



Condensed Interim Consolidated Financial Statements

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

(EXPRESSED IN UNITED STATES DOLLARS)

	Notes	September 30, 2022	December 31, 2021
ASSETS			
Current			
Cash and cash equivalents		\$ 84,674	\$ 87,276
Inventories	6	12,239	8,733
VAT receivable	13	8,073	3,115
Prepaid and other assets		2,673	1,843
Marketable securities	7	4,381	4,177
Total current assets		112,040	105,144
Non-Current			
VAT receivable	13	2,148	8,072
Other assets		774	388
Deferred tax assets		5,383	5,994
Property, plant and equipment	8	18,705	20,695
Total non-current assets		27,010	35,149
Total assets		\$ 139,050	\$ 140,293
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 14,644	\$ 11,879
Current income taxes payable		1,828	2,911
Decommissioning liability		464	734
Other provisions	9	3,696	3,910
Total current liabilities		20,632	19,434
Non-Current			
Decommissioning liability		20,734	17,840
Other provisions		390	461
Total non-current liabilities		21,124	18,301
Total liabilities		41,756	37,735
EQUITY			
Issued capital	11	23,356	22,564
Accumulated other comprehensive loss		390	390
Contributed surplus		2,316	1,622
Retained earnings		71,232	77,982
Total equity		97,294	102,558
Total liabilities and equity		\$ 139,050	\$ 140,293

Contingencies (note 15)

Approved on behalf of the Board:

"Alberto Morales", Director

"Peter Gundy", Director

	Notes	For the three months ended		For the nine months ended	
		September 30, 2022	September 30 2021	September 30, 2022	September 30 2021
Revenues	4	\$ 23,603	\$ 36,691	\$ 82,383	\$ 113,076
Cost of sales	5(a)	(23,051)	(24,612)	(68,231)	(73,631)
Depreciation and depletion	8	(1,982)	(2,426)	(5,546)	(7,226)
Income (loss) from mine operations		(1,430)	9,653	8,606	32,219
General and administrative	5(b)	(3,545)	(3,317)	(9,967)	(11,287)
Exploration and evaluation		(1,253)	(1,283)	(3,157)	(2,946)
Income from operations		(6,228)	5,053	(4,518)	17,986
Other loss	5(c)	(462)	(2,683)	(1,263)	(3,321)
Finance costs	5(d)	(328)	(300)	(988)	(907)
Reversal of loan receivable		-	-	-	3,263
Gain on loan settlement		-	-	-	557
Net income (loss) before income taxes		(7,018)	2,070	(6,769)	17,578
Income taxes					
Current income tax recovery (expense)	14	4,116	162	629	(186)
Deferred income tax recovery (expense)		62	(386)	(610)	(13,198)
Net income (loss) and comprehensive income (loss)		\$ (2,840)	\$ 1,846	\$ (6,750)	\$ 4,194
Basic and diluted net income (loss) per share	12	(0.02)	0.01	(0.04)	0.03
Weighted average number of common shares outstanding					
Basic		157,923,815	157,275,680	157,776,109	146,928,456
Diluted		157,923,815	157,600,013	157,776,109	147,232,766

	Notes	Nine months ended	
		September 30, 2022	September 30, 2021
Operating activities			
Net (loss) income		\$ (6,750)	\$ 4,194
<i>Adjustments for:</i>			
Depreciation and depletion	8	5,546	7,226
Accretion on decommissioning liability	5(d)	842	714
Non-cash listing expense		-	2,366
Share-based compensation	5(b)	1,486	1,308
Change in fair value of marketable securities	5(c)	(204)	2,999
Current income tax expense		(629)	186
Deferred income tax expense		610	13,199
Foreign exchange gain (loss)		889	(252)
		1,790	31,940
Changes in working capital		(1,545)	(3,894)
Net cash from operating activities		245	28,046
Investing activities			
Cash acquired on RTO Transaction	3	-	78
Expenditures on property, plant and equipment		(1,823)	(2,630)
Investment in marketable securities		-	(606)
Net cash used in investing activities		(1,823)	(3,158)
Financing activities			
Lease payments		(135)	(179)
Cash received for share issuances, net of transaction costs	11	-	19,576
Proceeds from exercise of options and warrants	11	-	48
Net cash (used in) from financing activities		(135)	19,445
Effect of exchange rate changes on cash		(889)	252
Net increase (decrease) in cash		(2,602)	44,585
Cash, beginning of year		87,276	38,537
Cash, end of period		\$ 84,674	\$ 83,122
Supplemental disclosure			
Taxes paid		\$ 1,360	\$ -

