INCA ONE GOLD CORP.

Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended January 31, 2022, and 2021
(Unaudited -Expressed in US Dollars)

NOTICE TO READER

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

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

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditor.

INCA ONE GOLD CORP.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in US Dollars)

	Note	January 31, 2022	April 30, 2021
		$	$
Assets			
Current:			
Cash		**768,224**	1,963,574
Restricted cash	**4**	**367,587**	175,000
Receivables	**3**	**3,044,918**	980,001
Derivative financial asset	**4**	**69,600**	50,940
Prepaid expenses and deposits	**5**	**1,235,564**	798,613
Inventory	**6**	**9,033,138**	4,663,349
Total current assets		**14,519,031**	8,631,477
Long term receivable	**7**	**295,484**	318,930
Property, plant and equipment	**8**	**10,138,504**	10,578,896
Right of use assets	**10**	**173,031**	-
Total assets		**25,126,050**	19,529,303
Liabilities			
Current:			
Accounts payable and accrued liabilities	**9**	**3,402,111**	2,777,453
Contractual liabilities payable to Equinox	**11**	**1,353,389**	193,177
Loans payable	**12**	**810,451**	1,557,365
Deferred revenue	**17**	**2,945,000**	480,000
Current portion of gold loan	**13**	**8,060,755**	2,711,652
Current portion of lease liabilities	**10**	**72,004**	-
Total current liabilities		**16,643,710**	7,719,647
Contractual liabilities payable to Equinox	**11**	**4,130,434**	5,507,143
Loans payable	**12**	**881,770**	973,351
Gold loan	**13**	**529,797**	-
Asset retirement and reclamation obligations	**14**	**1,204,751**	1,152,653
Lease liabilities	**10**	**104,744**	-
Total liabilities		**23,495,206**	15,352,794
Shareholders' Equity			
Share capital		**32,006,037**	31,012,161
Equity reserves		**5,435,926**	5,216,367
Accumulated other comprehensive income		**(827,318)**	(992,689)
Deficit		**(36,204,553)**	(32,288,452)
Shareholders' equity attributable to Inca One		**410,092**	2,947,387
Non-controlling interest		**1,220,752**	1,229,122
Total shareholders' equity		**1,630,844**	4,176,509
Total liabilities and shareholders' equity		**25,126,050**	19,529,303

Nature of operations and going concern (note 1)
Subsequent events (note 15)
Commitments (note 17)

Approved on behalf of the Board of Directors on March 31, 2022

"Bruce Bragagnolo"	*"Edward Kelly"*
Director	Director

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

INCA ONE GOLD CORP.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in US Dollars)

	Notes	Three Months Ended January 31, 2022	Three Months Ended January 31, 2021	Nine Months Ended January 31, 2022	Nine Months Ended January 31, 2021
		$	$	**$**	$
Revenue		**12,179,967**	9,803,625	**31,304,291**	21,379,477
Cost of goods sold					
Cost of operations	**19**	**(11,513,500)**	(9,450,124)	**(29,688,924)**	(19,985,091)
Depreciation	**19**	**(292,355)**	(311,653)	**(855,631)**	(837,853)
Total cost of goods sold		**(11,805,855)**	(9,761,777)	**(30,544,555)**	(20,822,944)
Gross operating margin (deficit)		**374,112**	41,848	**759,736**	556,533
Corporate and administrative expenses	**19**	**(990,851)**	(952,157)	**(2,544,923)**	(2,679,169)
Loss from operations		**(616,739)**	(910,309)	**(1,785,187)**	(2,122,636)
Impairments net of reversal of prior year impairments		**-**	-	**-**	10,069
Loss in disposition of property plant and equipment		**-**	(3,115)	**-**	(46,684)
Finance costs	**19**	**(476,346)**	(257,539)	**(1,359,974)**	(674,890)
Business development		**-**	(48,878)	**-**	(227,599)
Reinstatement of contingent debenture	**12**	**-**	-	**(779,310)**	-
Restructuring gain net	**11**	**-**	-	**-**	1,536,114
Net income (loss) for the period		**(1,093,085)**	(1,219,841)	**(3,924,471)**	(1,525,626)
Other comprehensive income:					
Foreign currency translation adjustment		**84,879**	(306,327)	**165,371**	(692,400)
Comprehensive income (loss) for the period		**(1,008,206)**	(1,526,168)	**(3,759,100)**	(2,218,026)
Net loss and comprehensive loss attributable to:					
Inca One Gold Corp.'s shareholders		**(1,010,563)**	(1,545,880)	**(3,750,730)**	(2,250,330)
Non-controlling interest		**2,357**	19,712	**(8,370)**	32,304
		(1,008,206)	(1,526,168)	**(3,759,100)**	(2,218,026)
Weighted average shares outstanding					
Basic		**37,937,855**	34,918,649	**37,250,885**	31,887,821
Diluted		**37,937,855**	38,679,892	**37,250,885**	35,629,064
Earnings (loss) per share					
Basic		**(0.03)**	(0.03)	**(0.11)**	(0.05)
Diluted		**(0.03)**	(0.03)	**(0.11)**	(0.04)

INCA ONE GOLD CORP.

