CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Nine Months Ended September 30, 2023 and 2022

(Unaudited - All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

As at:	Notes		September 30, 2023		December 31, 2022
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**1,588**	$	3,321
Trade and other receivables			**30**		292
Inventory	3		**29,783**		26,614
Prepaid expenses and deposits			**513**		683
Total current assets			**31,914**		30,910
Non-current assets					
Restricted cash			**3,474**		1,727
Plant and equipment	4		**39,644**		44,646
Mineral properties	4		**40,783**		36,648
Total assets		**$**	**115,815**	$	113,931
LIABILITIES					
Current liabilities					
Trade and other payables	5	**$**	**9,586**	$	10,280
Current portion of debt	6		**4,166**		6,380
Deferred revenue	7		**2,856**		2,000
Current portion of leases	8		**346**		352
Current portion of silver stream	9		**1,786**		1,918
Current portion of derivatives	11		**3,691**		4,332
Total current liabilities			**22,431**		25,262
Non-current liabilities					
Debt	6		**21,499**		5,830
Leases	8		**126**		369
Silver stream	9		**9,336**		10,878
Provision for reclamation	10		**10,171**		9,844
Derivatives	11		**5,147**		5,972
Total liabilities			**68,710**		58,155
SHAREHOLDERS' EQUITY					
Share capital	12		**113,338**		113,310
Equity reserves			**25,905**		25,664
Deficit			**(92,138)**		(83,198)
Total shareholders' equity			**47,105**		55,776
Total liabilities and shareholders' equity		**$**	**115,815**	$	113,931

Nature of operations and going concern – Note 1
Commitments – Note 22
Subsequent events – Note 24

APPROVED AND AUTHORIZED ON BEHALF OF THE BOARD (NOTE 2):

Signed *"David Peat"*, DIRECTOR   Signed *"Douglas Hurst"*, DIRECTOR

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

(Unaudited - All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

		Three Months Ended		Nine Months Ended	
		September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
Revenue	14	**$ 18,152**	$ 16,979	**$ 50,019**	$ 44,900
Cost of sales					
Production costs	15	**(13,387)**	(13,948)	**(38,792)**	(42,929)
Depletion and depreciation	4	**(3,758)**	(1,837)	**(10,334)**	(5,847)
Royalties	4	**(939)**	(899)	**(2,538)**	(2,244)
Total cost of sales		**(18,084)**	(16,684)	**(51,664)**	(51,020)
Income (loss) from mine operations		**68**	295	**(1,645)**	(6,120)
Corporate administrative expenses	16	**(736)**	(965)	**(2,288)**	(2,717)
Operating loss		**(668)**	(670)	**(3,933)**	(8,837)
Finance costs	17	**(2,564)**	(1,643)	**(6,381)**	(5,061)
Gain on revaluation of derivative liabilities	18	**1,035**	3,240	**1,430**	13,264
Impairment of mineral properties	4	**(48)**	-	**(48)**	(33,850)
Foreign exchange gain (loss)		**95**	266	**(8)**	166
Income (loss) and comprehensive income (loss) for the period		**$ (2,150)**	$ 1,193	**$ (8,940)**	$ (34,318)
Income (loss) per share					
Basic	13	**$ (0.02)**	$ 0.01	**$ (0.08)**	$ (0.36)
Diluted	13	**$ (0.02)**	$ 0.01	**$ (0.08)**	$ (0.36)
Weighted average number of shares outstanding					
Basic	13	**110,572,948**	110,391,281	**110,543,003**	95,347,397
Diluted	13	**110,572,948**	110,391,281	**110,543,003**	95,347,397

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

(Unaudited - All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

				Equity Reserves					
	Notes	Number of Shares	Share Capital	Share Option Reserve	Warrant Reserve	Other Comprehensive Income (Loss)	Total Equity Reserves	Deficit	Total Equity
Balance, December 31, 2021		**60,863,627**	**$ 101,124**	**$ 8,286**	**$ 21,928**	**$ (5,743)**	**$ 24,471**	**$ (39,590)**	**$ 86,005**
Shares issued for:									
Private placements	12	43,585,310	12,085	-	320	-	320	-	12,405
Debt repayment	6	5,760,677	1,568	-	85	-	85	-	1,653
Mineral property acquisition		181,667	90	-	-	-	-	-	90
Share issuance costs		-	(1,547)	-	-	-	-	-	(1,547)
Share-based compensation	12	-	-	596	-	-	596	-	596
Net loss for the period		-	-	-	-	-	-	(34,318)	(34,318)
Balance, September 30, 2022		**110,391,281**	**$ 113,320**	**$ 8,882**	**$ 22,333**	**$ (5,743)**	**$ 25,472**	**$ (73,908)**	**$ 64,884**
Balance, December 31, 2022		**110,391,281**	**$ 113,310**	**$ 9,074**	**$ 22,333**	**$ (5,743)**	**$ 25,664**	**$ (83,198)**	**$ 55,776**
Shares issued for:									
Mineral property acquisition		181,667	28	-	-	-	-	-	28
Share-based compensation	12	-	-	241	-	-	241	-	241
Net loss for the period		-	-	-	-	-	-	(8,940)	(8,940)
Balance, September 30, 2023		**110,572,948**	**$ 113,338**	**$ 9,315**	**$ 22,333**	**$ (5,743)**	**$ 25,905**	**$ (92,138)**	**$ 47,105**

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

(Unaudited - All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

	Notes	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cash flows from operating activities			
Loss for the period		$ **(8,940)**	$ (34,318)
Items not affecting cash:			
Share-based compensation	12	**241**	596
Depletion and depreciation	4, 16	**10,412**	5,929
Fair value change on derivative liabilities	18	**(1,430)**	(13,264)
Interest expense, including accretion		**3,849**	2,886
Drawdown of silver stream obligation		**(3,344)**	(3,294)
Impairment of mineral properties		**48**	33,850
Unrealized foreign exchange loss (gain)		**6**	(428)
Changes in non-cash working capital:			
Trade and other receivables		**262**	(2,031)
Inventory	3	**(1,656)**	2,539
Deferred revenue		**856**	3,000
Prepaid expenses and deposits		**47**	(440)
Trade and other payables		**(1,981)**	92
Cash used in operating activities		**(1,630)**	(4,883)
Cash flows from financing activities			
Proceeds from issuance of share capital, net	12	**-**	17,100
Proceeds from revolving credit facility		**11,500**	3,000
Proceeds from debt		**1,725**	-
Repayment of debt		**(143)**	(2,372)
Repayment of lease obligation		**(265)**	(369)
Interest paid		**(1,594)**	(343)
Cash provided by financing activities		**11,223**	17,016
Cash flows from investing activities			
Mineral property expenditures		**(5,957)**	(4,365)
Plant and equipment expenditures		**(3,621)**	(7,536)
Restricted cash		**(1,747)**	8
Cash used in investing activities		**(11,325)**	(11,893)
Effect of foreign exchange on cash and cash equivalents		**(1)**	4
Change in cash and cash equivalents during the period		**(1,731)**	244
Cash and cash equivalents, beginning of the period		**3,321**	1,068
Cash and cash equivalents, end of the period		$ **1,588**	$ 1,312