	Notes	Number of common shares	Issued capital	Contributed Surplus	Retained earnings	Accumulated other comprehensive income	Total equity
Balance, January 1, 2022		157,473,506	\$ 22,564	\$ 1,622	\$ 77,982	\$ 390	\$ 102,558
Vested RSUs	11(d)	881,250	792	(792)			-
Share-based compensation				1,486			1,486
Net loss for the year					(6,750)		(6,750)
Balance, September 30, 2022		158,354,756	23,356	2,316	71,232	390	97,294
Balance, January 1, 2021		120,000,100	\$ 8	\$ -	\$ 73,714	\$ 522	\$ 74,244
Share-based payment		1,025,000	600	-	-	-	600
Shares issued for cash		33,511,738	19,576	-	-	-	19,576
Issuances of shares, warrants and options on RTO		2,353,333	1,882	167	-	-	2,049
Exercise of options		200,001	161	(125)	-	-	36
Exercise of warrants		66,667	54	(42)	-	-	12
Shares issued to agents		116,667	93	-	-	-	93
RSUs issued as shares		200,000	180	-	-	-	180
Share-based compensation		-	-	1,128	-	-	1,128
Reallocation of capital		-	10	-	-	-	10
Net income for the period		-	-	-	4,194	-	4,194
Balance, September 30, 2021		157,473,506	\$ 22,564	\$ 1,128	\$ 77,908	\$ 522	\$ 102,122

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

1. NATURE OF OPERATIONS

1254688 B.C. Ltd. ("125 BC") was incorporated on June 25, 2020 under the laws of British Columbia, Canada. Effective September 30, 2020, 125 BC entered into an arrangement and exchange agreement (the "Agreement") with Ag-Mining Investments AB ("AG Mining"). AG Mining was incorporated on November 30, 2017 under the laws of Sweden, issuing 1,000 shares for 50,000 SEK (\$6). Under the Agreement, the shareholders of AG Mining became shareholders of 125 BC by exchanging 100% of their outstanding common shares of AG Mining for common shares of 125 BC, proportionally based on each shareholder's respective interest of AG Mining. Upon the completion of the Agreement, AG Mining became a wholly owned subsidiary of 125 BC. The transaction was accounted for as a capital transaction using the continuity of interest method.

On March 19, 2021, 125 BC completed its amalgamation with 1271860 B.C. Ltd., a wholly owned subsidiary of Buckhaven Capital Corp. ("Buckhaven"). 125 BC acquired Buckhaven by way of reverse takeover (the "RTO Transaction") in accordance with the policies of the TSX-V, and will continue to carry on business of 125 BC. Buckhaven was renamed Andean Precious Metals Corp. (the "Company") and commenced trading on the TSX-V on March 29, 2021 under the symbol APM. The address of the Company's registered office is 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117 Vancouver, BC V6E 4N7. The Company's ultimate controlling shareholder is PMB Partners LP, a Canadian partnership.

The Company owns a 100% interest in Empresa Minera Manquiri S.A. ("Manquiri") through direct and indirect interests, which is the operator of the San Bartolomé mine and processing facility, near Potosí, Bolivia. The Company is engaged in the exploration, exploitation, treatment, refining and commercialization of doré containing silver and gold, which it extracts from its own mining rights and purchased third-party ore. The Company also holds a portfolio of earlier-stage mineral properties located in Bolivia and is in the process of exploring these mineral properties.

2. BASIS OF PRESENTATION**a) Statement of compliance**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting and do not include all the information and disclosures required in the annual consolidated financial statements. Accordingly certain information and disclosures normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. These consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements as at and for the year ended December 31, 2021. In particular, the Company's significant accounting policies were summarized in Note 3 of the consolidated financial statements for the year ended December 31, 2021 and have been consistently applied in the preparation of these unaudited condensed interim consolidated financial statements.

These unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022 were approved and authorized for issuance by the Company's board of directors (the "Board of Directors") on November 9, 2022.

b) Basis of measurement

The unaudited condensed interim consolidated financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities, which are measured at fair value, as specified by IFRS for each type of asset, liability, income and expense as set out in the accounting policies below.

c) Significant judgments, estimates and assumptions

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Judgments, estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances. However, actual outcomes may differ materially from these estimates.

The significant judgments, estimates and nature of assumptions made by management in applying the Company's accounting policies were the same as those that applied to the Company's annual consolidated financial statements as at and for the year ended December 31, 2021 except for the following.

Current tax

During the third quarter of 2022, the Company reviewed its estimates with respect to non-deductible expenditures in Bolivia, its operating jurisdiction. As a result of new information, the Company has determined that certain purchases totaling \$14.2 million during the Bolivian fiscal year should be considered deductible for tax purposes. As a result, the Company's current tax payable decreased and its estimated current tax expense decreased during the third quarter.

d) Recent accounting pronouncement in effect*Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before intended use*

On May 14, 2020, the IASB issued amendments to IAS 16 Property, Plant and Equipment ("IAS 16"). The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments to IAS 16 are effective for annual periods beginning on or after January 1, 2022. The amendments apply retrospectively only to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the Company first applies the amendments. The implementation of this amendment did not have an impact on the Company.

e) Recent accounting pronouncements not yet in effect

Certain pronouncements were issued by the International Accounting Standards Board ("IASB") or the IFRS Interpretations Committee ("IFRIC") that are mandatory for accounting periods after December 31, 2021. Pronouncements that are not applicable to the Company have been excluded from this note.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

On April 1, 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements ("IAS 1"). The amendments to IAS 1 clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective from January 1, 2023.

Deferred tax related to assets and liabilities arising from a single transaction

In May 2021, the IASB published a narrow scope amendment to IAS 12 Income taxes ("IAS 12"). In September 2021, IAS 12 was revised to reflect this amendment. The amendment narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences such as deferred taxes on leases and decommissioning obligations. The amendment is effective for annual periods beginning on or after January 1, 2023 and applied retrospectively. The Company will adopt the amendment on the date it becomes effective and is currently evaluating the impact of the amendment on its financial statements.

3. REVERSE TAKE-OVER TRANSACTION

On March 19, 2021, 125 BC completed its amalgamation with 1271860 B.C. Ltd., a wholly-owned subsidiary of Buckhaven. 125 BC acquired Buckhaven by way of reverse takeover. In connection with the RTO Transaction, the Company completed (i) a non-brokered private placement offering in August 2020 pursuant to which it issued 19,854,738 subscription receipts raising gross proceeds of \$10,000 at a price of US\$0.50366 per subscription receipt; and (ii) a brokered private placement offering in February 2021 pursuant to which it issued 13,657,000 subscription receipt raising gross proceeds of C\$13,657,000 (\$10,943) at a price of C\$1.00 per subscription receipt. The subscription receipts issued in August 2020 and February 2021 were each converted to one common share of the Company on the closing of the amalgamation.

Although Buckhaven was the legal acquirer of 125 BC, 125 BC was deemed to be the accounting acquirer and Buckhaven was deemed to be the acquiree for accounting purposes. The condensed interim consolidated financial statements of the combined entity therefore represent the continuation of 125 BC, and the assets and liabilities of 125 BC have been accounted for at historical value while the Buckhaven assets and liabilities have been accounted for their fair value on acquisition. Buckhaven's operations did not constitute a business and, as such, the transaction was accounted for as a share-based payment. Therefore, Buckhaven's share capital, equity reserve and deficit at the time of the RTO Transaction were eliminated and the costs of the RTO Transaction were expensed. The Company considered the price of its shares post-closing of the transaction and the price per share of the Company's recent private placements, and concluded that the fair value of the share

consideration was C\$1.00 per share based on the Company's private placement completed in February 2021. Consideration for the RTO Transaction consisted of common shares, options and warrants of the Company issued to the shareholders of Buckhaven based on Buckhaven's pre-consolidated 3,530,000 common shares, 300,000 options and 100,000 warrants, with a consolidation ratio of 1.5:1 as defined in the Company's Master Agreement with Buckhaven dated October 30, 2020.