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in US Dollars)

	Common shares	Share capital	Equity reserves	Non-controlling interest	Accumulated other comprehensive (loss) income	Deficit	Total shareholders' equity
	#	$	$	$	$	$	$
Balance, April 30, 2020	**27,774,080**	**26,998,505**	**6,434,047**	**1,231,936**	**(99,704)**	**(29,042,695)**	**5,522,089**
Comprehensive income (loss) for the period	-	-	-	32,304	(692,400)	(1,557,930)	(2,218,026)
Shares issued pursuant to agreement with Equinox	1,187,333	575,773	-	-	-	-	575,773
Warrants exercised	5,079,114	2,835,647	(1,438,164)	-	-	-	1,397,483
Options exercised	1,222,602	482.652	(76,061)	-	-	-	406,591
Share-based payments	-	-	308,450	-	-	-	308,450
Balance, January 31, 2021	**35,263,129**	**30,892,577**	**5,228,272**	**1,264,240**	**(792,104)**	**(30,600,625)**	**5,992,360**
Comprehensive income (loss) for the period	-	-	-	(35,118)	(200,585)	(1,687,827)	(1,923,530)
Warrants exercised							
Options exercised	240,454	119,584	(21,321)	-	-	-	98,263
Share-based payments	-	-	9,416	-	-	-	9,416
Balance, April 30, 2021	**35,503,583**	**31,012,161**	**5,216,367**	**1,229,122**	**(992,689)**	**(32,288,452)**	**4,176,509**
Comprehensive income (loss) for the period	-	-	-	(8,370)	165,371	(3,916,101)	(3,759,100)
Issuance of shares on private placement, net of share issue costs (note 15 (c))	1,533,645	337,891	165,941	-	-	-	503,832
Shares issued pursuant to agreement with Equinox	900,315	457,907	-	-	-	-	457,907
Options exercised	770,000	198,078	(42,515)	-	-	-	155,563
Share-based payments (note 15 (d))	-	-	96,133	-	-	-	96,133
Balance January 31, 2022	**38,707,543**	**32,006,037**	**5,435,926**	**1,220,752**	**(827,318)**	**(32,204,553)**	**1,630,844**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

INCA ONE GOLD CORP.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in US Dollars)

	Nine Months Ended January 31,	
	2022	**2021**
Cash flows provided by (used in):	**$**	$
Operating activities:		
Net loss for the period	**(3,924,471)**	(1,525,626)
Increase in restricted cash	**(192,587)**	-
Items not involving cash:		
Depreciation	**871,942**	875,092
Depreciation of right of use asset	**43,292**	-
Share-based payments	**96,133**	308,450
Accretion expense	**6,927**	14,208
Accretion of asset retirement and reclamation obligations	**52,098**	43,430
Interest expense	**352,770**	348,153
Unrealized foreign exchange	**(73,935)**	(95,878)
Loss on disposition of property plant and equipment	-	46,684
Impairments net of reversal of prior year impairments	-	(10,069)
Accretion of contractual liabilities payable to Equinox	**384,441**	368,652
Loss in fair value adjustment of derivatives	**683,849**	-
Gain on debt restructuring	-	(1,536,114)
Reinstatement of contingent debenture	**779,310**	-
Changes in non-cash operating working capital:		
Receivables	**(1,963,980)**	(149,388)
Prepaid expenses and deposits	**247,604**	157,062
Inventory	**(4,369,789)**	(1,765,862)
Accounts payable and accrued liabilities	**511,712**	(380,616)
Deferred revenue	**2,465,000**	(1,531,183)
Net cash provided by (used in) operating activities	**(4,029,684)**	(4,833,005)
Financing activities:		
Proceeds from issuance of shares (note 15 (c))	**659,396**	1,804,074
Proceeds from liquidation of derivative financial assets	**196,806**	-
Proceeds from loans (net of payments)	**(254,455)**	801,838
Proceeds from Gold Loan – August 6, 2021 (net of repayment)	**7,106,059**	-
Payment of notes payable	**(68,000)**	-
Payment of secured debenture (note 12)	**(1,279,836)**	(300,000)
Payment of Gold Loan – March 15, 2021	**(2,812,305)**	-
Interest paid	**(301,445)**	(266,815)
Net cash provided by (used in) financing activities	**3,246,220**	2,039,097
Investing activities:		
Purchase of property, plant and equipment (net of disposition)	**(416,059)**	(528,281)
Proceeds on sale of property plant and equipment	-	93,220
Net cash used in investing activities	**(416,059)**	(435,061)
Increase (decrease) in cash	**(1,199,523)**	(3,228,969)
Effect of exchange rates on cash held in foreign currencies	**4,173**	(22,647)
Cash, beginning of the year	**1,963,574**	3,745,675
Cash, end of the period	**768,224**	494,059

Supplemental disclosure with respect to cash flows (note 20)

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Inca One Gold Corp. (the "Company") was incorporated under the laws of Canada on November 9, 2005 and was continued under the British Columbia Business Corporations Act on November 26, 2010. On September 17, 2014, the Company changed its name from Inca One Resources Corp. to Inca One Gold Corp. The Company's shares are traded on the TSX Venture Exchange (the "TSX-V") under the symbol "INCA", on the OTCQB under the symbol "INCAF", on the Frankfurt Stock Exchange under the symbol "SU9.F", and the Santiago Stock Exchange Venture under the symbol "IOCL". The head office and principal address of the Company are located at Suite 850 - 1140 West Pender Street, Vancouver, Canada, V6E 4G1 and its registered office is located at 10th Floor, 595 Howe Street, Vancouver, Canada, V6C 2T5.