Supplemental disclosure of non-cash activities – Note 19

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of Operations

Elevation Gold Mining Corporation (the "Company") is incorporated under the laws of the province of British Columbia, Canada and its principal business activity is the production, exploration, and development of precious metals. The address of the Company's registered office is Suite 1920 – 1188 West Georgia Street, Vancouver, British Columbia, Canada. The Company's common shares are listed on the Toronto Stock Venture Exchange ("TSXV") in Canada under the ticker symbol ELVT and on the OTCQX in the United States under the ticker symbol EVGDF.

The Company's principal operation is the production of gold and silver from its 100% owned Moss Mine in the Mohave County of Arizona. Through the Company's acquisition of Eclipse Gold Mining Corporation ("Eclipse"), Elevation also holds the title to the Hercules exploration property, located in Lyon County, Nevada.

Going concern

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business for at least twelve months from September 30, 2023. There are conditions and events, which constitute material uncertainties that may cast significant doubt on the validity of this assumption.

As at September 30, 2023, the Company had working capital (current assets less current liabilities) of $9,483 (2022: $5,648) and in the nine months ended September 30, 2023, the Company incurred a loss of $8,940 (2022: $34,318). In the nine months ended September 30, 2023, the Company used cash in operations of $1,630 (2022: $4,883), used cash for investing activities of $11,325 (2022: $11,893), and added $11,223 in cash from financing activities (2022: $17,016).

The ongoing operations and capital expenditures of the Moss Mine are dependent on the Company's ability to generate sufficient cash flow from production, which is subject to commodity price risk from fluctuations in the market prices for gold and silver. In the nine months ended September 30, 2023, the Company incurred a loss from mine operations of $1,645 (2022: $6,120), which was net of $10,334 of depreciation (2022: $5,847). To continue operations at the Moss Mine, the Company will require additional financing and profitable operations. While the Company has been successful at raising funds in the past, there can be no assurance that it will be able to do so in the future.

These condensed interim consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used which may be required should the Company be unable to continue as a going concern. Such adjustments may be material.

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

2. BASIS OF PRESENTATION

Basis of Presentation and Statement of Compliance

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), as applicable to interim financial reports including International Accounting Standard 34, *Interim Financial Reporting*. Therefore, these condensed interim consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS. The accounting policies and basis of presentation applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited annual consolidated financial statements for the year ended December 31, 2022.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors of the Company on November 15, 2023.

Basis of Consolidation

The unaudited condensed interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company is exposed to variable returns and has the ability to affect those returns through power to direct the relevant activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Subsidiaries will be de-consolidated from the date that control ceases. The Company's subsidiaries names, country of incorporation, percentage ownership, and principal activities are presented below.

Name	Country of Incorporation	Percentage Owned	Principal Activity
Golden Vertex Corp.	United States of America	100%	Precious Metal Production
Golden Vertex (Idaho) Corp.	United States of America	100%	Holding Company
Eclipse Gold Mining Corp.	Canada	100%	Holding Company
Alcmene Mining Inc.	Canada	100%	Holding Company
Hercules Gold USA, LLC	United States of America	100%	Mineral Exploration

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation. Profit or loss and other loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

(Unaudited - All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

2. BASIS OF PRESENTATION - *continued*

Significant Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make accounting policy judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical accounting policy judgments and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 4 of the Company's audited annual consolidated financial statements for the year ended December 31, 2022.

3. INVENTORY

As at:		**September 30, 2023**		December 31, 2022
Heap leach ore	**$**	**27,825**	$	24,095
Dore		**889**		767
Stockpiled ore		**530**		1,336
Consumables and supplies		**539**		416
	$	**29,783**	$	26,614

During the nine months ended September 30, 2023, $51,486 of inventory expense passed through cost of sales (2022: $45,160).

During the three months ended September 30, 2023, the Company recorded a partial reversal of a previous net realizable write-down of heap leach ore and dore inventory of $120 (2022: $2,999), of which $97 (2022: $2,654) was included in production costs and $23 (2022: $345) was included in depletion and depreciation. For the nine months ended September 30, 2023, the net position is a partial reversal of $239 (2022: impairment expense of $3,522).

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

4. MINERAL PROPERTIES, PLANT AND EQUIPMENT

The following table provides a continuity schedule for the Company's mineral properties and plant and equipment for the nine months ended September 30, 2023 and the year ended December 31, 2022.

		Depletable mineral properties		Non-depletable mineral properties		Plant and equipment		Total
Cost								
Balance at December 31, 2021	$	37,167	$	37,619	$	71,411	$	146,197
Additions		-		5,605		7,379		12,984
Impairment		(21,530)		(12,320)				(33,850)
Future site restoration provision adjustment		2,969		-		-		2,969
Disposals		-		-		(41)		(41)
Balance at December 31, 2022	$	18,606	$	30,904	$	78,749	$	128,259
Additions		4,144		1,842		4,955		10,941
Impairment		-		(48)		-		(48)
Future site restoration provision adjustment		41		-		-		41
Transfer from non-depletable mineral properties		210		(210)		-		-
Disposals		-		-		(82)		(82)
Balance at September 30, 2023	$	23,001	$	32,488	$	83,622	$	139,111
Accumulated Depreciation								
Balance at December 31, 2021	$	11,513	$	-	$	24,035	$	35,548
Depletion and depreciation		1,349		-		10,083		11,432
Disposals		-		-		(15)		(15)
Balance at December 31, 2022	$	12,862	$	-	$	34,103	$	46,965
Depletion and depreciation		1,844		-		9,957		11,801
Disposals		-		-		(82)		(82)
Balance at September 30, 2023	$	14,706	$	-	$	43,978	$	58,684
Net book value at December 31, 2022	$	5,744	$	30,904	$	44,646	$	81,294
Net book value at September 30, 2023	$	8,295	$	32,488	$	39,644	$	80,427

Depletable mineral properties consist of the Moss Mine. Non-depletable mineral properties consist of exploration and evaluation on the Moss Property, the Silver Creek Property and the Hercules Property, which are considered separate from the Moss Mine.