The Company recognized the excess of the fair value of the RTO Transaction consideration over the net liability assumed of approximately \$2,272 and the consideration of approximately \$2,049, including the fair value of stock options and warrants honoured (Note 11(b)), as an expense in the statement of operations during the year ended December 31, 2021.

Fair value of net assets acquired	
Cash and cash equivalents	\$ 79
Accounts payable and accrued liabilities	(302)
Listing expense	2,272
Total	\$ 2,049

Consideration given	
Common shares	\$ 1,882
Options and warrants honoured	167
Total	\$ 2,049

RTO Transaction costs inclusive of the listing expense incurred by the Company during the year ended December 31, 2021 were \$3,451.

4. REVENUES

The breakdown of sales by commodity is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Silver	\$ 22,499	\$ 33,168	\$ 78,348	\$ 105,029
Gold	1,104	3,523	4,035	8,047
Total revenues	\$ 23,603	\$ 36,691	\$ 82,383	\$ 113,076

For the three and nine months ended September 30, 2022 and 2021, the Company had one customer.

5. EXPENSES

a) Cost of sales

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Direct costs ⁽¹⁾	\$ 21,254	\$ 21,499	\$ 62,037	\$ 64,056
Mining royalty taxes ⁽²⁾	1,797	3,113	6,194	9,575
Total cost of sales	\$ 23,051	\$ 24,612	\$ 68,231	\$ 73,631

⁽¹⁾ For the three and nine months ended September 30, 2022, includes \$2,987 and \$9,595 in Bolivian employee labour and benefits expense respectively (three and nine months ended September 30, 2021 - \$3,241 and \$9,713 respectively).

⁽²⁾ Mining royalty taxes refer to sales and exportation taxes payable to government authorities.

b) General and administrative

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Salaries and office administration ⁽¹⁾	\$ 1,773	\$ 2,174	\$ 5,005	\$ 4,590
Share based compensation	452	569	1,486	1,523
RTO Transaction costs	-	-	-	3,451
Corporate development costs	722	48	1,778	134
Management fee (note 18)	436	422	1,303	1,265
Community relations	162	104	395	324
Total general and administrative expenses	\$ 3,545	\$ 3,317	\$ 9,967	\$ 11,287

⁽¹⁾ For the three and nine months ended September 30, 2022, includes \$357 and \$999 in Bolivian employee labour and benefits expense respectively (three and nine months ended September 30, 2021 - \$363 and \$1,129 respectively).

c) Other loss

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
VAT related costs	\$ (285)	\$ (34)	\$ (254)	\$ (165)
Change in fair value of marketable securities	383	(2,317)	204	(2,999)
Interest income	196	50	296	51
Foreign exchange loss	(483)	(375)	(889)	(252)
Other (expense) income	(273)	(7)	(620)	44
Total other loss	\$ (462)	\$ (2,683)	\$ (1,263)	\$ (3,321)

d) Finance costs

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Accretion on decommissioning liability	\$ 278	\$ 238	\$ 842	\$ 714
Banking expense	50	62	146	193
Total finance costs	\$ 328	\$ 300	\$ 988	\$ 907

6. INVENTORIES

	September 30, 2022	December 31, 2021
Ore in stockpiles	\$ 1,228	\$ 453
In-process inventory	888	815
Metal at third-party refinery	158	452
Doré	861	1,172
Material and supplies	9,104	5,841
Total inventories	\$ 12,239	\$ 8,733

During the period ended September 30, 2022 and December 31, 2021, the Company did not recognize any non-cash inventory write downs in cost of sales.

7. MARKETABLE SECURITIES

Marketable securities consist of 17,171,166 common shares of Santacruz Silver ("Santacruz"). The carrying value is based on the estimated fair value of Santacruz common shares determined using quoted market prices. The cost of the common shares was \$4,577.