Inca One is engaged in the business of operating and developing gold-bearing mineral processing operations in Peru, to service government permitted small scale miners. In recent years the Peruvian government instituted a formalization process for informal miners as part of its efforts to regulate their activities. The Company, through its Peruvian subsidiaries Chala One S.A.C. ("Chala One") and EMC Green Group S.A. ("EMC") owns two Peruvian mineral processing plants with 450 tonnes per day ("TPD") of processing capacity. The Company's business plan is to source high grade gold mill feed from legally recognized Peruvian artisanal and small scale miners, purchase and process the material, and export gold doré.

The Company continues to actively evaluate potential mineral projects, including additional mineral processing operations.

These condensed interim consolidated financial statements are prepared on a going concern basis, which contemplates 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 the three and nine months ended January 31, 2022, the Company had comprehensive loss of $3.8 million, a deficit of $36.2 million and working capital deficit of $2.1 million. These conditions indicate uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to fund operating and administration costs and debt and debt service costs over the year with the proceeds from gold doré sales at the Company's gold ore processing facilities in Peru and where required, from debt and equity financing and proceeds from option and warrant exercises.

As at January 31, 2022 the Company continued monitoring the evolution of the COVID 19 pandemic in Peru as well as its potential impact over the purchase process and sale of mineral. The Company has established safety protocols to minimize the impact of any possible outbreak in its facilities or mining areas.

The Company's ability to continue as a going concern is dependent upon its ability to generate net income and positive cash flows from its mineral processing operations and its ability to raise equity capital or debt sufficient to meet current and future obligations. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting principles adopted are consistent with those of the previous financial year.

These condensed interim consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarized below and were approved by the board of directors for issue on March 31, 2022.

(b) Basis of consolidation

The condensed interim consolidated financial statements are presented in US dollars unless otherwise noted and include the accounts of the Company and its subsidiaries listed below:

	Country of Incorporation	Equity Interest
Chala One S.A.C.	Peru	100%
Inca One Metals Peru S.A.	Peru	100%
Dynasty One S.A.	Peru	100%
Corizona S.A.C.	Peru	100%
Anthem United Inc.	Canada	100%
Anthem United (Holdings) Inc.	Canada	100%
Oro Proceso Co. S.A.C.	Peru	100%
EMC Green Group S.A.C.	Peru	90.14%
Koricancha Joint Venture	Peru	90.14%

(c) Changes in accounting policies and disclosures

There were no new standards effective May 1, 2021 that impacted these condensed interim consolidated financial statements or are expected to have a material effect in the future.

(d) Significant accounting judgements and estimates

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in these condensed consolidated interim financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows. The Company's significant accounting judgments and estimates were presented in note 2 of the audited annual consolidated financial statements for the years ended April 30, 2021 and 2020.

(Unaudited - Expressed in US Dollars)

NOTE 3 – RECEIVABLES

	January 31, 2022	April 30, 2021
	$	$
GST recoverable (Canada)	**21,332**	24,253
IGV recoverable (Peru)	**2,975,466**	955,748
Other	**48,120**	-
	3,044,918	980,001

NOTE 4 – DERIVATIVE FINANCIAL ASSETS

	April 30, 2021	Fair Value gain (loss)	Disposition of Assets	**January 31, 2022**
Marketable Securities	50,940	215,466	(196,806)	**69,600**

Derivative financial assets consist of the Company's investment in marketable securities, which comprise 46 contracts to buy a total of 4,600 ounces of gold at an average price of $1,804 per ounce with settlement dates between April 2022 and February 2023. The Company has recorded these contracts at fair value using the spot prices as at January 31, 2022, as result, a $0.22 million gain has been recognized as fair value gain in derivatives in the consolidated statement of operations and comprehensive loss.

In connection with its derivative financial assets the Company had $0.37 million (April 30, 2021 - $0.18 million) in a margin account, which as at January 31, 2022 have been classified as restricted cash in its condensed interim consolidated statements of financial position.

NOTE 5 – PREPAID EXPENSES AND DEPOSITS

	January 31, 2022	April 30, 2021
	$	$
Other deposits and advances	**130,018**	427,517
Prepaid taxes	**286,102**	264,913
Prepaid expenses	**133,611**	106,183
Deferred financing cost (note 13)	**685,833**	-
	1,235,564	798,613

(Unaudited - Expressed in US Dollars)

NOTE 6 – INVENTORY

	January 31, 2022	April 30, 2021
	$	$
Ore stockpiles and gold in process	**5,345,191**	3,754,492
Finished goods – gold doré bars	**3,134,884**	517,750
Materials and supplies	**553,063**	391,107
	9,033,138	4,663,349

As at January 31, 2022, the Company recorded the value of its mineral in stockpiles, tanks and finished products at its cost (April 30, 2021 – the Company recorded a net realizable value impairment of $0.05 million).

NOTE 7 – LONG TERM RECEIVABLE

As result of the acquisition of Anthem United Inc. ("Anthem") from Equinox Gold Corp. ("Equinox"), the Company acquired the right to claim refunds of prior years' general sales taxes ("Historical IGV") related to the construction of the Kori One Plant in Peru for approximately $4.2 million of which $1.8 still remains to be collected. The Company has agreed to pay Equinox 50% of any amounts collected less costs to collect, the remainder of which is for the benefit of the Company.