Moss Mine Property – Mohave County, Arizona

The Company owns 100% of the Moss Mine and has royalty agreements with various parties whereby the Company pays net smelter returns ("NSR") royalties totalling approximately 6% to various royalty holders - ranging from 1% to 3% on certain patented and unpatented claims related to the Moss Mine and a royalty of up to $15 per troy ounce of gold and up to $0.35 per troy ounce of silver produced on the project.

Impairment assessment

During the year ended December 31, 2022, the Company recognized a non-cash impairment of mineral properties of $33,850, of which $21,530 was recorded in depletable mineral properties and $12,320 in non-depletable mineral properties.

4. MINERAL PROPERTIES, PLANT AND EQUIPMENT – *continued*

Indicators of impairment

During the year ended December 31, 2022, management of the Company completed an assessment of impairment indicators for the Moss Mine cash generating unit ("CGU"), as the Company's market capitalization fell below the carrying value of net assets. Accordingly, the Company estimated the recoverable amounts of the CGU and compared them to the carrying value of the CGU. The recoverable amount of the CGU was based on fair value less cost of disposal method using discounted cash flow models. Upon completion of the Company's impairment assessment, it was determined that the Moss Mine CGU was impaired by a total of $33,850, which resulted in a charge of the same amount to the Company's statement of income and loss.

Key assumptions used for the impairment test completed June 30, 2022 and sensitivity analysis

The projected cash flows used in impairment testing are significantly affected by changes in assumptions. Key assumptions included by management in the discounted cash-flow model included a gold price ranging from $1,750 to $1,800, gold and silver recoveries of 80% and 43%, respectively, as indicated in life of mine plans, and real after-tax discount rate of 5%. Management's estimates of the recoveries are prepared by or under the supervision of and verified by Qualified Persons as defined in National Instrument 43-101 of the Canadian Securities Administrators (management's experts). The Company performed a sensitivity analysis on these key assumptions. Based on the impairment testing performed, the sensitivity to changes in these key assumptions is as follows:

- a 10% decrease in the short and long-term gold price would result in an additional impairment of $14.7 million,
- a 10% decrease in gold recoveries would result in an additional impairment of $17.4 million, and
- a 5% increase in the real after-tax discount rate would result in an additional impairment of $4.1 million.

During the three months ended September 30, 2023, the Company recorded an impairment expense of $48, representing capitalized expenditures on mining claims discontinued. The Company completed an assessment at September 30, 2023 and did not identify any further impairment indicators.

Silver Creek Property – Mohave County, Arizona

In May 2014 (as amended in June 2017 and August 2019), the Company secured an option on the Silver Creek Property, located adjacent to the Moss Mine from La Cuesta International, Inc. ("LCI"). Pursuant to the terms of the 35-year mineral lease and option agreement, the Company paid LCI $5 and issued 16,667 common shares on execution of agreement while also committing to certain exploration expenditure requirements, which have now been fulfilled. From 2019 onwards, the Company is required to make cash payments of $25 every six months. As at September 30, 2023, the Silver Creek Property is in good standing and all payments and commitments are current.

The agreement includes a production royalty of 1.5% NSR on claims owned 100% by LCI and 0.5% NSR on third party claims within the claim block. To acquire the claims, the Company is required to make payments to LCI totalling $4,000 in any combination of aggregate royalty payments and lump-sum payments at its sole discretion.

All payments other than the work commitments are credited against the royalty, including amounts paid to date. Once $4,000 has been paid, the NSR rates, on claims not otherwise acquired, reduce by 50%. No royalty payments on the Silver Creek Property claims have been made to date as the Company is not currently mining from the area included in this agreement.

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4. MINERAL PROPERTIES, PLANT AND EQUIPMENT – *continued*

Hercules Property - Lyon County, Nevada

On August 9, 2019, Hercules Gold entered into an agreement with Great Basin Resources, Inc and Iconic Minerals Ltd. for an option to obtain 100% interest in the Hercules Project, comprising certain unpatented mining claims. The option agreement has a maximum term of twelve years from February 18, 2020. Following the acquisition of Eclipse by the Company, the parties entered into an amending agreement dated February 12, 2021. Pursuant to the terms of the agreement, the Company issued 181,666 common shares to Iconic Minerals Ltd. in February 2021 and issued a further 181,666 common shares on the first anniversary (February 2022) and a further 181,666 in common shares on the second anniversary to keep the project in good standing. The Company needs to also make annual payments of $50 to Great Basin Resources, Inc. up to an aggregate of $600, which began in February 2021. Additionally, the Company was subject to a work commitment of $2,300 over the first three years of the agreement, which has been completed. The Company is in compliance with all terms of the agreement and the project is in good standing as at September 30, 2023.

5. TRADE AND OTHER PAYABLES

As at:		**September 30, 2023**		December 31, 2022
Trade accounts payable	**$**	**5,005**	$	5,465
Accrued liabilities		**3,117**		3,762
Royalties		**1,464**		1,053
	$	**9,586**	$	10,280

6. DEBT

As at:	Note		**September 30, 2023**		December 31, 2022
Convertible debentures	(6a)	**$**	**4,015**	$	3,685
Multiple advance promissory notes	(6b)		**2,197**		2,337
Revolving credit facility	(6c)		**17,728**		6,188
Promissory note	(6d)		**1,725**		-
			25,665		12,210
Current portion of debt	22		**(4,166)**		(6,380)
		$	**21,499**	$	5,830

a) Convertible Debentures

In June 2020, the Company issued a series of subordinated unsecured convertible debentures with principal totalling CAD $6,710, bearing interest at 5% per annum (payable on June 30 and December 31 of each year while outstanding) and maturing on June 30, 2025. Interest may, at the option of the Company, be settled in common shares, subject to regulatory approval.