	September 30, 2022		December 31, 2021	
Opening balance, January 1, 2022	\$	4,177	\$	2,485
Additions		-		4,152
Unrealized gain (loss)		204		(2,460)
Closing balance, September 30, 2022	\$	4,381	\$	4,177

8. PROPERTY, PLANT AND EQUIPMENT

	Equipment and vehicles		Construction in progress		Plant and mineral properties in production		Total	
Net book value, January 1, 2021	\$	993	\$	1,847	\$	23,286	\$	26,126
Additions		-		3,740		-		3,740
Transfers		493		(3,315)		2,822		-
Disposals		-		-		-		-
Change in decommissioning liability		-		-		1,268		1,268
Depreciation and depletion		(475)		-		(9,964)		(10,439)
Net book value, December 31, 2021	\$	1,011	\$	2,272	\$	17,412	\$	20,695
Additions		-		1,757		-		1,757
Transfers		69		(2,391)		2,322		-
Disposals		-		-		-		-
Change in decommissioning liability		-		-		1,847		1,847
Depreciation and depletion		(279)		-		(5,315)		(5,594)
Net book value, September 30, 2022	\$	801		1,638		16,266		18,705

	Equipment and vehicles		Construction in progress		Plant and mineral properties in production		Total	
Summary								
Total cost		1,486		2,272		27,376		31,134
Accumulated depreciation and depletion		(475)		-		(9,964)		(10,439)
Net book value, December 31, 2021	\$	1,011	\$	2,272	\$	17,412	\$	20,695
Total cost		1,555		1,638		31,545		34,738
Accumulated depreciation and depletion		(754)		-		(15,279)		(16,033)
Net book value, September 30, 2022	\$	801		1,638		16,266		18,705

As at September 30, 2022, the Company had \$177 of right-of-use assets from leases included in property, plant and equipment. (December 31, 2021 - \$373).

9. OTHER PROVISIONS

The Company has a legal obligation in Bolivia to pay severance payments based on the years of service provided by an employee without regard to the cause of termination.

10. SHORT-TERM CREDIT FACILITIES

During June 2022, the Company entered into a revolving working capital facility with Banco de Crédito de Bolivia ("BCP") for up to \$2,000. The proceeds can be drawn down in the form of cash. The revolving working capital facility is renewable every twelve months and interest will be determined at the date of drawdown and is dependent on the form of the drawdown. As at September 30, 2022, no amounts were drawn down on the revolving facility.

11. ISSUED CAPITAL
Common shares issued

On January 12, 2021, the Company issued 1,025,000 common shares to a director of the Company in respect of accrued consulting fees totaling \$600.

On March 19, 2021, following the completion of the RTO Transaction, 19,854,738 subscription receipts issued in August 2020 raising gross proceeds of \$10,000 at a price of US \$0.50366 per subscription receipt and a brokered private placement offering in February 2021 issued 13,657,000 subscription receipts raising gross proceeds of C\$13,657,000 (\$10,943) at a price of C\$1.00 per subscription receipt were converted into common shares. Total transaction costs of \$1,360 for both the August and February private placements were incurred and offset against issued capital on the statement of financial position. In connection with the RTO Transaction, 2,353,333 shares were issued to the shareholders of Buckhaven and 116,667 shares were issued as a finder's fee.

a) Authorized share capital

Unlimited number of common shares without par value. The Company does not currently pay dividends and entitlement will only arise upon declaration.

As at September 30, 2022, there were 158,254,756 issued and outstanding shares (December 31, 2021 – 157,473,506).

b) Share-based payments

Prior to September 9, 2022, the Company had two share-based compensation plans: (i) a stock option plan and (ii) a restricted share unit ("RSU") plan. These plans govern stock options and RSUs issued by the Company prior to September 9, 2022. On September 9, 2022, the Board of Directors of the Company approved an Omnibus Long-Term Incentive Plan (the "Omnibus Plan") providing for future issuances of stock options, RSUs and deferred share units ("DSU"). As of September 30, 2022, no DSUs have been issued under the Omnibus Plan.