As at January 31, 2022 the Company assessed that the collectability of the Historical IGV balance is uncertain and therefore has been reflected at its estimated fair value of $0.3 million and has been classified as a long-term receivable. The Company used a discount rate of 11% (April 30, 2021 – 11%), and a duration of approximately 13 years (April 30, 2021 – 14 years) for its estimation.

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT

	Plant	Computers	Furniture and Equipment	Total
	$	**$**	**$**	**$**
Costs:				
Balance, April 30, 2020	**15,202,425**	**163,214**	**93,343**	**15,458,982**
Additions	658,475	3,940	-	662,415
Reclassification	(69,125)	41,360	27,765	-
Disposals/write-off	(146,575)	-	-	(146,575)
Balance, April 30, 2021	**15,645,200**	**208,514**	**121,108**	**15,974,822**
Additions	430,731	523	296	431,550
Balance, January 31, 2022	**16,075,931**	**209,037**	**121,404**	**16,406,372**

(Unaudited - Expressed in US Dollars)

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT (continued)

Accumulated Depreciation:				
Balance, April 30, 2020	**4,041,521**	**109,362**	**92,864**	**4,243,747**
Depreciation	1,106,600	38,892	9,815	1,155,307
Disposals	(3,128)	-	-	(3,128)
Balance, April 30, 2021	**5,144,993**	**148,254**	**102,679**	**5,395,926**
Depreciation	849,879	14,200	7863	871,942
Balance, January 31, 2022	**5,994,872**	**162,454**	**110,542**	**6,267,868**
Net Book Value:				
April 30, 2021	10,500,207	60,260	18,429	10,578,896
January 31, 2022	**10,081,059**	**46,583**	**10,862**	**10,138,504**

NOTE 9 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2022	April 30, 2021
	$	$
Trade accounts payable and accruals	**3,347,897**	2,679,523
Accrued interest	**54,214**	97,930
	3,402,111	2,777,453

NOTE 10 – LEASES

The Company has leases for the land of its Chala One plant and for administrative offices in Lima and Vancouver, which have initial terms between 3 to 30 years. Certain leases include an option to renew the lease after the end of the contract term

Right-of-use assets

	Land	Buildings	Total
Cost	**$**	**$**	**$**
Initial recognition	19,450	196,873	216,323
Reclassification	(646)	646	-
Balance, January 31, 2022	18,804	197,519	216,323
Accumulated Depreciation			
Depreciation	564	42,728	43,292
Net Book Value as at January 31, 2022	18,240	154,791	173,031

(Unaudited - Expressed in US Dollars)

NOTE 10 – LEASES (continued)

Lease liabilities

	$
Initial recognition	**216,323**
Payment of lease liabilities	**(39,575)**
Balance as at January 31, 2022	**176,748**

The following table presents future lease payments:

	$
Within one year	**72,004**
Within two to five years	**89,438**
After five years	**15,306**
Balance as at January 31, 2022	**176,748**

NOTE 11 – CONTRACTUAL LIABILITIES PAYABLE TO EQUINOX

Effective July 31, 2020, the Company restructured its contractual liabilities payable to Equinox which resulted from the acquisition of the 100% ownership of Anthem United Inc. ("Anthem"), a company which owns a 90.14% interest in the 350 TPD Kori One ore processing facility in Peru ("Kori One Plant").

The result of the restructuring was the amendment to the due dates for the installment payments, as follows:

Installments	Face value as at July 31, 2020	Original due dates	Amended Due Dates
Promissory Note			
First installment	CAD$ 1,451,939	August 20, 2019	August 20, 2023
Second installment	CAD$ 2,500,000	August 20, 2020	August 20, 2024
Cash installment	CAD$ 1,500,000	August 20, 2020	August 20, 2022
Third installment	CAD$ 2,500,000	August 20, 2021	August 20, 2025
Working capital loan payable	USD$ 697,620	August 20, 2021	August 20, 2023

(Unaudited - Expressed in US Dollars)

NOTE 11 – CONTRACTUAL LIABILITIES PAYABLE TO EQUINOX (continued)

In accordance with IFRS 9, the Company assessed that the amendment of the due dates qualified as an extinguishment, which caused the derecognition of $6.3 million of current contractual liabilities and the recognition of $4.8 million as a new non-current contractual liabilities measured at the date of the transaction; the balance of $1.5 million was classified as restructuring gain and recognized in the condensed interim consolidated statement of operations and comprehensive loss.

The following table is a reconciliation of the movement related to these contractual liabilities as at January 31, 2022:

	April 30, 2021	OCI[(a)]	Accretion adjustments	New liability	Payments (note 15 (c))	Transfer non-current to current	January 31, 2022
	$	$	$	$			$
Current Contractual Liabilities							
Promissory Notes Payable							
In cash	-	(9,488)	42,907	-	-	1,093,124	**1,126,543**
Historical IGV							
Payable in cash	193,177	-	-	33,669	**-**	**-**	**226,846**
Total Current	193,177	(9,488)	42,907	33,669	-	1,093,124	**1,353,389**
Non-Current Contractual Liabilities							
Promissory Notes Payable							
In cash	1,088,906	(27,915)	32,133	-	-	(1,093,124)	**-**
In cash or shares	3,851,543	(139,297)	270,231	-	(457,907)	-	**3,524,570**
Working Capital Payable							
In cash	566,694	-	39,170	-	-	-	**605,864**
Total Non-current	5,507,143	(167,212)	341,534	-	(457,907)	(1,093,124)	**4,130,434**