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6. DEBT – *continued*

a) Convertible Debentures - *continued*

The principal amount of the debentures is convertible into common shares of the Company at the price of CAD $2.40 per share. The Company may redeem the convertible debentures in cash on or after July 31, 2022, in whole or in part from time to time, upon required prior notice at a redemption price equal to their principal amount plus accrued and unpaid interest, if any, provided that the trading price of the common shares for the 20 consecutive trading days ending five trading days prior to the date of the redemption notice must be less than the conversion price. Additionally, on or after July 31, 2022, the Company has the option to repay the principal amount of the debentures in common shares, provided certain circumstances are met including but not limited to: no default has occurred and is continuing at such time, and the trading price of the common shares for the 20 consecutive trading days ending five trading days prior to the date of the redemption notice or maturity date (as the case may be) is at least 150% of the conversion price of CAD $2.40 per share.

The convertible debentures contain an embedded derivative (the "Conversion Component") relating to the conversion option and a conversion price fixed in CAD $. The Conversion Component's fair value as at September 30, 2023 was estimated to be $Nil (December 31, 2022 - $1) using the Black Scholes option-pricing model (Note 11).

		Nine Months Ended September 30, 2023		Year Ended December 31, 2022
Balance, beginning of period	**$**	**3,685**	$	3,541
Interest accretion		**325**		385
Foreign exchange movement		**5**		(241)
Balance, end of period	**$**	**4,015**	$	3,685

b) Multiple advance promissory notes

In February 2020, the Company completed a term loan financing of $2,869 at rates currently approximating 1.9% per annum over a fifteen-year amortization period, for the purpose of constructing an electrical power line to the Moss Mine.

		Nine Months Ended September 30, 2023		Year Ended December 31, 2022
Balance, beginning of period	**$**	**2,337**	$	2,523
Principal payments		**(143)**		(191)
Financing costs		**3**		5
Balance, end of period	**$**	**2,197**	$	2,337

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

6. DEBT – *continued*

c) Revolving credit facility

In August 2022, the Company entered into a $6,000 revolving credit facility (the "Credit Facility"). Under the terms of the Credit Facility, interest accrues on any unpaid principal at an interest rate of 12% per annum compounded on a monthly basis, with all accrued interest and principal payable on or before December 31, 2023. The lender is affiliated with an entity with a director in common with Elevation Gold. The Company may, at its option, at any time and from time to time, prepay without penalty or premium the Credit Facility, in whole or in part.

In January 2023, the terms of the revolving credit facility were amended. Under the terms of the amendment, the total maximum principal amount that may be outstanding at any given time is $12,000, interest will be paid on a quarterly basis and is payable by delivery of physical gold. The total of gold ounces deliverable is calculated by dividing total interest payable by $1,850 per ounce. The term of the loan was also extended to February 28, 2025.

In May 2023, the terms of the revolving credit facility were further amended. Under the terms of the amendment, the total maximum principal amount available to the Company was increased to $17,728, interest accrues on any unpaid principal at a rate of 10% per annum. Partial repayments of principal, of varying amounts, are required quarterly, beginning in December 2023 until repaid in its entirety in February 2025.

		Nine Months Ended September 30, 2023		Year Ended December 31, 2022
Balance, beginning of period	**$**	**6,188**	$	-
Issued		**11,500**		6,000
Interest		**40**		188
Balance, end of period	**$**	**17,728**	$	6,188

d) Short term promissory note

On September 27, 2023, the Company entered into a $1,725 short term promissory note (the "Note"). The Note was due and payable on October 25, 2023 but subsequent to September 30, 2023 the Note was extended to November 21, 2023 and the principal was increased to $3,757.

		Nine Months Ended September 30, 2023		Year Ended December 31, 2022
Balance, beginning of period	**$**	**-**	$	-
Issued		**1,725**		-
Balance, end of period	**$**	**1,725**	$	-

(Unaudited - All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

7. DEFERRED REVENUE

In January 2022, the Company entered into a prepaid gold facility for consideration of $6,000, the Company agreed to sell and deliver (from its own production) a specified amount of refined gold, with deliveries of such amounts and an additional $1,000 of refined gold quarterly beginning March 28, 2022 until expiry of the agreement on June 28, 2023. For the nine months ended September 30, 2023, the Company delivered the required gold ounces under the terms of the agreement and recognized revenue of $2,000 (year ended December 31, 2022 - $4,000) and concurrently recognized finance charges of $84 from delivery of 45 ounces of gold (year ended December 31, 2022 - $464 from delivery of 268 ounces of gold).

In June 2023, the Company entered into an advance facility agreement of up to $3,000 pursuant to which the Company may from time-to-time request one or more prepayments against future gold deliveries. Interest is charged on the prepayment at the Secured Overnight Financing rate plus 5.5%.

		Nine Months Ended September 30, 2023		Year Ended December 31, 2022
Balance, beginning of period	**$**	**2,000**	$	-
Deferred revenue received		**10,569**		6,000
Gold delivered and revenue recognized		**(9,713)**		(4,000)
Balance, end of period	**$**	**2,856**	$	2,000

8. LEASES

In 2018, the Company executed a definitive Master Lease Agreement (the "MLA") for up to $9,000 of equipment purchases. The significant terms and conditions of the MLA include: a maximum of $9,000 available to fund equipment purchases with 10% to 30% due as advance payments at lease commencement, fixed quarterly payments over a four-year lease period, interest rates ranging from 4.95% to 6.00% per annum and the right to buy the equipment at the end of the lease period for nominal consideration. The MLA is secured with the acquired assets in favour of the lender and a guarantee from the Company. Minimum lease payments and present value of lease obligations are as follows:

		Nine Months Ended September 30, 2023		Year Ended December 31, 2022
Balance, beginning of period	**$**	**721**	$	903
IFRS 16 lease obligation recognition		**-**		239
Principal payments		**(265)**		(444)
Financing costs		**16**		23
Balance, end of period		**472**		721
Current portion of leases		**(346)**		(352)
Non-current portion of leases	**$**	**126**	$	369

9. SILVER STREAM

The Company entered into a $20,000 silver streaming transaction with an effective date of October 1, 2018. Under the terms of the agreement, the Company was required to deliver 100% of payable silver into the agreement until 3.5 million ounces were delivered, thereafter, 50% of payable ounces were to be delivered under the agreement over the life of the mine on a monthly basis. In May 2023, the terms of the silver stream were amended to eliminate the step-down that would have occurred after the delivery of 3.5 million ounces of silver.