The following is a summary of the number of common share options issuable under the plans outstanding as at September 30, 2022 and the amounts of share-based compensation expense recognized for the nine months ended September 30, 2022 and 2021:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Stock options	\$ 39	\$ 170	\$ 139	\$ 1,124
Restricted share units	413	399	1,347	399
Share-based compensation expense	\$ 452	\$ 569	\$ 1,486	\$ 1,523

c) Stock option plan

Under the Omnibus Plan, the number of shares reserved for issuance is limited to 10% of the number of common shares issued and outstanding as at July 29, 2022, which is 15,791,413, or any such number that is approved by the shareholders of Andean from time to time. The Board of Directors determine the term of a stock option to a maximum of 10 years, the period during which the options may vest and become exercisable as well as the option exercise price which shall not be less than the closing price of the Company's common shares on the Toronto Venture Exchange on the date immediately preceding the date of grant. The Compensation Committee determines and makes recommendations to the Board of Directors as to the recipients of, and nature and size of, share-based compensation awards in compliance with applicable securities law, stock exchange and other regulatory requirements.

A summary of changes in the Company's outstanding stock options is presented below:

	Number	Weighted average exercise price (C\$)
Balance, January 1, 2021	-	-
Honoured pursuant to the RTO	200,001	\$0.225
Granted	2,477,826	\$1.171
Exercised	(200,001)	\$0.225
Forfeited	(413,913)	\$1.150
Balance, December 31, 2021	2,063,913	\$1.175
Granted	600,000	\$1.150
Expired	(550,000)	\$1.500
Balance, September 30, 2022	2,113,913	\$1.150

The following table summarizes information on stock options outstanding and exercisable as at September 30, 2022:

Grant date	Weighted average contractual life	Number of unvested options	Exercise Price (C\$)	Number of vested options	Expiry date
March 29, 2021	3.50	-	\$1.15	1,513,913	March 29, 2026
September 12, 2022	4.95	600,000	\$1.15	-	September 12, 2027
		600,000		1,513,913	

The fair value at grant date of the Company's stock options granted during the period ended September 30, 2022 was \$0.19 per share (2021 - C\$0.91).

d) Restricted share units

The RSU Plan provides for a maximum number of common shares available and reserved for issuance to 10% of the Company's issued and outstanding common shares, less any shares reserved for issuance under the stock option plan.

The outstanding RSUs as at September 30, 2022 are as follows:

	Number outstanding	Grant date fair value
Balance, January 1, 2022	6,121,875	\$ 2,014
Granted	261,753	360
Vested	(881,250)	(788)
Forfeited	(14,465)	(20)
Balance, September 30, 2022	5,487,913	\$ 1,566

12. NET INCOME PER SHARE

As of September 30, 2022, the Company had 2,113,913 stock options and 5,487,913 RSUs outstanding.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net (loss) income	\$ (2,840)	\$ 1,846	\$ (6,750)	\$ 4,194
Weighted average number of common shares outstanding – basic	157,923,815	157,275,680	157,776,109	146,928,456
Weighted average shares dilution adjustments:				
Share options		324,333		304,310
Restricted share units				
Diluted weighted average shares outstanding	157,923,815	157,600,013	157,776,109	147,232,766
Net (loss) income per share – basic and diluted	\$ (0.02)	\$ 0.01	\$ (0.04)	\$ 0.03

As of September 30, 2022, there were 2,113,913 stock options and 5,487,913 RSUs that were anti-dilutive (September 30, 2021 – nil and nil respectively).

13. VAT RECEIVABLE

The following table summarizes the changes in VAT assets:

	September 30, 2022		December 31, 2021	
Balance, beginning of the year	\$	11,187	\$	5,624
Additions		5,016		6,766
Recoveries		(5,982)		(1,203)
Balance, end of the period	\$	10,221	\$	11,187
Current	\$	8,073	\$	3,115
Non-current		2,148		8,072
	\$	10,221	\$	11,187

As VAT is recovered, the Company receives VAT Certificates from Bolivian tax authorities. Such VAT Certificates can be used to repay taxes or can be sold for cash at a small discount. As at September 30, 2022, the Company had \$4,040 of VAT Certificates on hand (December 31, 2021 - \$65).