(a) Other Comprehensive Income

As at January 31, 2022, the restructured non-interest bearing promissory notes with Equinox had a face value of CAD$7.95 million with the following details:

Face Value as at inception	Payments	Face Value as at January 31, 2022	due date	Payable in:	**Estimated Fair value [(b)] as at January 31, 2022**
CAD$	CAD$	CAD$			**USD$**
1,500,000	-	1,500,000	August 20, 2022	Cash	**1,126,543**
2,500,000	(1,633,266)	866,734	August 20, 2023	Cash or shares [(a)]	**534,900**
2,500,000	-	2,500,000	August 20, 2024	Cash or shares [(a)]	**1,563,277**
2,500,000	-	2,500,000	August 20, 2025	Cash or shares [(a)]	**1,426,393**
9,000,000	(1,633,266)	7,366,734			**4,651,113**

(a) As per the share purchase agreement with Equinox, Inca One has the discretion to pay in cash or shares based on the higher of the preceding 20-day volume weighted average price of Inca One shares and CAD$0.65, subject to Equinox's ownership of Inca One Shares not exceeding 19.99% of the outstanding Inca One Shares (the "Equinox Ownership Limit").

(b) The fair value has been estimated considering a discount rate of 9.59%

(Unaudited - Expressed in US Dollars)

NOTE 11 – CONTRACTUAL LIABILITIES PAYABLE TO EQUINOX (continued)

The acquisition of Anthem also has a provision to pay in cash to Equinox, an amount equal to 50% of Historical IGV recoveries. As at January 31, 2022, the fair value of the balance payable to Equinox is approximately $0.2 million and is classified as a current liability.

Additionally, the Company must pay in cash to Equinox, the difference between the amount of working capital at August 21, 2018 and $3.0 million. Anthem's working capital at such date was $3.7 million and therefore the estimated amount payable would be $0.7 million payable on August 20, 2023. As at January 31, 2022, the fair value of this payment has been estimated at $0.6 million considering a discount rate of 9.59% and is classified as a non-current liability.

NOTE 12 – LOANS PAYABLE

	January 31, 2022	April 30, 2021
Current Liabilities	**$**	$
Promissory note [(1)]	**31,141**	262,015
USD Contingent Debenture [(2)]	**779,310**	-
CAD Secured Debenture (CAD$ 1,600,000) [(3)]	**-**	1,295,350
Total Current promissory note and credit facility	**810,451**	1,557,365
Non-current Liabilities		
Promissory note [(1)]	**19,770**	43,351
USD Notes Payable[(4)]	**862,000**	930,000
Total Non-current promissory note	**881,770**	973,351

As at January 31, 2022, the Company had the following loans payable:

1) During August 2020, the Company received $0.09 million in exchange for a promissory note. The promissory note is unsecured, has a three year term and pays interest at a rate of 11% per annum. The Company is required to make monthly payments of principal plus interest. As at January 31, 2022, the Company had paid $0.04 million of the principal, leaving a total of $0.05 million of which $0.03 million has been classified as current liability and the balance of $0.02 million as non-current liability.

2) In September 2016, the Company completed a comprehensive capital restructuring which included issuing contingent debentures (the "Contingent Debentures") totaling $0.78 million. The Contingent Debentures were reinstated as a current liability and recognized as an expense on October 31, 2021, after the Company achieved two production milestones including (i) 300 TPD mineral processing capacity in Peru, and (ii) three consecutive months of 200 tonnes per day average daily production.

   The Contingent Debenture has an annual interest rate of 12% payable quarterly and a 12 months term of maturity. Accrued interest of $0.02 million has been included in accounts payable at January 31, 2022.

NOTE 12 – LOANS PAYABLE (continued)

3) On March 29, 2018, the Company issued a Secured Debenture ("CAD Secured Debenture") for CAD$1.6 million due on September 1, 2021, which had an interest rate of 11% per annum and had priority security over the assets of the Chala One Plant. On August 6, 2021, the Company paid in full, its CAD Secured Debenture and the corresponding interest (note 13).

4) On March 16, 2020, the Company reached an agreement to restructure a derivative financial liability, for which it had an obligation to deliver 742 ounces of gold to several related parties (the "Creditors") of the Company. The value of the gold deliverable under the Gold Agreements was approximately $1.1 million based on the price of gold at the date of the Gold Agreements and was payable on demand. The Creditors agreed to restructure the Gold Agreements (the "Loan Restructuring") in exchange for aggregate notes payable (the "Notes") in the amount of $0.93 million, representing a reduction in the liabilities of the Company of approximately $0.17 million. The Notes are repayable at any time at the Company's option and are secured by general security agreements. The Notes have a three-year term and bear interest at an annual rate of 10%. During May 2021, the Company made principal payments of $0.07 million to the Creditors. Accrued interest of $0.03 million has been included in accounts payable at January 31, 2022.

NOTE 13 – GOLD LOAN

Gold Loan transactions for the nine months ended January 31, 2022 were as follows:

On July 31, 2021 the Company completed the delivery of the 1,534 ounces of gold that were committed pursuant to the $2.5 million gold loan pre-payment agreement (the "Gold Loan") executed on March 15, 2021, The Gold Loan was considered under the scope of IFRS 9 – Financial Instruments and was determined to be a financial liability with an embedded derivative, the Company measured the entire facility at fair value resulting in a total fair value loss of $0.3 million of which $0.1 million was attributable to the nine months ended January 31, 2022 and have been included in the condensed interim consolidated statement of operations and comprehensive income.