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

9. SILVER STREAM – *continued*

Deliveries are subject to a ratio of silver to actual gold produced whereby, in the event the ratio is not met, the Company is required to purchase and deliver silver ounces required to achieve the ratio. The silver stream is secured with a first charge over assets.

The Company receives 20% of the five-day average spot silver price at the time each ounce of silver is delivered. The Company recognizes silver revenue for silver ounces delivered under the arrangement at the spot price at the time of delivery. The silver advance is reduced by silver ounces delivered at the forward spot price at the inception of the agreement, offset by the financial liability's accretion over the life of the mine.

The silver stream has been accounted for as a financial liability with an embedded derivative which relates to changes in silver price and expected production. The financial liability is measured at amortized cost. The embedded derivative is recorded at fair value each reporting period with changes reflected in the condensed interim consolidated statements of loss and comprehensive loss. At September 30, 2023, the fair value of the embedded derivative was $8,315 (2022 - $9,859) (Note 11).

		Nine Months Ended September 30, 2023		Year Ended December 31, 2022
Balance, beginning of period	**$**	**12,796**	$	14,649
Silver deliveries		**(4,007)**		(4,343)
Settlement loss (gain) (Note 17)		**663**		(53)
Interest accretion (Note 17)		**1,670**		2,543
Balance, end of period		**11,122**		12,796
Current portion of silver stream		**(1,786)**		(1,918)
Non-current portion of silver stream	**$**	**9,336**	$	10,878

10. PROVISION FOR RECLAMATION

The Company's provision for reclamation relates to the environmental restoration and closure costs associated with the Moss Mine. The provision has been recorded at its net present value using a discount rate of 4.61% and a long-term inflation rate of 2.48%, with expenditures anticipated over a five-year period beginning in 2025. The provision is remeasured at each reporting date based on land disturbance. Accretion expense is recognized in the condensed interim consolidated statements of loss and comprehensive loss. The total undiscounted amount of the Company's estimated obligation, based on land disturbances at the Moss Mine as of September 30, 2023, was $11,404.

		Nine Months Ended September 30, 2023		Year Ended December 31, 2022
Balance, beginning of period	**$**	**9,844**	$	6,714
Change in estimate		**41**		2,969
Accretion		**286**		161
Balance, end of period	**$**	**10,171**	$	9,844

(Unaudited - All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

11. DERIVATIVES

As at:	Note		**September 30, 2023**		December 31, 2022
Warrants	(11a)	**$**	**362**	$	444
Silver stream embedded derivative	(11b)		**8,315**		9,859
Convertible debenture	(11c)		**-**		1
Revolving credit facility	(11d)		**161**		-
			8,838		10,304
Current portion of derivatives			**(3,691)**		(4,332)
Non-current portion of derivatives		**$**	**5,147**	$	5,972

a) Warrants

The Company's functional currency is the US dollar. As the exercise price of the Company's share purchase warrants is fixed in CAD $ a variable amount of cash in the Company's functional currency will be received on warrant exercise. Accordingly, these share purchase warrants are classified and accounted for as derivatives at fair value through profit or loss. The fair value of warrants issued are valued using their market price on the TSXV, or where a market price is not available, the Black-Scholes option-pricing model. As of September 30, 2023, all warrants are valued using their TSXV market price. The warrants have an exercise price of CAD $0.70 with remaining lives of 3.5 years (Note 12). The following assumptions were used for the Black–Scholes valuation of warrants:

	Year Ended December 31, 2022
Risk–free interest rate	0.95%
Expected life of warrants	1.0–1.2 years
Dividend rate	Nil
Expected share price volatility	50%
Fair value per warrant issued or amended (CAD $)	$0.00-$0.04

The table below is a continuity schedule for the warrant derivative for each of the periods noted.

		Nine Months Ended September 30, 2023		Year Ended December 31, 2022
Balance, beginning of period	**$**	**444**	$	637
Issuance of warrants (Note 12)		**-**		6,952
Change in fair value		**(85)**		(6,959)
Foreign exchange movement		**3**		(186)
Balance, end of period		**362**		444
Current portion of warrant derivative		**(362)**		(444)
Non-current portion of warrant derivative	**$**	**-**	$	-

b) Silver Stream Embedded Derivative

The silver stream embedded derivative is valued using a Monte Carlo simulation valuation model. The key inputs used by the Monte Carlo simulation are the silver forward curve price, long-term silver production volatility, the risk-free interest rate and the Company's credit spread. The valuation of the silver stream embedded derivative also required estimation of the Company's anticipated production schedule of silver ounces delivered over the life of mine.

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

11. DERIVATIVES – *continued*

b) Silver Stream Embedded Derivative - continued

		Nine Months Ended September 30, 2023		Year Ended December 31, 2022
Balance, beginning of period	**$**	**9,859**	$	10,617
Change in fair value		**(1,544)**		(758)
Balance, end of period		**8,315**		9,859
Current portion of derivative		**(3,230)**		(3,887)
Non-current portion of derivative	**$**	**5,085**	$	5,972

c) Convertible Debenture

The outstanding convertible debenture (Note 6) is deemed to contain an embedded derivative (the "Conversion Component") relating to the conversion option and a conversion price fixed in CAD $. The Conversion Component's fair value was estimated using the Black Scholes option-pricing model and volatility. Fair value gains and losses at each reporting period are recorded in the condensed interim consolidated statements of loss and comprehensive loss. The following assumptions were used for the Black-Scholes valuation of the Conversion Component:

	Nine Months Ended September 30, 2023	Year Ended December 31, 2022
Risk–free interest rate	**4.87%**	3.82%
Expected life	**1.8 years**	2.5 years
Dividend rate	**Nil**	Nil
Share price volatility	**75%**	68%

The table below is a continuity schedule for the derivative associated with the 2020 convertible debenture for each of the periods noted.

		Nine Months Ended September 30, 2023		Year Ended December 31, 2022
Balance, beginning of period	**$**	**1**	$	381
Change in fair value		**(1)**		(380)
Balance, end of period	**$**	**-**	$	1

d) Revolving credit facility

The revolving credit facility (Note 6) is deemed to contain an embedded derivative as interest is payable by delivery of physical gold and the total of gold ounces deliverable is calculated by dividing total interest payable by $1,850 per ounce. The fair value of the embedded derivative was estimated using the Black Scholes option-pricing model and volatility. Fair value gains and losses at each reporting period are recorded in the condensed interim consolidated statements of loss and comprehensive loss. The following assumptions were used for the Black-Scholes valuation of the embedded derivative:

(Unaudited - All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

11. DERIVATIVES – *continued*

d) Revolving credit facility - continued

	Nine Months Ended September 30, 2023
Risk–free interest rate	**4.87%**
Expected life	**0.3-1.4 years**
Dividend rate	**Nil**
Volatility	**12%**

The table below is a continuity schedule for the derivative associated with the revolving credit facility for each of the periods noted.