14. INCOME TAXES

The Company's tax rate in Bolivia remains unchanged from the prior year at 32.5%. The tax on the Company's income before tax differs from the amount that would arise using the Canadian statutory income tax rate applicable to income of the consolidated entities as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Earnings (loss) before taxes at statutory rates	\$ (7,018)	2,070	(6,769)	17,578
Tax rate	26.5%	26.5%	26.5%	26.5%
Tax expense (recovery) at statutory rate	\$ (1,860)	\$ 549	\$ (1,794)	\$ 4,658
Items that cause an increase (decrease)				
Impact of foreign tax rates	(257)	322	(5)	1,659
Non-deductible expenses	(1,780)	244	1,359	6,280
Tax deductions recognized	8,075	(1,339)	458	(26,328)
Income tax expense (recovery)	\$ 4,178	\$ (224)	\$ 19	\$ (13,384)

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value measurement of financial assets and liabilities

The Company has established a fair value hierarchy that reflects the significance of inputs of valuation techniques used in making fair value measurements as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and,

Level 3 - inputs for the asset or liability that are not based upon observable market data.

The carrying values of cash, restricted cash, trade payables and accrued liabilities, debt, and subscription receipt liability approximate their fair value due to their short-term nature and are classified at amortized cost.

Marketable securities are classified as financial assets at FVTPL, are based on observable inputs and therefore considered to be Level 1.

As at September 30, 2022 and December 31, 2021, there were no financial assets or liabilities measured and recognized in the statements of financial position at fair value that would be categorized as Level 2 in the fair value hierarchy above.

There were no transfers between Level 1 and Level 2 or Level 3 during the periods ended September 30, 2022 and December 31, 2021.

The carrying values and fair values of the Company's financial instruments as at September 30, 2022 and December 31, 2021 are as follows:

	September 30, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	\$ 84,674	84,674	\$ 87,276	\$ 87,276
Marketable securities	4,381	4,381	4,177	4,177
Total financial assets	\$ 89,055	89,055	\$ 91,453	\$ 91,453
Financial liabilities				
Accounts payable and accrued liabilities	\$ 14,644	14,644	\$ 11,879	\$ 11,879
Total financial liabilities	\$ 14,644	14,644	\$ 11,879	\$ 11,879

Financial risk management

The Company's primary business activities consist of the acquisition, exploration, development and operation of mineral resource properties in Bolivia. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, commodity price risk, currency risk, liquidity risk, and interest rate risk. The Company's risk management program strives to evaluate the unpredictability of financial and commodity markets and its objective is to minimize the potential adverse effects of such risks on the Company's financial performance, where financially feasible to do so. When deemed material, these risks may be monitored by the Company's finance group and they are regularly discussed with the Board of Directors or one of its committees.

i. Credit risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the consolidated financial statements.

The Company's credit risk is predominantly limited to cash and cash equivalent balances held in financial institutions, trade receivables and other receivables. The maximum exposure to credit risk is equal to the carrying value of such financial assets.

The objective of managing counterparty credit risk is to minimize potential losses in financial assets. The Company assesses the quality of its counterparties, considering their credit worthiness and reputation, past performance and other factors.

The Company's cash is only deposited with or held by highly rated financial institutions. To manage credit and liquidity risk, the Company invests only in highly rated investment grade instruments that have maturities of one year or less. Limits are also established based on the type of investment, the counterparty and the credit rating.

Silver and gold sales are made to one international organization specializing in the precious metals markets. The Company believes the international organization to be of sound credit worthiness, and to date, all receivables have been settled in accordance with agreed upon terms and conditions.

ii. Commodity price risk

The Company is exposed to price risk associated with the volatility of the market price of commodities, in particular silver and gold, and also to many consumables that are used in the production of silver and gold.

The prices of most commodities are determined in international markets and as such the Company has limited or no ability to control or predict the future level of most commodity prices. In some instances, the Company may have the ability to enter into derivative financial instruments to manage the Company's exposure to changes in the price of commodities such as gold, silver, oil and electricity.

iii. Currency risk

The Company's functional currency is the US dollar. The Company is exposed to currency risk associated with the volatility of the currencies of the countries it operates in, relative to the US dollar, primarily with respect to the Bolivian Boliviano.

The Bolivian Boliviano has been fixed against the US dollar at a rate of 6.96 Bolivian Bolivianos to US dollars since 2008. There can be no guarantees that the Boliviano will continue to be fixed to the US dollar.

iv. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements and its exploration and production plans.