On August 6, 2021, the Company arranged a $9 million gold pre-payment facility (the "Facility"), available in two tranches. The facility is secured by a Canadian general security agreement and also has a registered security agreement over the Chala One Plant.

<u>First Tranche</u>
The first tranche ("Tranche1") of $6 million was drawn down on the same date as the Facility and is payable with 4,181 ounces gold in 16 equal, monthly payments of gold bullion of 261.3 ounces with the first payment due 90 days after receipt of funds. Net proceeds of the Facility's Tranche1, were approximately $5.95 million, of which $4.6 million were used to purchase gold mill feed and $1.35 million was used for the repayment of CAD Secured Debenture (note 12). As at January 31, 2022, the Company had delivered four payments of gold bullion, or approximately 1,045 ounces, with a balance of approximately 3,136 ounces remaining to be delivered.

(Unaudited - Expressed in US Dollars)

NOTE 13 – GOLD LOAN (continued)

Second Tranche

The second tranche ("Tranche2") of $3 million was drown dawn on December 8, 2021, and is payable with 2,017 ounces of gold in 12 equal, monthly payments of gold bullion of 168.1 ounces. The first payment is due 120 days after receipt of the funds and as at January 31, 2022 there were2,017 ounces remaining to be paid.

The flowing table reconciles the movement of the Gold Loans as at January 31, 2022:

	April 30, 2021	Additions	Adj.	Fair value loss (gain)		Delivery	Reclassify non-current to current	**January 31, 2022**
				Unrealized	Realized			
		$		$	$		$	**$**
Current								
March 15, 2021	2,711,652	-		-	100,653	(2,812,305)	-	**-**
Aug 6, 2021, Tranche1	-	4,681,580	(8,185)	235,477	149,893	(1,893,941)	2,091,821	**5,256,645**
Aug 6, 2021, Tranche2	-	2,227,082		35,471	-	-	541,557	**2,804,110**
Total Current	2,711,652	6,908,662	(8,185)	270,948	250,546	(4,706,246)	2,633,378	**8,060,755**
Non-current								
Tranche1	-	1,979,617	-	112,204	-	-	(2,091,821)	**-**
Tranche2	-	1,049,173	-	22,181	-	-	(541,557)	**529,797**
Total Non-current	-	3,028,790	-	134,385	-	-	(2,633,378)	**529,797**

The Facility was considered under the scope of IFRS 9 – Financial Instruments and was determined to be a financial liability with an embedded derivative, the Company measured each tranche at fair value which were calculated as the discounted cash flow of the expected gold deliveries considering the future price of the gold quoted in active markets and an annual discount rate of 12.67%.

In connection with these transactions, the company recorded deferred financing costs of $0.94 million which were calculated as the difference between the fair value and the face value of the liability at recognition and will be accreted for the duration of the Facility.

The flowing table reconciles the movement of the deferred financing cost as at January 31, 2022:

	$
Balance as at April 30, 2021	**-**
Additions:	
Deferred financing costs Trench1	**661,197**
Deferred financing costs Trench2	**276,255**
Adjustment in estimation	**(8,183)**
Accretion (1)	**(243,436)**
Balance as at January 31, 2022	**685,833**

(1) Amount has been included in the condensed interim consolidated statement of operations and comprehensive loss and classified as fair value loss on financial instruments

(Unaudited - Expressed in US Dollars)

NOTE 14 – ASSET RETIREMENT AND RECLAMATION PROVISION

The Company's operations are governed by laws and regulations covering the protection of the environment. The Company will implement progressive measures for rehabilitation work to be carried out during the operation, closing and follow-up work upon closing of the gold processing plants; consequently, the Company accounted for its asset retirement obligations for the plants using best estimates of future costs, based on information available at the reporting date. These estimates are subject to change following modifications to laws and regulations or as new information becomes available.

	January 31, 2022	April 30, 2021
	$	$
Beginning of year	**1,152,653**	1,088,094
Accretion	**52,098**	64,559
	1,204,751	1,152,653

As at January 31, 2022, the estimated undiscounted cash flow required to settle the asset retirement obligation for both the "Chala Plant" and "Kori One Plant" and their related tailings ponds is approximately $0.7 million and $0.8 million respectively (April 30, 2021 $0.7 million and $0.8 million respectively) and are projected to be disbursed over 2026 and 2037 respectively. A 6.15% (April 30, 2021 6.15%) discount rate (Peruvian government bond rate) and a 2.15% (April 30, 2021 2.15%) inflation rate were used to calculate the present value of these provisions.

NOTE 15 – SHARE CAPITAL AND EQUITY RESERVES

(a) Authorized

Unlimited number of voting common shares without par value.

(b) Issued Share Capital

At January 31, 2022, there were 38,707,543 shares issued and outstanding (April 30, 2021 – 35,503,583).

(c) Share Issuances

Share capital transactions for the nine months ended January 31, 2022 were:

On May 26, 2021, the Company closed a private placement and issued 1,533,645 units ("the Units") for net proceeds of $0.5 million. Each unit is comprised of one common share and one transferable common share purchase warrant. The total value of the warrants contained in the units issued is $165,941, with the remainder allocated to common shares.

On December 8, 2021, the Company issued 900,315 common shares at CAD$0.65 as partial payment of its note payable to Equinox (note 11).