	Nine Months Ended September 30, 2023	Year Ended December 31, 2022
Balance, beginning of period	**$ -**	$ -
Delivery of gold ounces	**(39)**	-
Change in fair value	**200**	-
Balance, end of period	**$ 161**	$ -
Current portion of derivative	**(99)**	-
Non-current portion of derivative	**62**	-

12. SHARE CAPITAL, SHARE OPTION RESERVE AND WARRANT RESERVE

Authorized and Issued Share Capital

At September 30, 2023 and December 31, 2022, the Company had 110,572,948 and 110,391,281 common shares issued and outstanding, respectively. The authorized share capital consists of an unlimited number of common shares without par value.

Issuances of Share Capital

During the nine months ended September 30, 2023, the Company issued a total of 181,667 common shares (December 31, 2022 – 181,667) with a fair value of $28 (December 31, 2022 - $90), in fulfilment of the option agreement on the Hercules Property (Note 4).

During the year ended December 31, 2022, the Company completed an equity financing, whereby a total of 43,301,000 units of the Company were issued at a price of CAD $0.53 per unit for total gross proceeds of $18,294. Each unit consists of one common share in the capital of the Company and one common share purchase warrant (with a total fair value of $6,156), each warrant entitling the holder to acquire an additional common share of the Company at an exercise price of CAD $0.70 until March 24, 2027. The Company paid a total of $1,228 in cash for broker commissions, regulatory fees and legal expenses related to the financing. As consideration for services performed in connection with the equity financing, the broker also received a total of 284,310 units with a fair value of $120 and 2,313,750 broker warrants with a fair value of $200. The broker warrants have an exercise price of CAD $0.53 per share and an expiry date of 2 years from the date of grant. The fair value of the broker warrants were estimated using a Black-Scholes option pricing model assuming a strike price of CAD $0.53 per share, a volatility rate of 63.6%, a risk-free rate of 2.13%, and an expected life of 2 years.

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

12. SHARE CAPITAL, SHARE OPTION RESERVE AND WARRANT RESERVE – *continued*

Concurrent with the closing of the equity financing, the Company issued an aggregate of 5,592,890 additional units ("Debt Settlement Units") in partial settlement of certain short-term loans. The fair value of the Debt Settlement Units totalled $2,363, of which $2,164 was applied to principal and $199 against interest payable on the short term loans. As consideration for services performed in connection with the debt settlement, the broker received a total of 167,787 units with a value of $71 and 167,787 broker warrants with a fair value of $14. The broker warrants have an exercise price of CAD $0.53 per share and an expiry date of 2 years from the date of grant. The fair value of the broker warrants were estimated using a Black-Scholes option pricing model assuming a strike price of CAD $0.53 per share, a volatility rate of 63.6%, a risk-free rate of 2.13%, and an expected life of 2 years. For the year ended December 31, 2022, the Company recorded a loss on settlement of short term loans of $85.

Equity Incentive Plan

At the Company's Annual and Special Meeting on August 18, 2022, the shareholders of the Company elected to adopt a new 10% rolling security based compensation plan ("Equity Incentive Plan") to replace the previous Option Plan and Share Unit Plan, which allows for the issuance of incentive stock options, deferred share units, performance share units, restricted share units, stock appreciation rights, and share purchase rights ("Awards"). Pursuant to the Equity Incentive Plan, a maximum of 10% of the issued shares of the Company, from time to time, may be reserved for issuance pursuant to the exercise of all Awards granted thereunder. Terms of any granting of Awards will be determined by the Board, subject to the provisions of the Equity Incentive Plan and the policies of the TSX Venture Exchange. No individual may be granted Awards exceeding 5% of the Company's common shares outstanding in any twelve-month period.

Stock Options

Continuity of the Company's stock options issued and outstanding was as follows, for each period noted:

	Nine Months Ended September 30, 2023		Year Ended December 31, 2022	
	Number of options	Weighted average exercise price (CAD$)	Number of options	Weighted average exercise price (CAD$)
Outstanding, beginning of period	5,856,826	$ 0.72	3,848,028	$ 1.57
Granted	1,700,000	0.19	4,425,000	0.29
Forfeited	(1,720,832)	0.60	(2,341,204)	1.20
Expired	(423,501)	1.98	(74,998)	4.08
Outstanding, end of period	**5,412,493**	**$ 0.49**	**5,856,826**	**$ 0.72**

As at September 30, 2023, the following stock options were outstanding and exercisable:

(Unaudited - All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

12. SHARE CAPITAL, SHARE OPTION RESERVE AND WARRANT RESERVE – *continued*

Exercise price (CAD$)	Number of options outstanding	Expiry date	Number of options exercisable	Remaining contractual life (years)
1.44	304,166	February 27, 2024	304,166	0.41
1.50	33,332	February 10, 2025	33,332	1.37
2.10	62,500	July 8, 2025	62,500	1.77
1.92	312,495	June 29, 2026	312,495	2.75
0.86	500,000	December 13, 2026	166,666	3.21
0.30	2,100,000	May 30, 2027	1,399,991	3.67
0.18	400,000	November 15, 2027	133,333	4.13
0.18	500,000	January 3, 2028	-	4.26
0.20	600,000	March 20, 2028	-	4.47
0.18	300,000	June 22, 2028	-	4.73
0.18	300,000	July 20, 2028	-	4.81
	5,412,493		**2,412,483**	**3.65**

At December 31, 2022, the weighted-average remaining contractual life of options outstanding was 3.44 years.

