	\$ 5	\$ -	\$ 250
<b>Total Financial Liabilities</b>	<b>\$ 245</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 250</b>

*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, 2022.

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**15. 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 June 30, 2023, the Corporation is exposed to currency risk through the following assets and liabilities denominated in the Canadian dollar:

	June 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 842	\$ 1,332
Other receivables & prepaid expenses	81	125
Accounts payable and accrued liabilities	(711)	(660)
Other liabilities	(262)	(250)
<b>Net asset exposure</b>	<b>\$ (50)</b>	<b>\$ 547</b>

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 June 30, 2023, the Corporation is exposed to currency risk through the following assets and liabilities denominated in the Euro:

	June 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 61	\$ 226
Other receivables & prepaid expenses	41	30
Accounts payable and accrued liabilities	(290)	(228)
<b>Net asset exposure</b>	<b>\$ (188)</b>	<b>\$ 28</b>

**16. SUPPLEMENTARY CASH FLOW INFORMATION***Changes in non-cash working capital*

For the year ended June 30, 2023	2023	2022
Changes in:		
Other receivables and prepaid expenses	\$ 503	\$ (671)
Accounts payable and accrued liabilities	382	1,045
<b>Total changes in non-cash working capital</b>	<b>\$ 885</b>	<b>\$ 374</b>

**17. SEGMENTED INFORMATION**

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

The geographic distribution of the Corporation's non-current assets as well as total assets are as follows:

Non-current assets	June 30, 2023	December 31, 2022
Ecuador	\$ 135,055	\$ 120,861
Ireland	1,436	1,404
Canada	66	95
	<b>\$ 136,557</b>	<b>\$ 122,360</b>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2023 and 2022

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

## 17. SEGMENTED INFORMATION (CONTINUED)

Total Assets	June 30, 2023	December 31, 2022
Ecuador	\$ 136,682	\$ 131,647
Ireland	1,737	1,655
Canada	1,650	2,402
	\$ 140,069	\$ 135,704

## 18. COMMITMENTS AND OBLIGATIONS

As at June 30, 2023, 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	\$ 1,782	\$ 329	\$ 2,111
Purchase and other commitments	302	-	302
Advance Payments to Salazar Resources	250	-	250
<b>Balance as at June 30, 2023</b>	\$ 2,334	\$ 329	\$ 2,663

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

**Ireland**

In Ireland, on or before the anniversary date of licence 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 licence 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 <sup>(1)</sup>	Ecuador	2% NSR
Santiago <sup>(2)</sup>	Ecuador	1.5% NSR
Santiago	Ecuador	4% net profits interest

1: The NSR royalty on Curipamba can be increased to 2.63% should Altius opt to convert the Convertible Debt to royalty pursuant to the Convertible Debt Agreement.

2: The NSR royalty on Santiago can be bought out for \$1,000,000, subject to certain conditions.

For the three and six months ended June 30, 2023 and 2022

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

## 19. SUBSEQUENT EVENTS

### *a) Trafigura draw and amendments*

In July 2023, the Corporation received \$5,000,000 from Trafigura as the First Tranche under the \$45,000,000 credit facility entered into in July 2022, the use of proceeds of which is for permitting and pre-construction expenditures for the El Domo project. The remainder of the facility will remain available for construction activities for the project. Pursuant to the Trafigura Amendments, the First Tranche will become payable on June 30, 2024 should the Corporation decide not to draw on additional funds after the first Tranche. The Trafigura Amendments also included repricing of the Lenders' Warrants, issued in July 2022, to C\$0.448 per share, with a revised expiry date of August 3, 2026.

### *b) Altius loan*

On July 20, 2023, the Corporation closed the \$4,000,000 Convertible Loan Agreement with a subsidiary of Altius. Pursuant to the Convertible Loan Agreement, interest will accrue at an interest rate of 10% per annum until the earlier of December 31, 2023 and the date on which there is an event of default under the Convertible Loan Agreement (the "Maturity Date"), and 15% per annum after the Maturity Date. Altius has the right to convert all or any of the outstanding principal amount and interest into common shares of the Corporation at a price of C\$0.31 per common share in respect of the principal amount and, subject to TSXV approval, at the then current-market price in respect of interest amount being converted. Should the share conversion option not be exercised and all outstanding principal and interest not yet paid on or prior to the Maturity Date, Altius has the option to convert all outstanding indebtedness into a 0.63% net smelter return royalty in the Curipamba project, subject to any necessary TSXV approval. Altius held 9.70% of the common shares of Adventus immediately prior to this transaction, and following the closing of the Convertible Loan Agreement, should Altius exercise the option to convert the entire \$4,000,000 principal on July 20, 2023, and assuming an exchange rate of US\$1.3170 (based on the Bank of Canada rate on July 19, 2023), Altius would own approximately 17.51% of the outstanding Common Shares on a partially-diluted basis and hence they became a related party of the Corporation as from July 20, 2023.