(Unaudited - Expressed in US Dollars)

NOTE 15 – SHARE CAPITAL AND EQUITY RESERVES (continued)

During the nine months ended January 31, 2022, 770,000 common shares were issued for proceeds of $0.16 million on the exercise of stock options at an average price of CAD$0.25 per share.

(d) Share-based Options

The Company adopted an incentive share-based option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and consultants of the Company, non-transferable share-based options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Share-based options will be exercisable for a period of up to 10 years from the date of grant.

The following table is a reconciliation of the movement in share-based options for the period:

	Share-based Options (note 15(c)) #	Weighted Average Exercise Price (note 15(c)) CAD$
Balance, April 30, 2020	**2,225,000**	**0.39**
Granted	2,375,000	0.50
Exercised	(1,463,056)	0.45
Expired	(77,398)	0.50
Balance, April 30, 2021	**3,059,546**	**0.48**
Granted	770,000	0.39
Exercised	(770,000)	0.25
Expired/cancelled	(620,000)	0.44
Balance, January 31, 2022	**2,439,546**	**0.53**

The following table summarizes the share-based options outstanding as at January 31, 2022:

Share-based Options #	Exercise Price CAD$	Expiry Date	Vesting Provisions
105,000	0.19	March 30, 2022	Vested
50,000	1.00	August 25, 2022	Vested
75,000	0.50	August 1, 2023	Unvested
1,584,546	0.55	December 18, 2022	Vested
350,000	0.55	December 18, 2024	Unvested
175,000	0.50	March 5, 2025	Unvested
100,000	0.38	June 30, 2025	Unvested
2,439,546 (1)			

(1) As at January 31, 2022, the total number of exercisable options is 2,053,296 share-based options

As at January 31, 2022, the weighted average remaining contractual life of the share-based options was 1.41 years (April 30, 2021 – 1.76 years).

(Unaudited - Expressed in US Dollars)

NOTE 15 – SHARE CAPITAL AND EQUITY RESERVES (continued)

During the three and nine months ended January 31, 2022, the Company recognized share-based payments of $0.01 million and $0.1 million respectively (2021 - $0.3 million and $0.3 million respectively) for share-based options granted and vested during the period.

The fair value of share-based options granted during the three and nine months ended January 31, 2022 was estimated using the Black-Scholes options pricing model using a risk free rate of 0.25% (three and nine months ended January 31, 2021, between 0.55% and 0.35%), a volatility of between 58.56% and 76.28% (three and nine months ended January 31, 2021 between 96.32% and 92.01%) and an expected life of between 1.0 and 3.0 year (three and nine months ended January 31, 2021, between 1.0 and 1.75 years).

Subsequent to January 31, 2022, the Company granted 1,125,000 share-based options with an exercise price of CAD$0.37.

(e) Warrants

The following table is a reconciliation of the movement in warrants for the period:

	Warrants #	Weighted Average Exercise Price CAD$
Balance April 30, 2020	**6,161,258**	**0.43**
Exercised	(5,079,114)	0.37
Expired/Cancelled	(213,401)	4.32
Balance April 30, 2021	**868,743**	**0.28**
Issued(1)	1,533,645	0.60
Expired/Cancelled	(106,667)	1.00
Balance, January 31, 2022	**2,295,721**	**0.46**

(1) The fair value of the share purchase warrants was estimated using Black-Scholes pricing model using a risk free rate of 0.25%, volatility of 76.28% and expected life of 3 years

The following table summarizes the share purchase warrants as at January 31, 2022:

Warrants #	Exercise Price $	Expiry Date
762,076	0.18	March 16, 2023
1,533,645	0.60	May 26, 2024
2,295,721		

As at January 31, 2022, the weighted average remaining contractual life of the warrants was 1.92 years (April 30, 2021 – 1.69 years).

(Unaudited - Expressed in US Dollars)

NOTE 16 – RELATED PARTY TRANSACTIONS

(a) Related Party Transactions

Management and consulting fees were paid to companies controlled by the CEO and VP Operations & New Projects. The Company incurred charges to directors and officers or to companies associated with these individuals during the three and nine months ended January 31, 2022 and 2021 as follows:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Management, salaries and consulting fees	**279,574**	265,034	**484,741**	469,588
Director fees	**7,642**	7,683	**22,928**	44,128
Business development	**-**	29,790	**-**	135,377
Share-based payment	**-**	245,398	**-**	245,398
	287,216	547,905	**507,669**	894,891

(b) Compensation of Key Management Personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and includes the Directors, CEO, CFO, and VP Operations & New Projects. Compensation in respect of services provided by key management consists of consulting and management fees paid to companies controlled by the CEO and VP Operations & New Projects and by the issue of options. The compensation for key management personnel paid as management were for the three and nine months ended January 31, 2022 and 2021 as follows:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	**2022**	2021
			$	$
Management fees	**158,899**	150,726	**283,615**	273,465
Salaries	**120,675**	114,308	**201,126**	196,123
Business development	**-**	-	**-**	22,000
Share-based payments	**-**	178,471	**-**	178,471
	279,574	443,505	**484,741**	670,059

(c) Related Party Balances

All related party balances payable, including for business expenses reimbursements, annual bonuses are approved by the board of directors, and for services rendered as at January 31, 2022 are non-interest bearing and payable on demand, with the exception of USD notes payable and USD contingent debenture (note 12 (2) and (4)). Those balances include $0.5 million (April 30, 2021 - $0.4 million) payable to the CEO and a company controlled by the CEO, $0.5 million (April 30, 2021 - $0.4 million) payable to the CFO and $nil million payable (April 30, 2021 – $0.05 million payable) to the Directors or companies controlled by the Directors.