Warrants

Continuity of warrants issued and outstanding were as follows:

	September 30, 2023		December 31, 2022	
	Number of common shares exercisable from warrants	Weighted average exercise price (C$)	Number of common shares exercisable from warrants	Weighted average exercise price (C$)
Outstanding, beginning of period	58,436,736	$ 1.04	11,409,190	$ 4.80
Issued	-	-	51,827,524	0.69
Expired	(6,609,212)	3.81	(4,799,978)	3.56
Outstanding, end of period	**51,827,524**	**$ 0.69**	**58,436,736**	**$ 1.04**

As of September 30, 2023, the Company had outstanding share purchase warrants as follows:

Number of warrants	Exercise price (C$) per common share	Expiry date
2,481,537	0.53	March 24, 2024
49,345,987	0.70	March 24, 2027
51,827,524 $	**0.69**	

The weighted average remaining life of the outstanding warrants as at September 30, 2023 was 3.34 years (December 31, 2022: 3.63 years).

Restricted Share Units ("RSU")

Equity-settled RSUs are recognized over the vesting period from the date of grant. Cash-settled RSUs are marked to market and recognised as a liability. Continuity of the Company's RSUs issued and outstanding is as follows:

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

12. SHARE CAPITAL, SHARE OPTION RESERVE AND WARRANT RESERVE – *continued*

	Nine Months Ended September 30, 2023	Year Ended December 31, 2022
Outstanding, beginning of period	**15,139**	48,443
Exercised for cash	**-**	(15,138)
Forfeited	**(15,139)**	(18,166)
Outstanding, end of period	**-**	15,139

As at September 30, 2023, the Company had no RSUs outstanding and exercisable.

Deferred Share Units ("DSU")

DSUs are recognized over the vesting period from the date of grant. Currently all DSUs vest one year after the date of issuance. Continuity of the Company's DSUs issued and outstanding is as follows:

	Nine Months Ended September 30, 2023	Year Ended December 31, 2022
Outstanding, beginning of period	**-**	-
Issued	**1,200,000**	-
Outstanding, end of period	**1,200,000**	-

Share-Based Compensation Expense

The fair value of share-based compensation is recognized over the vesting period from the date of grant. Share-based payment expenses relating to equity-settled awards recognized in the condensed interim consolidated statements of loss and comprehensive loss for the three months ended September 30, 2023 totalled $51 (three months ended September 30, 2022: $198) and $241 for the nine months ended September 30, 2023 (nine months ended September 30, 2023: $596). The fair value of stock options granted was estimated using the Black-Scholes option pricing model with the following assumptions:

	Nine Months Ended September 30, 2023	Year Ended December 31, 2022
Risk–free interest rate	**2.96-3.86%**	2.66-3.32%
Expected life of options	**5.0 years**	5.0 years
Dividend rate	**Nil**	Nil
Expected forfeiture rate	**0%**	0%
Expected volatility	**70-71%**	67-69%

13. EARNINGS (LOSS) PER SHARE

The calculation of diluted earnings (loss) per share was based on earnings (loss) attributable to ordinary shareholders and the weighted average number of shares outstanding after adjustments for the effect of potential dilutive shares. Potentially dilutive shares associated with share options, warrants and convertible debentures out of the money were not included in the diluted earnings per share calculation as their effect was anti-dilutive. The following table summarizes the calculation of basic and diluted earnings (loss) per share:

(Unaudited - All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

13. EARNINGS (LOSS) PER SHARE – *continued*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	**2023**	2022
Income (loss) for the period	**$ (2,150)**	$ 1,193	**$ (8,940)**	$ (34,318)
Basic weighted average number of common shares outstanding	**110,572,948**	110,391,281	**110,543,003**	95,347,397
Effective impact of dilutive securities	**-**	-	**-**	-
Diluted weighted average number of shares outstanding	**110,572,948**	110,391,281	**110,543,003**	95,347,397
Earnings (loss) per share				
Basic	**$ (0.02)**	$ 0.01	**$ (0.08)**	$ (0.36)
Diluted	**$ (0.02)**	$ 0.01	**$ (0.08)**	$ (0.36)

14. REVENUE

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	**2023**	2022
Gold sales	**$ 16,286**	$ 15,581	**$ 44,993**	$ 40,874
Silver sales	**1,937**	1,437	**5,051**	4,083
Other sales	**-**	55	**202**	166
	18,223	17,073	**50,246**	45,123
Treatment and refining charges	**(71)**	(94)	**(227)**	(223)
	$ 18,152	$ 16,979	**$ 50,019**	$ 44,900

15. PRODUCTION COSTS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	**2023**	2022
Contractors and outside services	**$ 7,909**	$ 6,165	**$ 20,639**	$ 21,024
Employee compensation and benefits expense	**2,504**	2,154	**7,081**	6,597
Materials and consumables	**3,133**	3,081	**8,491**	8,616
Other expenses	**1,611**	1,381	**4,180**	3,992
Share-based compensation	**6**	55	**57**	162
	15,163	12,836	**40,448**	40,391
Changes in inventories	**(1,776)**	1,112	**(1,656)**	2,538
	$ 13,387	$ 13,948	**$ 38,792**	$ 42,929

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

16. CORPORATE ADMINISTRATIVE EXPENSES

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Direct general and administrative	**$ 355**	$ 368	**$ 883**	$ 947
Employee general and administrative	**309**	427	**1,143**	1,254
Share-based compensation	**46**	143	**184**	434
Depreciation	**26**	27	**78**	82
	$ 736	$ 965	**$ 2,288**	$ 2,717

17. FINANCE COSTS

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Interest on debt	**$ (567)**	$ (131)	**$ (1,545)**	$ (450)
Loss on settlement of short term loans	**-**	-	**-**	(85)
Accretion on silver stream (Note 9)	**(530)**	(626)	**(1,670)**	(1,939)
Other interest accretion	**(225)**	(142)	**(634)**	(412)
Interest expense, including accretion and issue costs	**(1,322)**	(899)	**(3,849)**	(2,886)
Settlement (loss) gain on silver stream (Note 9)	**(407)**	(72)	**(663)**	89
Finance costs – silver stream	**(684)**	(540)	**(1,578)**	(1,800)
Finance costs – gold sales	**(155)**	(37)	**(214)**	(77)
Finance costs – gold stream	**-**	(95)	**(84)**	(387)
Interest income	**4**	-	**7**	-
Total finance costs	**$ (2,564)**	$ (1,643)	**$ (6,381)**	$ (5,061)

18. GAIN (LOSS) ON REVALUATION OF DERIVATIVE LIABILITIES

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Warrants	**$ 48**	$ 841	**$ 85**	$ 6,663
Silver stream embedded derivative	**887**	2,395	**1,544**	6,221
Convertible debenture	**1**	4	**1**	380
Revolving credit facility	**99**	-	**(200)**	-
	$ 1,035	$ 3,240	**$ 1,430**	$ 13,264

19. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash working capital items included in mineral properties, plant and equipment and other non-cash investing and financing activities were as follows:

(Unaudited - All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

19. SUPPLEMENTAL CASH FLOW INFORMATION – *continued*

		Three Months Ended September 30,				Nine Months Ended September 30,		
		2023		2022		**2023**		2022
Value of shares issued on property option (Note 12)	**$**	**-**		-	**$**	**28**		90
Value of shares issued for debt or interest		**-**		-		**-**		2,363
Accounts payable and accrued liabilities	**$**	**894**	$	(809)	**$**	**1,337**	$	(2,649)

20. RELATED PARTY TRANSACTIONS

Related party transactions were incurred in the normal course of business and initially measured at their fair value which is the amount of consideration established and agreed to by the parties. Amounts due to or from related parties are non-interest bearing, unsecured and due on demand.

Key Management and Board of Directors Compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, either directly or indirectly. The Company has identified its members of the Board of Directors and executive officers including its Chief Executive Officer, Chief Financial Officer, former President and former Chief Financial Officer of the Company. The remuneration of the Company's key management personnel is as follows:

		Three Months Ended September 30,				Nine Months Ended September 30,		
		2023		2022		**2023**		2022
Salaries and short-term benefits	**$**	**188**	$	333	**$**	**648**	$	754
Share-based payments	**$**	**35**	$	119	**$**	**69**	$	251

Included in salaries and short-term benefits for the three and nine months ended September 30, 2022 was $163 of termination payments made to the former President of the Company. Included in salaries and short-term benefits for the nine months ended September 30, 2023 was $125 of termination payments made to the former Chief Financial Officer of the Company.

21. FAIR VALUE MEASUREMENTS AND FINANCIAL RISK MANAGEMENT

The carrying values of cash, trade and other receivables, and trade and other payables approximate their fair values due to the short-term nature of these instruments. In evaluating fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and different valuation techniques may have a material effect on the estimated fair value amounts. Accordingly, the estimates of fair value presented herein may not be indicative of the amounts that could be realized in a current market exchange. The carrying value amount of the Company's financial instruments that are measured at amortized cost (including debt, lease obligation, and silver stream obligation) approximates fair value as they are measured using level 2 assumptions and using inputs other than quoted prices that are observable for the asset or liability either directly or indirectly. Similarly, the carrying value of the Company's derivative instruments, which are recognized at fair value through profit or loss approximates the fair value based on the various valuation techniques associated with those instruments.

21. FAIR VALUE MEASUREMENTS AND FINANCIAL RISK MANAGEMENT – *continued*

Financial Risk Management

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments.

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout the condensed interim consolidated financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has implemented and monitors compliance with risk management policies.

Credit Risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations. The Company has credit risk in respect of its cash, trade and other receivables, and restricted cash. The Company considers the risk of loss relating to cash and restricted cash to be low because these instruments are held only with a Canadian Schedule I financial institution, a US-chartered commercial bank and a US government agency. Trade and other receivables at September 30, 2023 related primarily to value-added taxes. Amounts in trade and other receivables are expected to be collectible in full due to the nature of the counterparties and previous history of collectability.

Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. Refer to Note 1 for the Company's statement on going concern.

The Company manages its liquidity risk through the preparation of budgets and forecasts, which are regularly monitored and updated as management considers necessary and through the Company's capital management activities. A summary of contractual maturities of financial liabilities is included in Note 22.

Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns. Refer to Note 1 for further discussion of the Company's risks, including going concern.

(Unaudited - All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

21. FAIR VALUE MEASUREMENTS AND FINANCIAL RISK MANAGEMENT – *continued*

Currency risk

Foreign currency exchange rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. Some of the Company's operating and corporate administration expenditures are incurred in Canadian dollars and the fluctuation of the CAD $ in relation to US dollar will have an impact on the Company's profitability and the Company's financial assets and liabilities. The Company has assessed the impact to be low. At September 30, 2023, the Company held cash denominated in US dollars of $1,571 and CAD $23 (December 31, 2022: USD $3,254 and CAD $90). With other variables unchanged, a 1% increase on the USD/CAD exchange rate would increase debt by $40. The Company has not entered into any formal arrangements to hedge currency risk but does maintain cash balances within each currency.

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices for gold and silver. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation and political and economic conditions. The value of the silver stream embedded derivative will fluctuate with changes in the price of silver which will affect future earnings. Management closely monitors trends in commodity prices of gold and other precious and base metals as part of its routine activities, as these trends could significantly impact future cash flows.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates. Interest rate risk arises from the interest rate impact on cash, which is held at variable market rates, and is exposed to interest rate risk on its outstanding borrowings. With other variables unchanged, a 1% increase on the Company's floating rate debt would increase annual interest expense by $24. The Company closely monitors its exposure to interest rate risk and has not entered into any derivative contracts to manage this risk.

22. COMMITMENTS

At September 30, 2023, the Company had the following contractual obligations outstanding:

	Within 1 year	2–3 years	4-5 years	5+ years	Total
Debt[1]	$ 6,095	$ 20,738	$ 416	$ 1,330	**$ 28,579**
Trade and other payables	9,586	-	-	-	**9,586**
Lease commitments	331	169	-	-	**500**
Silver stream	1,786	2,630	183	-	**4,599**
Provision for reclamation	-	9,863	752	789	**11,404**
	$ 17,798	$ 33,400	$ 1,351	$ 2,119	**$ 54,668**

(1) Includes interest due on convertible debenture and debt.

23. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition, exploration, development and production of precious metals. The condensed interim consolidated statements of loss and comprehensive loss are composed substantially of activity in the United States of America ("USA") except for corporate administrative expenses, which occur in Canada. Reporting by geographical area follows the same accounting policies as those used to prepare the condensed interim consolidated financial statements. All material non-current assets are located in the USA.

24. SUBSEQUENT EVENTS

- In October 2023, the Company entered into a Gold Purchase and Sale Agreement. Under the terms of the agreement the Company received an advance of $2,000 and has agreed to deliver 1,125 Troy ounces of gold by December 15, 2023.
- In October 2023, the terms of the short term promissory note (Note 6d) were amended. Under the amendment the repayment date was extended to November 21, 2023 and the total principal was increased from $1,725 to $3,757.