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments. The Company has no concentrations of liquidity risk.

v. Interest rate risk

The interest rate risk for the Company arises primarily from long-term debt. Debt at variable rates expose the Company to interest rate risk on its cash flows and debt and leases at fixed rates expose the Company to fair value risk of financial liabilities.

The Company does not enter derivative contracts, interest rate swaps or other instruments to actively manage these risks.

16. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company and its subsidiaries may become defendants in certain employment claims and other litigation. The Company records a liability when it is probable that a loss has been incurred and the amount is reliably estimable. The Company is not involved in any legal proceedings other than routine litigation arising in the normal course of business, none of which the Company believes will have a material adverse effect on the Company's business, financial condition or results of operations.

17. SEGMENTED INFORMATION

The Company primarily operates in the silver and gold mining industry and its major product is silver doré. The Company's primary mining operation is the San Bartolomé mine, which operates in Bolivia.

The reported segments are those operations whose operating results are reviewed by the Chief Executive Officer and that pass certain quantitative measures. Operations whose revenue, earnings or losses or assets exceed 10% of the total consolidated revenues, earnings or losses, or assets are reportable segments.

September 30, 2022		Bolivia	Corporate	Total
Total assets	\$	126,577	12,473	139,050
Total liabilities		40,550	1,206	41,756
Net assets	\$	86,027	11,267	97,294
December 31, 2021		Bolivia	Corporate	Total
Total assets	\$	122,909	\$ 17,384	\$ 140,293
Total liabilities		36,796	939	37,735
Net assets	\$	86,113	\$ 16,445	\$ 102,558

	Three months ended September 30, 2022			Nine months ended September 30, 2022		
	Bolivia	Corporate	Total	Bolivia	Corporate	Total
Revenues	\$ 23,603	\$ -	\$ 23,603	\$ 82,383	\$ -	\$ 82,383
Cost of sales	(23,051)	-	(23,051)	(68,231)	-	(68,231)
Depreciation and depletion	(1,982)	-	(1,982)	(5,546)	-	(5,546)
General and administrative	(1,191)	(2,354)	(3,545)	(3,793)	(6,174)	(9,967)
Exploration and evaluation	(1,253)	-	(1,253)	(3,157)	-	(3,157)
Income from operations	\$ (3,874)	\$ (2,354)	\$ (6,228)	\$ 1,656	\$ (6,174)	\$ (4,518)

	Three months ended September 30, 2021			Nine months ended September 30, 2021		
	Bolivia	Corporate	Total	Bolivia	Corporate	Total
Revenues	\$ 36,691	\$ -	\$ 36,691	\$ 113,076	\$ -	\$ 113,076
Cost of sales	(24,612)	-	(24,612)	(73,631)	-	(73,631)
Depreciation and depletion	(2,426)	-	(2,426)	(7,226)	-	(7,226)
General and administrative	(1,155)	(2,162)	(3,317)	(3,505)	(7,782)	(11,287)
Exploration and evaluation	(1,283)	-	(1,283)	(2,946)	-	(2,946)
Income from operations	\$ 7,215	\$ (2,162)	\$ 5,053	\$ 25,768	\$ (7,782)	\$ 17,986

18. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers, including officers at its subsidiaries. Management fees are payable to companies controlled by the Executive Chairman of the Company and includes administrative costs and salaries and benefits of certain key management in addition to other operational and administrative staff. The total compensation paid or payable to key management, amounted to:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Management fees ⁽¹⁾	\$ 738	\$ 738	\$ 2,280	\$ 2,225
RTO Transaction costs	-	-	-	520
Salaries and benefits	282	432	917	1,009
Severance costs	-	560	-	560
Stock-based compensation	452	560	1,469	1,506
Total	\$ 1,472	\$ 2,290	\$ 4,666	\$ 5,820

⁽¹⁾ Management fees recorded in general and administrative expenses and cost of sales on the consolidated statement of income (loss) and comprehensive income (loss) for the three months ended September 30, 2022 are \$369 and \$369 respectively (September 30, 2021 - \$369 and \$369 respectively). Management fees recorded in general and administrative expenses and cost of sales on the consolidated statement of income (loss) and comprehensive income (loss) for the nine months ended September 30, 2022 are \$1,140 and \$1,140 respectively (September 30, 2021 - \$1,112 and \$1,112 respectively).