(Unaudited - Expressed in US Dollars)

NOTE 17 – COMMITMENTS

As at January 31, 2022, the Company had a commitment to sell approximately 1,730 ounces of gold doré (April 30, 2021 - 287 ounces of gold doré) to a third party, which was settled subsequent to January 31, 2022. At January 31, 2022 the Company received advances of $2.9 million (April 30, 2021 – $0.5 million) in relation to this commitment. These amounts have been included as current deferred revenues in the condensed interim consolidated statement of financial position.

A summary of liabilities and future operating commitments at January 31, 2022 are as follows:

	Total	Within One Year	One to Five Years	Greater than Five Years
Maturity analysis of financial liabilities	**$**	$	$	$
Accounts payable and accrued liabilities	**3,402,111**	3,402,111	-	-
Contractual liabilities payable to Equinox	**5.483.823**	1,353,389	4,130,434	-
Loans payable	**1,692,221**	810,451	881,770	-
Gold loan	**8,590,552**	8,060,755	529,797	-
Lease liabilities	**176,748**	72,004	87,813	16,931
	19,345,455	13,698,710	5,629,814	16,931
Commitments				
Gold sale deferred revenue	**2,945,000**	2,945,000	-	-
Asset retirement and reclamation obligations	**1,204,751**	-	-	1,204,751
	4,149,751	2,945,000	-	1,204,751
	23,495,206	16,643,710	5,629,814	1,221,682

NOTE 18 – SEGMENTED INFORMATION

All of the Company's operating and capital assets are located in Peru except for $1.0 million (April 30, 2021 - $0.7 million) of cash and other current assets which are held in Canada.

Segmented information is provided on the basis of geographic segments consistent with the Company's core long-term and operating assets as follows:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	**2022**	2021
Peru segment			**$**	$
Revenue	**12,118,580**	9,803,625	**31,238,833**	21,379,477
Cost of goods	**(11,744,741)**	(9,761,777)	**(30,479,289)**	(20,822,944)
Gross margin (deficit)	**373,839**	41,848	**759,544**	556,533
Income (loss) for the year	**(615,990)**	(160,696)	**(1,686,880)**	(542,757)

During the three and nine months ended January 31, 2022, the Company received 100% of its metal revenues from three customers, noting that the Company has business relationships with other customers, and is not dependent on them.

(Unaudited - Expressed in US Dollars)

NOTE 19 – INFORMATION INCLUDED IN THE CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	**2022**	2021
Cost of goods sold:			**$**	$
Ore	**10,151,243**	7,406,248	**26,637,534**	16,948,554
Salaries, benefits and other employee expenses	**791,136**	599,097	**1,871,389**	1,359,660
Production supplies	**921,682**	542,042	**2,024,918**	1,045,724
Transportation	**242,056**	83,460	**528,862**	227,347
Other production costs	**1,040,287**	685,304	**2,834,054**	1,679,814
Depreciation of property plant and equipment	**292,355**	311,653	**855,631**	837,853
Write-down (recovery) in fair value of inventory	**-**	80,577	**-**	373,014
Variation of finished goods – gold doré bars	**(1,628,507)**	(87,447)	**(2,617,134)**	1,253,900
Variation of ore stock piles and gold in process	**(4,397)**	140,843	**(1,590,699)**	(2,902,922)
Total cost of goods sold	**11,805,855**	9,761,777	**30,544,555**	20,822,944

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	**2022**	2021
Corporate and administrative expenses:			**$**	$
Consulting fees	**144**	2,897	**144**	16,972
Management fees and salaries	**570,200**	344,616	**1,234,534**	1,009,713
Depreciation	**5,293**	12,488	**16,311**	37,239
Depreciation – right of use assets	**19,053**	-	**43,292**	-
Directors fees	**7,505**	7,683	**22,791**	44,128
Investor relations and regulatory fees	**35,202**	47,840	**125,690**	109,499
Advertising and corporate development	**98,251**	77,696	**283,710**	635,896
Office, rent, utilities, insurance and other	**134,930**	18,613	**315,035**	191,367
Professional fees	**99,744**	155,334	**396,445**	325,528
Share-based payments	**12,691**	284,867	**96,133**	308,450
Travel and accommodation	**7,838**	123	**10,838**	377
Total corporate and administrative expenses	**990,851**	952,157	**2,544,923**	2,679,169
Finance costs:				
Accretion expense	**(17,324)**	(19,590)	**(59,025)**	(57,638)
Interest costs	**(130,699)**	(175,751)	**(352,770)**	(348,153)
Foreign exchange gain (loss)	**160,865**	54,490	**143,557**	99,553
Fair value gain (loss) on financial instruments	**(359,432)**	-	**(683,849)**	-
Accretion of contractual liabilities payable to Equinox	**(129,756)**	(116,688)	**(384,441)**	(368,652)
Fair value adjustment on long term receivable	**-**	-	**(23,446)**	-
Total finance costs and other income (expenses)	**(476,346)**	(257,539)	**(1,359,974)**	(674,890)

NOTE 20 – SUPPLEMENTAL CASH FLOW INFORMATION

Interest and income taxes paid in cash during the nine months ended January 31, 2022, were $0.3 million (January 31, 2021 - $0.3 million) and $0.2 million (January 31, 2021 - $0.05 million). Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows.