



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021
(EXPRESSED IN UNITED STATES DOLLARS)**

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Orvana Minerals Corp. were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in note 3 to the consolidated financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee composed of members of the Board of Directors who assists the Board of Directors in fulfilling this responsibility. The members of the Audit Committee are not officers of the Company. The Audit Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditor's report. The Audit Committee also reviews other continuous disclosure documents of the Company containing financial information to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders. The external auditor has full and unrestricted access to the Audit Committee to discuss the scope of its audits, the adequacy of the system of internal controls and review financial reporting issues.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

[signed]

Juan Gavidia

Chief Executive Officer

Toronto, Canada

December 19, 2022

[signed]

Nuria Menéndez

Chief Financial Officer



Independent auditor's report

To the Shareholders of Orvana Minerals Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Orvana Minerals Corp. and its subsidiaries (together, the Company) as at September 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of net income (loss) and comprehensive loss for the years ended September 30, 2022 and 2021;
- the consolidated statements of cash flows for the years ended September 30, 2022 and 2021;
- the consolidated balance sheets as at September 30, 2022 and 2021;
- the consolidated statements of changes in shareholders' equity for the years ended September 30, 2022 and 2021; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended September 30, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessments of property, plant and equipment for EMIPA and Orovalle cash generating units (CGUs)</p> <p><i>Refer to note 3 - Summary of significant accounting policies, note 4 - Critical accounting estimates and judgments, note 17 - Property, plant and equipment and note 27 - Segmented information to the consolidated financial statements.</i></p> <p>As at September 30, 2022, the total net book value of property, plant and equipment, related to EMIPA and Orovalle CGUs, amounted to \$19.5 million and \$40.0 million, respectively. Management reviews the carrying amounts of property, plant and equipment for impairment indicators whenever facts and circumstances suggest that the carrying amounts may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest level for which there are separately identifiable cash flows ("CGU"). If the recoverable amount of a CGU is estimated to be less than its carrying amount, the carrying amount of the CGU is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statements of net income (loss) and comprehensive loss.</p> <p>During the year ended September 30, 2022, management identified an impairment indicator as the market capitalization of the Company was less than the carrying amount of the net assets. As a result, management performed an impairment test on EMIPA and Orovalle CGUs. Management determined the recoverable amounts of EMIPA and Orovalle CGUs based on a value in use method (VIU method) using discounted cash flow models. Key assumptions used in the discounted cash flow models included: recoverable reserves and resources, future commodity prices, future production and sales volumes, future operating, capital and reclamation costs, foreign exchange rates and discount rates. Management estimates of the recoverable reserves and resources are based on</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Tested how management determined the recoverable amounts of property, plant and equipment related to EMIPA and Orovalle CGUs, which included the following:<ul style="list-style-type: none">– Evaluated the reasonableness of key assumptions such as future commodity prices, foreign exchange rates, future operating, capital and reclamation costs and future production and sales volumes, by (i) comparing future commodity prices with external market and industry data; (ii) comparing foreign exchange rates with external market data; (iii) comparing future operating, capital and reclamation costs to prior year actual operating, capital and reclamation expenditures incurred; (iv) comparing the future production and sales volumes to the current and past performance of the CGUs; and (v) assessing whether these assumptions were consistent with evidence obtained in other areas of the audit, as applicable.– The work of management's experts was used in performing the procedures to evaluate the reasonableness of the assumptions associated with the recoverable reserves and resources. As a basis for using this work, the competence, capabilities and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the assumptions used by management's experts and an evaluation of their findings.– Professionals with specialized skill and knowledge in the field of valuation assisted in assessing the reasonableness of the discount rates and future commodity prices used within the models.



Key audit matter	How our audit addressed the key audit matter
<p>information prepared by or under the supervision of qualified persons (management's experts).</p> <p>No impairment charge was required for EMIPA and Orovalle CGUs because their recoverable amounts exceeded the carrying amounts.</p> <p>We considered this a key audit matter due to the significant audit effort and subjectivity in performing procedures to test the key assumptions used by management in determining the recoverable amounts of EMIPA and Orovalle CGUs, which involved critical judgment by management. We were also assisted by professionals with specialized skill and knowledge in the field of valuation.</p>	<ul style="list-style-type: none">• Tested the disclosures, including the sensitivity analysis, made in the consolidated financial statements with regard to the impairment assessment of property, plant and equipment for EMIPA and Orovalle CGUs.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Manuel Eduardo Pereyra.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
December 19, 2022

ORVANA MINERALS CORP.**Consolidated Statements of Net Income (loss) and Comprehensive loss
(in thousands of United States dollars)**

	Years ended September 30,	
	2022	2021
		Revised (Note 2)
Revenue (note 6)	\$ 94,668	\$ 105,513
Cost of sales		
Mining costs (note 7)	85,380	74,845
Write-off of property, plant and equipment	238	1,148
Depreciation and amortization (note 17)	15,252	15,333
	100,870	91,326
Gross margin	(6,202)	14,187
Expenses		
General and administrative (note 8)	2,793	5,561
Foreign Exchange (gain) loss (note 9)	(173)	(670)
Exploration	2,203	3,903
Community relations cost (reversal of provision)	(737)	326
Other losses, net (note 10)	2,787	218
Finance costs, net (note 11)	1,249	1,212
Derivative instruments (gain) loss (note 12)	(1,168)	230
	6,954	10,780
Income (loss) before income taxes	(13,156)	3,407
Provision for (recovery of) income taxes		
Current income taxes (note 22.a)	596	222
Deferred income taxes (note 22.a)	(33)	2,318
	563	2,540
Net gain (loss)	\$ (13,719)	\$ 867
Other comprehensive income (loss) items that will not be reclassified to profit or loss		
Other comprehensive (loss) income	(435)	7
Cumulative translation adjustments	(1,802)	(1,708)
Comprehensive loss	(15,956)	(834)
Net loss per share (note 13)		
Basic and diluted	\$ (0.10)	\$ (0.01)

The notes to the consolidated financial statements are an integral part of these financial statements.

ORVANA MINERALS CORP.
Consolidated Statements of Cash Flows
(in thousands of United States dollars)

	Years ended September 30,	
	2022	2021
Operating activities		
Net loss	\$ (13,719)	\$ 867
Adjustments for:		
Depreciation and amortization	15,253	15,597
Gain on disposal of assets	(11)	368
PPE write-offs	490	1,195
PPE impairment Orovalle (note 10)	1,686	-
Provision for uncollectible VAT	1,008	-
Accretion on decommissioning liabilities (note 21)	439	448
Amortization of deferred financing fees	298	11
Long-term compensation	(861)	2,114
Deferred income taxes	(33)	2,318
Foreign exchange gain	3,056	(1,982)
Derivative instruments (note 12)	(213)	227
	7,393	21,163
Changes in non-cash working capital		
Concentrate and doré sales receivables	(1,042)	962
Value added taxes and other receivables and prepaid expenses	(1,591)	(1,085)
Inventory	3,138	(3,201)
Accounts payable and accrued liabilities	1,331	(216)
Provision for statutory labour obligations	(961)	167
Income taxes payable (receivable) (note 22.a)	(1,093)	(1,217)
	(218)	(4,590)
Cash provided by operating activities	7,175	16,573
Investing activities		
Capital expenditures	(20,084)	(14,155)
Restricted cash	484	706
Proceeds from sale of Property, plant and equipment and assets held for sale	870	564
Cash used in investing activities	(18,730)	(12,885)
Financing activities		
Loans and Revolving Lines (note 19)		
EMIPA		
Repayment of TSF Loan	(2,124)	-
Repayment of Heavy Equipment Loan	(526)	(157)
Repayment of Restructuring Loan	-	(3,000)
Orovalle		
Proceeds from Revolving Lines	856	362
Repayment of Spanish Banking Facility	(2,507)	(2,288)
Repayment of COVID-19 Related Facilities	(2,514)	(1,321)
Proceeds from (repayment of) Bankia Loan	(339)	451
Proceeds from Bankinter Loan	294	-
Proceed from Syndicated Loan – Orovalle and Iberia	12,145	-
Proceeds from Sabadell Loan – Orovalle	223	-
Proceeds from BBVA Loan – Orovalle	953	-
Repayment of lease liabilities (note 20)	(1,484)	(1,752)
Cash provided by (used in) financing activities	4,977	(7,705)
Change in cash and cash equivalents	(6,578)	(4,017)
Cash and cash equivalents, beginning of the year	11,327	15,572
Effect of exchange rate changes on cash	1,795	(228)
Cash and cash equivalents, end of year	\$ 6,544	\$ 11,327

The notes to the consolidated financial statements are an integral part of these financial statements.

ORVANA MINERALS CORP.
Consolidated Balance Sheets
(in thousands of United States dollars)

	As at September 30, 2022	As at September 30, 2021 Revised (Note 2)
Assets		
Current assets		
Cash and cash equivalents	\$ 6,544	\$ 11,327
Restricted cash (note 14)	96	85
Concentrate and doré sales receivables	1,273	231
Value added taxes (note 22.b)	4,589	3,722
Other receivables and prepaid expenses	1,210	1,561
Inventory (note 15)	12,415	15,192
Income tax receivable (note 22.a)	2,548	2,264
	28,675	34,382
Assets held for sale (note 16)	-	1,109
Total current assets	28,675	35,491
Non-current assets		
Value-added taxes (note 22.b)	10,377	10,291
Other assets	96	116
Income tax receivable LT (note 22.a)	809	-
Restricted cash (note 14)	245	871
Reclamation bonds (note 14)	7,034	8,872
Deferred income tax asset (note 22.a)	12,637	12,604
Inventory (note 15)	5,148	5,661
Property, plant and equipment (note 17)	63,763	71,301
	\$ 128,784	\$ 145,207
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 18)	\$ 30,035	\$ 31,600
Provision for statutory labour obligations	155	1,250
Debt (note 19)	10,669	10,962
Lease liabilities (note 20)	220	1,519
Derivative instruments (note 12)	-	227
	41,079	45,558
Non-current liabilities		
Decommissioning liabilities (note 21)	20,593	23,296
Debt (note 19)	9,256	2,204
Lease liabilities (note 20)	74	24
Provision for statutory labour obligations	134	-
VAT liabilities (note 22.b)	666	666
Other Long-Term obligations	298	-
Long-term compensation (note 24.b)	2,502	3,321
	74,602	75,069
Shareholders' equity		
Share capital (note 23)	116,206	116,206
Contributed surplus	3,871	3,871
Retained earnings	(48,238)	(49,105)
Other comprehensive income	(428)	7
Cumulative translation adjustments	(3,510)	(1,708)
Current earnings	(13,719)	867
	54,182	70,138
	\$ 128,784	\$ 145,207

Commitments and contingent liabilities (note 26)

The notes to the consolidated financial statements are an integral part of these financial statements.

Approved by the Board of Directors:

[signed]

[signed]

Gordon Pridham, Chairman

Ed Guimaraes, Director

ORVANA MINERALS CORP.
Consolidated Statements of Changes in Shareholders' Equity
(in thousands of United States dollars)

	Share Capital	Contributed Surplus	Retained Earnings	Cumulative translation adjustments	Other comprehensive (loss) income	Total
Balance, October 1, 2021	\$ 116,206	\$ 3,871	\$ (48,238)	\$ (1,708)	\$ 7	\$ 70,138
Remeasurement of financial assets	-	-	-	-	(435)	(435)
Cumulative translation adjustments	-	-	-	(1,802)	-	(1,802)
Net loss	-	-	(13,719)	-	-	(13,719)
Balance, September 30, 2022	\$ 116,206	\$ 3,871	\$ (61,957)	\$ (3,510)	\$ (428)	\$ 54,182

	Share Capital	Contributed Surplus	Retained Earnings	Cumulative translation adjustments	Other comprehensive (loss) income	Total
Balance, October 1, 2020	\$ 116,206	\$ 3,871	\$ (49,105)	\$ -	\$ -	\$ 70,972
Remeasurement of financial assets	-	-	-	-	7	7
Cumulative translation adjustments	-	-	-	(1,708)	-	(1,708)
Net income	-	-	867	-	-	867
Balance, September 30, 2021 Revised (Note 2)	\$ 116,206	\$ 3,871	\$ (48,238)	\$ (1,708)	\$ 7	\$ 70,138

The notes to the consolidated financial statements are an integral part of these financial statements.

ORVANA MINERALS CORP.

Notes to the consolidated financial statements

(in thousands of United States dollars unless otherwise noted)

For the years ended September 30, 2022 and 2021

1. Nature of operations and corporate information

Orvana Minerals Corp. (the "Company" or "Orvana") is a Canadian mining and exploration company involved in the evaluation, development and mining of precious and base metal deposits. Orvana's properties consist of:

- (i) El Valle and Carlés mines and the El Valle processing plant (collectively, "El Valle"), producer of copper concentrate and doré. El Valle is located in Asturias, Northern Spain, and is managed by its subsidiary Orovalle Minerals, S.L. ("Orovalle"), that, in addition to El Valle, owns certain mineral rights located in the region of Asturias;
- (ii) Don Mario Operation ("Don Mario"), located in San Jose de Chiquitos, Southeastern Bolivia, consisting of 10 contiguous mineral concessions covering approximately 53,325 ha and the processing plant, currently in care and maintenance. Don Mario is managed by the Company's subsidiary Empresa Minera Paititi, S.A. ("EMIPA"); and
- (iii) Taguas Property ("Taguas"), comprised of 15 mining concessions for a total of 3,273.87 ha, located on the eastern flank of the Andes Mountain range in the Province of San Juan in northern Argentina. Taguas is managed by the Company's subsidiary Orvana Argentina, S.A. ("Orvana Argentina").

The Company is controlled by Fabulosa Mines Limited ("Fabulosa") which holds 51.9% of the Company's common shares. The Company's ultimate controlling party is Andean Resources S.A., which controls Fabulosa.

The Company's headquarters and registered office is 70 York Street, Suite 1710, Toronto, Ontario, Canada. The Company is incorporated under the laws of Ontario, Canada and its common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol TSX:ORV.

2. Basis of preparation

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and including interpretations by the International Financial Reporting Interpretations Committee ("IFRIC").

The preparation of these consolidated financial statements requires the use of certain significant accounting estimates and judgments by management in applying the Company's accounting policies. The areas involving significant judgments and estimates have been set out in note 4 – Critical accounting estimates and judgements.

These consolidated financial statements for the year ended September 30, 2022 were approved by the Board of Directors of the Company on December 19, 2022.

3. Summary of significant accounting policies

(a) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, with the exception of financial instruments including derivative instruments, warrants and stock options, which are measured at fair value.

(b) Principles of consolidation

The financial statements consolidate the accounts of the Company and its wholly-owned subsidiaries. Intercompany transactions, balances, income and expenses, and profits and losses are eliminated.

Wholly-owned subsidiaries:

Operating companies:

Empresa Minera Paititi, S.A.

Orovalle Minerals, S.L.

Orvana Argentina, S.A.

Non-operating companies:

Orvana Minerals Asturias Corp.

Orvana Cyprus Limited

ORVANA MINERALS CORP.

Notes to the consolidated financial statements

(in thousands of United States dollars unless otherwise noted)

For the years ended September 30, 2022 and 2021

Orvana Sweden International AB
Orvana Minerals Iberia, S.L.U.
Orvana Pacific Minerals Corp.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Chief Executive Officer of the Company.

(d) Foreign currency translation

i. Functional and presentation currency

The Company's functional and presentation currency is the United States dollar. Functional currency is also determined for each of the Company's subsidiaries, and items included in the financial statements of the subsidiary are measured using that functional currency.

Foreign exchange differences originating from the translation of the financial statements of the Orovalle subsidiary into the company's presentation currency were revised in the comparative period to conform with the requirements of IAS 21. Previously Orovalle was considered to have a functional currency USD, however management concluded that functional currency should have been Euros since fiscal 2021 as result of a change in the functional currency indicators, mainly related to the currency of the subsidiary's debt. As a result of this change assets and liabilities from Orovalle were revised by translating such balances using the closing rate at the balance sheet date, while income and expenses were translated at the average rates for the relevant period. All resulting exchange differences were recognised as cumulative translation adjustment in equity. The effect of this revision is summarized as follows:

ORVANA MINERALS CORP.**Notes to the consolidated financial statements****(in thousands of United States dollars unless otherwise noted)****For the years ended September 30, 2022 and 2021**

Consolidated statements of Net income (loss) and Comprehensive loss	Previously reported	Revised
Year ended September 30, 2021		
Revenue (note 6)	\$ 105,513	\$ 105,513
Cost of sales		
Mining costs (note 7)	74,845	74,845
Write-off of property, plant and equipment	1,148	1,148
Depreciation and amortization (note 16)	16,219	15,333
	92,212	91,326
Gross margin	13,301	14,187
Expenses		
General and administrative (note 8)	5,561	5,561
Foreign Exchange (gain) loss	513	(670)
Exploration	3,903	3,903
Community relations cost (income)	326	326
Other losses, net (note 9)	218	218
Finance costs, net (note 10)	1,212	1,212
Derivative instruments (gain) loss (note 11)	230	230
	11,963	10,780
Income (loss) before income taxes	1,338	3,407
Provision for (recovery of) income taxes		
Current income taxes (note 21)	222	222
Deferred income taxes (note 21)	2,228	2,318
	2,450	2,540
Net loss	\$ (1,112)	\$ 867
Other comprehensive (loss) income and cumulative translation adjustment	7	(1,701)
Comprehensive loss	(1,105)	(834)
Net loss per share (note 12)		
Basic and diluted	\$ (0.01)	\$ 0.01

Consolidated Balance Sheet	Previously reported	Revised
As at September 30, 2021		
Assets		
Current assets	35,491	35,491
Non-current assets		
Other non current Assets	25,811	25,811
Deferred income tax asset	12,694	12,604
Property, plant and equipment	70,940	71,301
	\$ 144,936	\$ 145,207
Liabilities		
Total Liabilities	75,069	75,069
Shareholders' equity		
Share capital	116,206	116,206
Contributed surplus	3,871	3,871
Retained earnings	(49,105)	(49,105)
Cumulative translation adjustment	-	(1,708)
Other reserves	7	7
Current earnings	(1,112)	867
	69,867	70,138
	\$ 144,936	\$ 145,207

ORVANA MINERALS CORP.

Notes to the consolidated financial statements

(in thousands of United States dollars unless otherwise noted)

For the years ended September 30, 2022 and 2021

ii. Transactions and balances

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and,
- all resulting exchange differences are recognised in equity as Cumulative Translation Adjustment.

As part of the capital funding process for ongoing activities in Argentina, the Company purchases equity instruments via a third-party investment broker. The equity instruments are transferred from the parent to the Argentinian subsidiary and then sold. The Company only purchases equity instruments with high trading volumes and low volatilities. Upon receipt of the transferred equity instruments by the local investment broker, the Company realizes an immediate foreign exchange impact. This foreign exchange impact is incurred directly as a result of holding the equity instruments with the intention of trading, and as such the foreign exchange impact is also recognized through profit and loss. For the year ended September 30, 2022 the foreign exchange gain recognised for this concept was \$2,293 (\$nil in 2021).

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash in the bank and short-term highly liquid deposits with original maturities of 90 days or less. Cash that is held in escrow, or otherwise restricted from use, is excluded and is reported separately from cash and cash equivalents and classified as "Restricted cash".

(f) Financial Instruments

The Company's business model is based on maintaining its financial assets to receive contractual cash flows according to signed contracts, on specific dates.

- Financial Assets:

Long-term deposits, reclamation bonds (except for those materialized in Investment Funds), restricted cash, cash and cash equivalents and other accounts receivables, are recorded at amortized cost using the effective interest method.

Concentrate and doré sales receivables and gold forwards, are classified as financial assets at fair value through profit or loss and measured at fair value.

Reclamation bonds materialized in publicly quoted Investment Funds, are classified as financial assets at fair value through Other Comprehensive Income and measured at fair value.

- Financial Liabilities:

The Company recognized initially its financial liabilities at fair value and in the case of financial liabilities not subsequently measured at fair value, net of directly attributable financing costs. Financial liabilities are derecognized when the obligation specified in the contract is discharged, canceled, or expired. The Company's financial liabilities are subsequently measured at amortized cost.

(g) Inventories

Gold inventory, which consists of gold doré and gold in circuit, concentrates inventory, silver in circuit and ore stockpile inventory are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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(h) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are charged to the consolidated statement of loss during the period in which they occur.

Effective from the point that they are ready for their intended use, these assets are amortized on a straight line basis or using the units-of production method over the shorter of the estimated economic life of the asset or mineral property. The method of depreciation is determined based on that which best represents the use of the assets.

The reserve and resource estimates for each mine are the prime determinants of the life of a mine. In general, an ore body where a mineralization is reasonably well defined is amortized over its proven and probable mineral reserves. Non-reserve material may be included in the depreciation calculations in limited circumstances where there is a high degree of confidence in economic extraction. Changes in the estimate of mineral reserves and resources will result in changes to depreciation and will be accounted for on a prospective basis over the remaining life of mine.

Estimated useful lives of asset categories are as follows:

Plant and equipment	3 to 5 years
Furniture and office equipment	3 to 5 years

(i) Exploration and development

Acquired mineral properties are recognized at cost, or if acquired as part of a business combination, at fair value at the date of acquisition. Exploration expenditures are capitalized once management has determined that there is a reasonable expectation of economic extraction of minerals from the property. Mineral properties under exploration are reclassified to mineral properties under development when technical feasibility and commercial viability of the property can be demonstrated. Expenditures directly attributable to the development of the property are capitalized.

(j) Mineral properties in development and production

Mineral properties in development and production are classified as property, plant and equipment. The Company assesses each mine development project to determine when a mine has advanced to the production stage. The criteria used to assess the start date are determined based on the nature of each mine development project, such as the complexity of a plant and its location. The Company considers various relevant criteria to assess when a mine is substantially complete and ready for its intended use and has advanced to the production stage. The criteria considered include: (1) the completion of a reasonable period of testing of mine plant and equipment; (2) the ability to produce materials in saleable form (within specifications); and (3) the ability to sustain ongoing production of minerals. When a mine construction project has advanced into the production stage, the capitalization of certain mine construction costs cease and costs are either included in inventory or expensed, except for sustaining capital costs related to property, plant and equipment and underground mine development or reserve development.

(k) Impairment of non-financial assets

Property, plant and equipment, including intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units or "CGU"). The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use (being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of loss.

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At each financial position reporting date the carrying amounts of the Company's assets, including mineral properties under exploration and mineral properties under development, are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

An impairment loss, excluding those recognized in goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(l) Decommissioning liabilities

The Company recognizes a decommissioning liability when a legal or constructive obligation exists to dismantle, remove or restore its assets, including any obligation to rehabilitate environmental damage on its mineral properties. Decommissioning liabilities are recognized as incurred. Decommissioning liabilities are discounted using a rate reflecting risks specific to the liability, and the unwinding of the discount is included in finance costs. At the time of establishing the liability, a corresponding asset is capitalized and is depreciated over future production from the mining property to which it relates. The liabilities are reviewed on a regular basis for changes in cost estimates, discount rates and operating lives.

(m) Revenue recognition

The type and nature of sale contracts is described below:

- Precious metals sales – Gold-copper concentrates

The Company sells gold-copper concentrates ("Concentrates") from its mines to third-parties. The concentrates mainly contain copper, gold and silver.

The Company recognizes revenue upon notification of payment of the provisional invoice by the buyer, which is the point in time when the legal title is transferred. Upon payment the customer is able to direct the use of and obtain substantially all of the benefits from the concentrate. Revenues are recorded provisionally based on average market prices and provisional weights and assays. A receivable is recognized for this amount and subsequently measured at fair value to reflect variability associated with the embedded derivative for changes in the market metal prices and variations to weights and assays. These changes in the fair value of the receivable are recognized in revenue each period end and in the period of final settlement. Refining, treatment charges and freight are netted against revenues from concentrates.

- Precious metals sales – Doré

The Company sells doré from its mines to third-parties. A doré bar is a semi-pure alloy of gold and silver.

Revenue from gold doré is recognized upon notification of payment from the buyer, which is the point in time when the legal title is transferred. Upon payment the customer is able to direct the use of and obtain substantially all of the benefits from the doré. Revenues are recorded provisionally based on market prices and provisional weights and assays. A receivable is recognized for this amount and subsequently measured at fair value to reflect variability associated with the embedded derivative for changes in the market metal prices and variations to weights and assays. These changes in the fair value of the receivable are recognized in revenue each period end and in the period of final settlement. Treatment charges are netted against revenues from doré sales.

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(n) Cost of sales

Cost of sales consists of mining costs, which include personnel costs; energy costs (principally diesel fuel and electricity); maintenance and repair costs; operating supplies; external services; costs associated with delivery of the concentrate and doré to the point of sale; an allocation of site general and administrative costs; costs related to royalty expenses for the period; and depreciation and amortization. Costs of sales include any impairment to reduce inventory to net realizable value.

(o) Share-based payments

Directors and senior executives of the Company participate in long-term compensation plans under which they are eligible to purchase or receive Company common shares or the equivalent cash amount. The plans consist of a stock option plan, a restricted share unit plan, a deferred share unit plan and stock appreciation rights.

Awards under the compensation plans are measured at fair value on the date of grant and recorded as compensation expense in the statements of loss over the vesting period. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. The Company re-assesses, at the end of each reporting period, its estimates of the number of awards that are expected to vest and recognizes the impact of the revisions in the consolidated statement of loss.

i. Stock options

As stock option awards are settled in common shares of the Company, the obligations under the stock option plan are included in contributed surplus within shareholders' equity. The fair value of stock options is determined using a Black-Scholes option pricing model.

ii. Restricted share units ("RSUs") and deferred share units ("DSUs")

RSUs and DSUs are settled in cash and the obligations under these plans are recorded as liabilities. The liabilities are adjusted to fair value each reporting date with the changes recorded as long-term compensation expense under general and administrative expense. The fair value of RSUs and DSUs is determined based on the quoted market price of Company's common shares at the reporting date.

(p) Earnings per share

Basic earnings per share is computed by dividing net income by the weighted-average number of common shares outstanding during the year. Diluted earnings per share is computed using the "treasury stock method". The treasury stock method assumes that all "in the money" option proceeds are used to purchase common shares of the Company at the average market price during the period.

(q) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. As a lessee, the Company recognizes a right-of-use asset, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability. A lease

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liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- Fixed payments, including in-substance fixed payments, less any lease incentives receivable.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable under a residual value guarantee.
- Exercise prices of purchase options if we are reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option.

Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

(r) Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of the assets, until such time as the assets are substantially ready for their intended use. Qualifying assets are those that necessarily take a substantial period of time to prepare for its intended use or sale. All other borrowing costs are recognized as interest expense in the consolidated statement of loss in the period in which they are incurred.

(s) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants related to additions or betterments to property, plant and equipment are recognized as credits against the carrying values of the related assets, and subsequently recognized in net earnings over the useful lives of the related assets as reductions to the resulting depreciation expense.

(t) Assets held for sale

Non-current assets are classified as assets held for sale when it is highly probable their value will be recovered principally through a sale rather than through continuing use. For the sale to be highly probable, management must be committed to, and have initiated a plan to, sell the assets; the assets must be available for immediate sale in their present condition and the sale must be expected to qualify for recognition as a completed sale within one year from the date of reclassification, or longer under specific circumstances.

Assets classified as held for sale are carried at the lower of carrying amount and fair value less costs to sell.

(u) Income taxes

Taxation on income comprises current and deferred income tax. Current income tax is generally the expected tax payable on the taxable income for the year calculated using rates enacted or substantively

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enacted at the statements of financial position date in the countries where the Company's subsidiaries operate and generate taxable income.

Deferred income tax is recognized using the liability method, based on temporary differences between consolidated financial statements carrying amounts of assets and liabilities and their respective income tax bases.

The Company operates in a specialized industry and in several tax jurisdictions. As a result, its income is subject to various rates of taxation. The breadth of its operations and the global complexity of tax regulations require assessments of uncertainties and judgements in estimating the taxes the Company will ultimately pay. The final taxes paid are dependent upon many factors, including negotiations with taxing authorities in various jurisdictions, outcomes of tax litigation and resolution of disputes arising from federal, provincial, state and local tax audits. The resolution of these uncertainties and the associated final taxes may result in adjustments to the Company's tax assets and liabilities.

The Company estimates deferred income taxes based upon temporary differences between the assets and liabilities that it reports in its consolidated financial statements and the tax bases of its assets and liabilities as determined under applicable tax laws. The amount of deferred tax assets recognized is generally limited to the extent that it is probable that taxable profit will be available against which the related deductible temporary differences can be utilized. Therefore, the amount of the deferred income tax asset recognized and considered unrealizable could be reduced if projected income is not achieved.

4. Critical accounting estimates and judgements

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

(a) Impairment of non-financial assets

In accordance with the Company's accounting policy, the Company assesses the carrying values of each cash-generating unit ("CGU") at each reporting period end date to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell ("FVLCS") or value-in-use ("VIU"). Fair value less costs of disposal is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. For mining assets this would generally be determined based on the present value of the estimated future cash flows arising from the continued development, use or eventual disposal of the asset. In assessing these cash flows and discounting them to present value, assumptions used are those that an independent market participant would consider appropriate. Value in use is the estimated future cash flows expected to arise from the continuing use of the assets in their present form and from their disposal, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The determination of FVLCS and VIU requires management to make estimates and assumptions about expected production and sales volumes, commodity prices, reserves, operating costs, mine closure and restoration costs, future capital expenditures and appropriate discount rates for future cash flows. The estimates and assumptions are subject to risk and uncertainty, and as such there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the consolidated statements of income (loss).

The Company has assessed its CGUs to be its mine units in Spain, Bolivia and Argentina (Orovalle, EMIPA and Orvana Argentina), which are the lowest level for which cash inflows and outflows are expected to be largely independent of those of other assets.

(b) Decommissioning liabilities

Management is required to make significant estimates and assumptions in determining the Company's ultimate obligation for decommissioning liabilities. There are numerous factors that will affect the ultimate liability payable including the extent and costs of rehabilitation activities, technological changes, regulatory

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changes, cost increases, and changes in discount rates. Management is also required to apply judgment in determining whether any legal or constructive obligation exists to dismantle, remove or restore its assets, including any obligation to rehabilitate environmental damage on its mineral properties.

(c) Income taxes

Judgment is required in determining whether deferred income tax assets are recognized. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Refer to note 22 – Income tax.

(d) Determination of Life of Mine (LOM) Plans and ore reserves and resources

Estimates of the quantities of ore reserves and resources form the basis for our LOM plans, which are used for a number of important business and accounting purposes, including: the calculation of depletion expense; for forecasting the timing of the payment of mine closure and restoration costs and for the assessment of impairment charges and the carrying values of assets. In certain cases, these LOM plans have made assumptions about our ability to obtain the necessary permits required to complete the planned activities. The Company determines mineral resources and reserves under the principles incorporated in the Canadian Institute of Mining, Metallurgy and Petroleum standards for mineral reserves and resources, known as the CIM Standards.

The information is regularly compiled by Qualified Persons and reported under National Instrument 43-101, Standards of Disclosure for Mineral Projects (“NI-43-101”).

There are numerous uncertainties inherent in estimating mineral resources and reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and resources and may, ultimately, result in reserves and resources being restated.

(e) Determination of the functional currency

Judgement is required when selecting the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions affecting the company and its subsidiaries. In exercising this judgement management considers relevant factors such as the currency that mostly affect the cash flows, financing and other transactions.

5. Significant social and economic uncertainties

In March 2020 the World Health Organization declared the COVID-19 outbreak to be a global pandemic. The situation is dynamic with countries around the world responding in different ways to address the outbreak. The extent of the effect of the COVID-19 pandemic on the Company’s business activities is undetermined, given the uncertainties with respect to future developments, including without limitation: (i) duration, severity and scope of the COVID-19 pandemic; (ii) the effect of the COVID-19 situation on the future availability of mining supply and services that support operations; (iii) the effect of the COVID-19 situation could have on the Company’s future operations and financial condition; and (iv) the necessary government responses to limiting the spread of COVID-19. The Company continues to make efforts to safeguard the health of our employees, while continuing to operate safely and responsibly maintain employment and economic activity.

The mining industry worldwide is being impacted by economic and geopolitical concerns as a result of the invasion of Ukraine by Russia, rising interest rates, a strengthening trade-weighted US dollar, pandemic-related lockdowns in China, and the tightening of fiscal policies by governments worldwide. Operating costs are increasing as a result of higher input prices for energy, labor and consumables driven by inflationary pressures initially related to global supply chain constraints, and then exacerbated by the conflict in Ukraine. Metal prices continue being volatile impacted by economic and geopolitical concerns.

The Company doesn’t have business relationships directly with Ukraine nor with Russia, but its financial performance is being impacted by the global energy and consumables cost increases following the invasion of Ukraine by Russia.

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6. Revenue

	2022	2021
Gold-copper concentrate	\$ 62,847	74,760
Doré	31,242	30,551
Subtotal	\$ 94,089	105,311
Provisional invoicing adjustments	579	202
Total revenue	\$ 94,668	105,513

7. Mining costs

Mining costs include mine production costs, transport costs, royalty expenses, site administration costs, applicable stripping costs and other related costs, but not the primary mine development costs, incurred at El Valle, which are capitalized and depreciated over the specific useful life or reserves related to that development and are included in depreciation and amortization. The mining costs for the year ended September 30, 2022 and 2021 were:

For the years ended September 30,	2022	2021
Direct mining costs	\$ 81,848	\$ 71,269
Royalties and mining rights	3,532	3,576
Total mining costs	\$ 85,380	\$ 74,845

8. General and administrative expenses

For the years ended September 30,	2022	2021
Salaries, directors fees and office administration	\$ 3,653	\$ 3,570
Depreciation	1	4
Long-term compensation (note 24)	(861)	1,987
Total general and administrative expenses	\$ 2,793	\$ 5,561

9. Foreign Exchange

For the years ended September 30,	2022	2021
Gains in Argentina capital funding	\$ (2,293)	-
Other variations	2,120	(670)
Total foreign exchange, net	\$ (173)	\$ (670)

10. Other losses, net

For the years ended September 30,	2022	2021
Increase in provision for VAT-Argentina (note 22.b)	\$ 1,008	\$ -
Increase in (reversal of) provision for VAT-EMIPA (note 22.b)	5	(139)
PPE Impairment - Orovalle	1,686	-
Loss (gain) on assets held for sale – EMIPA	(11)	368
Miscellaneous other income	99	(11)
Total other losses, net	\$ 2,787	\$ 218

The Company is going to change its underground hauling strategy starting January 1, 2023. From this date onwards, all hauling will be carried out using trucks and the shaft will go on care and maintenance. Based on the remaining life of the shaft facility, the Company impaired \$1,686 of plant and equipment during the year ended September 30, 2022 (see note 17).

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11. Finance costs, net

For the years ended September 30,	2022	2021
Interest on credit facilities	\$ 437	\$ 543
Other interest expense	64	176
Accretion expense on decommissioning obligations (note 21)	439	413
Accretion lease liability (note 20)	11	34
Finance fees	298	46
Total finance costs, net	\$ 1,249	\$ 1,212

12. Derivative instruments, net

The Company had no outstanding derivative instruments at September 30, 2022.

During fiscal 2022, the Company recorded results on its derivative instruments as follows:

For the years ended September 30,	2022	2021
Gain (loss) in unrealized fair value changes	\$ 213	\$ (230)
Realized gain on cash settlements of derivative instruments	955	-
Derivative instruments gain (loss)	\$ 1,168	\$ (230)

13. Net loss per share

For the years ended September 30,	2022	2021
Net income (loss)	\$ (13,719)	\$ 867
Weighted average number of common shares outstanding – basic and diluted	136,623,171	136,623,171
Net loss per share – basic and diluted	\$ (0.10)	\$ 0.01

14. Restricted cash and reclamation bonds

Restricted cash

Restricted cash as at September 30, 2022 was \$96 and consists of warranties provided to the government, required for appealing in labour courts (September 30, 2021, \$85).

Long-term restricted cash as at September 30, 2022 was \$245 (September 30, 2021 – \$871). At September 30, 2022 and 2021 this restricted cash consisted mainly of cash required by local Spanish banks in connection with the Spanish banking facility.

Reclamation bonds

At September 30, 2022, reclamation bonds were \$7,034 (September 30, 2021 – \$8,872) and are expected to be released after all reclamation work at Orovalle has been completed. Prior to its acquisition by Orovalle, El Valle had been shut down by the owner thereof and remediation measures required were completed. On Orovalle's acquisition of El Valle a reclamation bond of €894 (\$871) was deposited, as required by Spanish mining regulations. Since then, additional reclamation bonds were deposited by Orovalle, mainly relating to its tailings facility, to a total of €7,662 (\$7,469). At September 30, 2022 reclamation bonds backed by cash were \$1,664 and \$5,370 were backed by an investment in a publicly quoted Fund (see note 28 for valuation criteria of this investment). During the fiscal year ended September 30, 2022, the value of this publicly quoted Fund decreased in \$435 (September 30, 2021 increased in \$7).

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15. Inventory

As at September 30,	2022	2021
Ore in stockpiles	\$ 503	\$ 2,964
Ore in-process	1,788	1,504
Doré	220	711
Gold-Copper concentrates	3,600	4,287
Materials and supplies	6,304	5,726
	\$ 12,415	\$ 15,192
Long-term materials and supplies	\$ 2,856	\$ 3,369
Long-term ore in stockpiles	2,292	2,292
	\$ 17,563	\$ 20,853

The Company recognized \$98,704 of inventory in cost of sales (including depreciation and amortization) for the year ended September 30, 2022 (September 30, 2020 - \$87,611). The long-term inventory corresponds to the stockpile and materials and supplies at EMIPA.

16. Assets held for sale

During 2022, the Company sold equipment and spare parts classified as held for sale for the amount of \$523 and reclassified as spare parts in use a total of \$250 (as at September 30, 2021, mining equipment held for sale amounted to \$780 and spare parts to \$329). The company received cash proceeds of \$870 from assets sold fiscal 2022 (\$564 sold during 2021). The final outstanding balance of assets held for sale is \$nil.

17. Property, plant and equipment

	Land	Plant and equipment (2)	Furniture and equipment	Mineral properties in production	Mineral properties in exploration and evaluation	Total
Net book value, September 30, 2021	\$1,712	\$44,628	\$412	\$24,549	\$-	\$71,301
Additions	-	7,764	192	5,827	\$4,151	17,934
Change in decommissioning assets (3)	-	(2,033)	-	-	-	(2,033)
Impairment in Orovalle PPE (note 10)	-	(1,686)	-	-	-	(1,686)
Disposals and write-offs	-	(1,835)	-	-	-	(1,835)
Cumulative translation adjustment	(271)	(1,544)	(47)	(2,302)	-	(4,164)
Depreciation (1)	-	(5,111)	(170)	(10,473)	-	(15,754)
Net book value, September 30, 2022	\$1,441	\$40,183	\$387	\$17,601	\$4,151	\$63,763
Total cost	\$1,441	\$162,694	\$3,404	\$142,777	\$4,151	\$314,467
Total accumulated depreciation	-	(122,511)	(3,017)	(125,176)	-	(250,704)
Net book value, September 30, 2022	\$1,441	\$40,183	\$387	\$17,601	\$4,151	\$63,763

(1) Depreciation includes amounts recorded in inventory for \$402 and for (\$1,346) of accumulated depreciation of written-off assets.

(2) Construction in progress is included in Plant and equipment for \$3,693.

(3) (\$463) are related to variations in timing of payments and discount rates, and (\$1,570) are related to foreign exchange differences.

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	Land	Plant and equipment (2)	Furniture and equipment	Mineral properties in production	Total
Net book value, September 30, 2020	\$2,011	\$41,859	\$338	\$29,157	\$73,365
Additions	-	7,918	233	5,749	13,900
Change in decommissioning assets (3)	-	1,257	-	-	1,257
Disposals and write-offs	-	(882)	(20)	(1,148)	(2,050)
Cumulative translation adjustment	(299)	668	59	(67)	361
Depreciation (1)	-	(6,192)	(198)	(9,142)	(15,532)
Net book value, September 30, 2021	\$1,712	\$44,628	\$412	\$24,549	\$71,301
Total cost	\$1,712	\$156,944	\$3,028	\$124,124	\$285,808
Total accumulated depreciation	-	(112,316)	(2,616)	(99,575)	(214,507)
Net book value, September 30, 2021	\$1,712	\$44,628	\$412	\$24,549	\$71,301

(1) Depreciation includes amounts recorded in inventory for \$260 and for (\$854) of accumulated depreciation of written-off assets.

(2) Construction in progress is included in Plant and equipment for \$2,002.

(3) (\$193) are related to variations in timing of payments and discount rates, and \$1,450 are related to foreign exchange differences.

Mineral properties in exploration and evaluation

During fiscal 2022, the Company capitalized \$4.2 million of exploration and evaluation costs related to the Taguas Project in Argentina. The updated preliminary assessment report for the project was filed on SEDAR on February 11, 2022.

Right of Use assets

Equipment includes Right Of Use ("ROU") assets under lease contracts which amounted to \$751 at September 30, 2022. During fiscal 2022, there were additions of ROUs for \$472 and depreciation was \$1,663.

Disposals, write-offs and impairments

Write-offs during 2022 amounted to \$1,836 of cost and \$1,346 of accumulated depreciation (\$2,050 of cost and \$854 of accumulated depreciation in 2021). Additionally there was an impairment of the Orovalle's shaft facility for \$1,686 (see note 10).

Paid and unpaid Capital Expenditures

On the consolidated statement of cash flow for the year ended September 30, 2022, capital expenditures exclude approximately \$1,582 of capital expenditures incurred but unpaid as at September 30, 2022 (September 30, 2021 - \$3,734) and include \$3,734 of capital expenditures incurred in fiscal 2021 but paid as at September 30, 2022 (September 30, 2021 - \$4,702).

Impairment test

The Company performs impairment indicators assessments for its property, plant and equipment at all CGUs, using life of mine ("LOM") plans at the end of each reporting period. As of September 30, 2022, the Company's market capitalization was below its net book values, and after assessing factors such as production, commodity prices, and changes in the mine plans, management concluded that further impairment tests were required for the Orovalle and EMIPA CGUs. The Company estimated that the net recoverable amounts are greater than the carrying values of the respective net assets at September 30, 2022.

Recoverable amount was determined based on the value-in-use. In developing an estimate of the value-in-use, cash flows were forecasted over the life of mine considering key assumptions such as recoverable resources (based on estimated quantities of mineral resource and the Company's ability to convert resources in reserves), future commodity prices for gold, silver and copper, future production and sales volume, future operating, capital and reclamation costs in accordance with the current life of mine plans, foreign exchange rates, and discount rates. Discount rates used by management were estimated based on the Company's weighted average cost of capital, considering the nature of the assets being valued and their specific risk profile. Future forecasted commodity prices are a key assumption in estimating forecasted cash flows and were obtained from

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independent sources. Reserves and resources are estimated based on National Instrument 43-101 compliant reports produced by qualified persons.

Management used a long-term price per ounce of gold of between \$1,775 to \$1,927 and long-term price per pound of copper of \$3.70 to \$3.75 to perform its impairment assessments as at September 30, 2022. A 5% decrease in price per ounce in gold (all else equal) would have resulted in no impairment. A 5% decrease in price per pound in copper (all else equal) would have resulted in no impairment. Management used long-term Euro/USD exchange rates, obtained from independent sources, between 1/1.03 to 1/1.07 to perform its impairment assessments for Orovalle as at September 30, 2022. A 5% devaluation of the annual Euro/USD exchange rates (all else equal) would have resulted in no impairment.

18. Accounts payable and accrued liabilities

As at September 30,	2022	2021
Accounts payable	\$ 24,658	\$ 25,871
Accrued liabilities	5,377	5,729
Total accounts payable and accrued liabilities	\$ 30,035	\$ 31,600

19. Debt

	September 30, 2022	September 30, 2021
TSF Loan – EMIPA	-	2,124
Heavy Equipment - EMIPA	-	526
Revolving facilities - Orovalle	2,427	1,571
Spanish banking facility - Orovalle	964	3,391
COVID-19 related facilities - Orovalle	2,589	5,103
Bankia Loan – Orovalle	112	451
Bankinter Loan - Orovalle	294	-
Syndicated Loan – Orovalle and Iberia	12,363	-
Sabadell Loan – Orovalle	223	-
BBVA Loan – Orovalle	953	-
	19,925	13,166
Less: current portion	(10,669)	(10,962)
	\$ 9,256	\$ 2,204

TSF Loan - EMIPA

In June 2017, EMIPA entered into a Bs.58,017,483 (approximately \$8,336) term facility with BISA in Bolivia, the proceeds of which were used to fund a major tailings storage facility expansion project to add sufficient capacity to support future operations (“TSF Loan”). The TSF Loan bears an interest rate of 5.3% per annum, with seven disbursements of specified amounts that were received as expenditures were incurred on the tailings storage facility expansion. The TSF Loan is being repaid in twelve equal repayments beginning in April 2018. Security for the TSF Loan includes certain assets at Don Mario. The TSF Loan contains covenants that, among other things, restrict EMIPA’s ability to make cash disbursements to Orvana in certain circumstances.

As at September 30, 2022, EMIPA had received the full amount for \$8,336 (September 30, 2021 – \$8,336) and principal repayments of \$8,336 were made against the TSF Loan, such that the principal outstanding at September 30, 2022 was \$nil (September 30, 2021 - \$2,124).

For year ended September 30, 2022, the Company paid \$99 in interest on the BISA TSF Loan (for the year ended September 30, 2021 –\$29).

Heavy Equipment Loan - EMIPA

In May 2018, EMIPA entered into a Bs.16,514,688 (approximately \$2,373) term facility with BISA in Bolivia, the proceeds of which were used to purchase heavy equipment (“Heavy Equipment Loan”). As at September 30, 2022, the principal outstanding was \$nil (September 30, 2021 - \$526).

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The Heavy Equipment Loan bearded an interest rate of 5.5% per annum. For the year ended September 30, 2022, the Company paid \$21 in interest on the BISA Heavy Equipment Loan (for the year ended September 30, 2021 – \$3).

Revolving facilities - Orovalle

In May 2020, Orovalle obtained a revolving credit facility with Bankinter S.A (“Bankinter”) for an amount of €1.5 million (\$1,462) for a yearly renewable term, and bearing an annual interest of 1.95 %.

In May 2022, Orovalle obtained an additional revolving credit facility with Bankinter S.A. (“Bankinter”) for an amount of €845 (\$824) for a three-month renewable term. This facility has no interest, and it is subject to a 0.5% opening fee. In August 2022 this revolving credit facility was increased to €1,000 (\$975).

As of September, 30, 2022 these revolving facilities had a balance of \$2,427 (September 30, 2021 – \$1,571). For the year ended September 30, 2022, the Company paid \$28 in interest on the revolving facilities in Orovalle (for the year ended September 30, 2021 - \$13).

Spanish Banking Facility – Orovalle

In January 2019 Orovalle closed a syndicated credit facility for a total amount of €6 million (\$6,232). These funds were used to repay the Samsung Prepayment Facility. In May 2019, Orovalle increased the facility by €2 million (\$2,077), achieving a total aggregated amount of €8 million (approximately \$ 8 million), with the same terms and conditions.

This facility is subject to a 2% bank opening commission fee, bears a fixed annual interest rate of 2.55%, semi-annual principal repayments and semi-annual interest payments over a term of four years.

Amongst the obligations, Orovalle is required to comply with year-end net finance debt to EBITDA proforma financial covenant calculated based on the stand-alone financial information of the subsidiary. This resulting rate had to be lower than 3.5 for fiscal 2020, and has to be lower than 3 and 2 for fiscal 2021 and 2022, respectively. At September 30, 2022 and at September 30, 2021, Orovalle was in compliance with the Spanish Banking Facility covenants.

The detail of proceeds and repayments of this banking facility is described below:

Facility	Bank	Principal (000s)	Proceeds up until	Repayments up until	Outstanding
			September 30 2022 (000s)	September 30 2022 (000s)	balance, September 30 2022 (000s)
Loan	Bankia	€ 2,667	€ 2,667	€2,334	€333
	BBVA	2,667	2,667	2,334	333
	Sabadell	2,666	2,666	2,332	334
Totals (€ 000s)		€ 8,000	€ 8,000	€ 7,000	€ 1,000
Deferred financing fees(€)		-	-	-	€ (11)
Totals (€ 000s) - net		€ 8,000	€ 8,000	€ 7,000	€ 989
Totals (\$ 000s)		\$ 7,798	\$ 7,798	\$ 6,834	\$ 964

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Repayments during the year ended September 30, 2022 were \$2,507 (\$2,288 for the year ended September 30, 2021).

Terms and conditions summary:

Facility	Bank	Contract date	Interest rate	Repayment period	Interest expensed current year	Interest paid current year	Covenants
Loan	Bankia	Jan'19	2.55%	4 years	€ 16	€ 22	Yes
	BBVA	Jan'19	2.55%	4 years	17	22	Yes
	Sabadell	Jan'19	2.55%	4 years	16	21	Yes
Totals (€ 000s)					€ 49	€ 65	
Totals (\$ 000s)					\$ 48	\$ 63	

The Company's obligations to the lenders are secured by: (i) the pledge of all of Orvana's shares of Orovalle; and (ii) 25% restricted cash (as of September 30, 2021 the restricted cash linked to this financing was \$0.9 million and as of September 30, 2022 this is \$0.2 million).

COVID-19 related facilities – Orovalle

As part of the Spanish national program to mitigate economic impacts caused by the COVID-19 pandemic, the Spanish Government offered guarantee lines to the Spanish banking sector through the Official Credit Institute "ICO", to facilitate companies to access funding. Since April 2020 Orovalle obtained several financing facilities with this guarantee from the Spanish Credit Institute. The detail of proceeds and repayments of each one is described below:

Facility	Bank	Principal (€ 000)	Proceeds up until September 30, 2022 (000s)	Repayments up until September 30, 2022 (000s)	Outstanding balance, September 30, 2022 (000s)
Loan	Bankinter	€ 1,000	€ 1,000	€ 1,000	€ -
	Bankinter	500	500	311	189
	Sabadell	1,500	1,500	1,058	442
	BBVA	800	800	800	-
	Sabadell	547	547	409	138
	Sabadell	350	350	262	88
Revolving line	BSCH	1,800	1,800	2	1,798
Totals (€ 000s)		€ 6,497	€ 6,497	€ 3,842	€ 2,655
Totals (\$ 000s)		\$ 6,333	\$ 6,333	\$ 3,744	\$ 2,589

Repayments during the year ended September 30, 2022 were \$2,514 (\$1,321 for the year ended September 30, 2021).

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Terms and conditions summary:

Facility	Bank	Contract date	Interest rate	Repayment period	Interest expensed current year (000s)	Interest paid current year (000s)	ICO security (% of the principal)	Covenants
Loan	Bankinter	Apr'20	1.50%	1 year	€ -	€ -	70%	No
	Bankinter	Apr'20	1.60%	3 years	6	6	70%	No
	Sabadell	Apr'20	1.50%	3 years	13	13	70%	No
	BBVA	Jun'20	1.50%	2 years	2	2	70%	No
	Sabadell	Mar'21	1.00%	2 years	4	4	70%	No
	Sabadell	Mar'21	1.00%	2 years	3	3	70%	No
Revolving line	BSCH	Sep'20	2.70%	3 years	44	44	70%	No
Totals (€ 000s)					€72	€72		
Totals (\$ 000s)					\$70	\$70		

Bankia Loan - Orovalle

In February 2021, Orovalle entered into a loan with Bankia. The principal amounted to €547 (\$533) at a fixed annual interest rate of 1.3%. This loan matures in February 2023. For the year ended September 30, 2022, the Company paid \$339 in principal and \$3 in interest (total accumulated principal repayments of \$421).

Bankinter Loan - Orovalle

In December 2021, Orovalle entered into a loan with Bankinter. The principal amounted to €480 (\$468) at a fixed annual interest rate of 1.5%. This loan matures in December 2023. For the year ended September 30, 2022, the Company paid \$174 in principal and \$4 in interest.

Syndicated Loan – Orovalle and Iberia

In December 2021, Orovalle and Orvana Minerals Iberia entered into a syndicated Loan with BBVA and Sabadell. The detail of proceeds and repayments of this loan is described below:

Facility	Bank	Principal (000s)	Proceeds up until September, 30 2022 (000s)	Repayments up until September 30, 2022 (000s)	Outstanding balance, September 30, 2022 (000s)
Loan	BBVA	€ 7,500	€ 7,500	€ 937	€ 6,563
	Sabadell	7,500	7,500	938	6,562
Totals (€ 000s)		€ 15,000	€ 15,000	€ 1,875	€ 13,125
Deferred financing fees (€ 000s)		-	-	-	€ (442)
Totals (€ 000s) - net		€ 15,000	€ 15,000	€ 1,875	€ 12,683
Totals (\$ 000s)		\$14,622	\$14,622	\$ 2,259	\$ 12,363

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Terms and conditions summary:

Facility	Bank	Contract date	Interest rate	Repayment period	Interest expensed current year	Interest paid current year	Covenants
Loan	BBVA Sabadell	Dec'21	Euribor+ 2.55%	4 years	€ 431	€96 94	Yes
Totals (€ 000s)					€ 431	€ 190	
Totals (\$ 000s)					\$ 420	\$ 185	

The Company's obligations to the lenders are secured by the pledge of all of Orvana's shares of Orovalle and Orvana Minerals Iberia. Amongst other obligations, the ratio net finance debt to EBITDA calculated based on the aggregated financial information of Orovalle and Iberia, must be, throughout the life of the financing, less than 3.5. At June 30, 2022 Orovalle and Orvana Minerals Iberia were in compliance with these covenants.

Sabadell Loan – Orovalle

In May 2022, Orovalle entered into a loan with Banco Sabadell. The principal amounted to €275 (\$268) at an annual variable interest rate of EURIBOR + 0.55%. This loan matures in May 2024. For the year ended September 30, 2022, the Company paid \$45 in principal and \$1 in interest.

BBVA Loan – Orovalle

In August 2022, Orovalle entered into a loan with Banco Bilbao Vizcaya Argentaria SA (BBVA). The principal amounted to €1,019 (\$993) at an annual variable interest rate of EURIBOR 9 month + 1.35%. This loan matures in August 2024. For the year ended September 30, 2022, the Company paid \$40 in principal and \$1 in interest.

20. Lease liabilities

As of September 30, 2022, the Company has lease liabilities for machinery and vehicles amounting to \$294 (September 30, 2021 - \$1,543). During the year ended September 30, 2022, the Company made lease payments of \$1,484 (September 30, 2021 - \$1,233). Accretion expense on lease liabilities amounted to \$11 during fiscal year 2022 (\$31 during fiscal 2021). These leases are payable in monthly installments at annual interest rates ranging from 1.12% to 1.95%.

The following is a schedule of future payments of the lease liabilities:

	September 30, 2022
2023	223
2024	74
	297
Amount representing interest (at 1.17% Fiscal 2022 / at 1.48% Fiscal 2021)	(3)
	294
Less: current portion of lease liability	220
Total long-term obligations lease liability	\$ 74

21. Decommissioning liabilities

Decommissioning liabilities relate to the dismantling of the mine facilities and environmental reclamation of the areas affected by mining operations. Mine facilities include structures and the tailings dam. Environmental reclamation requirements include mine water treatment, reforestation and dealing with soil contamination. It is possible that the Company's estimates of the ultimate amounts required to decommission its mines could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation, cost estimates or the estimated remaining ore reserves.

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The following table summarizes the changes in decommissioning liabilities during the periods presented:

As at September 30,	2022	2021
Balance, beginning of period	\$ 23,296	\$ 21,819
El Valle		
- Foreign exchange	(2,679)	(193)
- Timing of payments and discount rates	(463)	1,677
Don Mario		
- Timing of payments and discount rates	-	(420)
	20,154	22,883
Accretion expense in El Valle	200	166
Accretion expense in Don Mario	239	247
Total decommissioning liabilities	\$ 20,593	\$ 23,296

The decommissioning liability balance consists of:

As at September 30,	2022	2021
El Valle	\$ 13,859	\$ 16,801
Don Mario	6,734	6,495
Total decommissioning liabilities	\$ 20,593	\$ 23,296

As at September 30, 2022, the undiscounted cash flows and discount rate used to calculate the decommissioning liabilities are as follows:

	Undiscounted Cash Flows Required to Settle Decommissioning Liabilities	Discount Rate	Discounted Cash Flows Required to Settle Decommissioning Liabilities
El Valle ⁽¹⁾	\$ 18,737	3.42%	\$ 13,859
Don Mario ⁽¹⁾	8,334	3.70%	6,734
Total	\$ 27,071		\$ 20,593

(1) The discount rate used to measure decommissioning liabilities under IFRS is based on current interest rates of government bonds of the applicable country and of term that matches the time period for the decommissioning liability being incurred.

Reclamation bonds backing these liabilities totaled approximately \$7,034 at September 30, 2022 (September 30, 2021 – \$8,872) and are expected to be released after all reclamation work has been completed in respect of El Valle Mine. Refer to note 14 – Restricted cash and reclamation bonds.

22. Taxes

(a) Income taxes

Income tax rates in Bolivia, Spain and Argentina remain unchanged from the prior year at 25% (plus a mining rate based on the minerals sold by the company), 25%, and 30%, respectively.

For the year ended September 30,	2022	2021
Current income taxes:		
Current tax on income for the year	\$ 596	\$ 222
Total current income taxes	596	222
Deferred income tax:		
Reversal of temporary differences in Orovalle	567	3,974
Origination of temporary differences in EMIPA	(600)	(1,656)
Total deferred taxes (recoveries)	(33)	2,318
Total income taxes (recoveries)	\$ 563	\$ 2,540

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The tax on the Company's income before tax differs from the amount that would arise using the Canadian statutory income tax rate applicable to income of the consolidated entities as follows:

For the year ended September 30,	2022	2021
Income (loss) before income taxes	\$ (13,156)	\$ 1,338
Statutory income tax rates	26.5%	26.5%
Income tax provision calculated using the combined Canadian federal and provincial statutory income tax rates	(3,486)	355
Tax effects of:		
Foreign tax rates	70	(492)
Non-deductible expenses	2,344	860
Deferred income tax assets not recognized (recognition of deferred income tax assets previously unrecognized)	1,635	1,817
Income tax expense	\$ 563	\$ 2,540

The sources of deferred income tax assets and liabilities were as follows:

As at September 30,	2022	2021
Deferred tax assets:		
Property, plant and equipment	1,626	1,710
Tax loss carryforwards	17,188	19,054
Total deferred tax assets	\$ 18,814	\$ 20,764
Deferred tax liabilities:		
Property, plant and equipment	\$ (6,177)	\$ (8,160)
Total deferred tax liabilities	(6,177)	(8,160)
Net deferred tax assets	\$ 12,637	\$ 12,604

As at September 30, 2022, the Company had non-capital losses of \$15,107 (September 30, 2021 – \$15,517) in Canada that expire over the periods of 2029 to 2042 and other deductible temporary differences of \$11,114 (September 30, 2021 – \$11,154). EMIPA had deductible temporary differences of \$13,294 (September 30, 2021 – \$8,524). The Company has not recognized the benefit of these items in the consolidated financial statements.

All deferred tax assets and liabilities are expected to settle after September 30, 2022.

The movement of the deferred income tax account is as follows:

For the year ended September 30,	2022	2021
At October 1	\$ 12,604	\$ 14,922
Recovery to the consolidated statement of net loss	33	(2,318)
At September 30	\$ 12,637	\$ 12,604

Income tax receivables for fiscal 2022 are \$3,357 (fiscal 2021, \$2,264).

(b) Value added taxes

At September 30, 2022 the long-term VAT receivable balances at EMIPA amounted to \$10,377 (September 30, 2020 - \$10,291).

During fiscal 2022, EMIPA received \$nil in cash from VAT related to previous years.

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For the year ended September 30,	2022	2021
At October 1	\$ 14,013	\$ 13,745
Additions ⁽¹⁾	13,086	12,493
Recoveries ⁽²⁾	(11,120)	(12,220)
Provision for uncollectible VAT ⁽³⁾	(1,013)	(5)
At September 30 ⁽⁴⁾	\$ 14,966	\$ 14,013
Current	\$ 4,589	\$ 3,722
Long term	\$ 10,377	\$ 10,291
(1)	Additions for fiscal 2022 amount to \$130 for Corporate (\$103 in 2021), \$480 for EMIPA (\$367 in 2021), \$11,857 for Orovalle (\$11,634 in 2021) and \$619 are from Orvana Argentina (\$389 in 2021).	
(2)	Recoveries for fiscal 2022 amount to \$116 for Corporate (\$110 in 2021), \$nil for EMIPA (\$348 in 2021) and \$11,004 for Orovalle (\$11,762 in 2021).	
(3)	Provision adjustment for uncollectible VAT is related to EMIPA for \$5 (\$5 as at September 30, 2021) and to Orvana Argentina for \$1,008 (\$nil in September 30, 2021).	
(4)	Outstanding closing balances are \$43 in Corporate (\$29 in 2021), \$nil in Argentina (\$389 in 2021), \$10,377 in EMIPA (\$9,902 in 2021) and \$4,546 in Orovalle (\$3,693 in 2021).	

There is a provision associated with collected VAT subject to audit that remains in the amount of \$666 at September 30, 2022 (September 30, 2021 - \$666). This provision is disclosed in the balance sheet as "VAT liabilities". The following table summarizes the changes in VAT liabilities:

For the year ended September 30,	2022	2021
At October 1	\$ 666	\$ 845
Adjustment to VAT	-	(179)
At September 30 ⁽¹⁾	\$ 666	\$ 666
Current	\$ -	\$ -
Long term	\$ 666	\$ 666
(1)	All the VAT liabilities are from EMIPA.	

23. Share capital

Issued share capital as at September 30, 2022 was \$116,206 (September 30, 2021 – \$116,206). The Company's authorized share capital contains an unlimited number of common shares. As at September 30, 2022, the Company had 136,623,171 common shares (September 30, 2021 – 136,623,171) issued and outstanding.

24. Share based payments

(a) Stock options

A summary of the stock option balances is as follows:

	Stock options	Weighted average exercise price C\$
Balance, September 30, 2022	646,008	\$0.21

As at September 30, 2022, outstanding and exercisable options were as follows:

Grant date	Fair value US\$000's	Number of unvested options	Weighted average contractual life (in years)	Number of vested options	Exercise price C\$	Expiry date
December 21, 2017	97	-	0.22	646,008	0.21	December 21, 2022
	\$ 97	-		646,008		
Total vested and unvested options				646,008		

During the year ended September 30, 2022, the company recognized stock-based compensation expense of \$nil (September 30, 2021 – \$nil).

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As at September 30, 2022, the fair value associated with unvested options is \$nil (September 30, 2021 – \$nil).

(b) Long-term compensation

(i) Deferred share unit (“DSU”) plan

The Company established a DSU plan, for directors, effective October 1, 2008. The initial fair value of units issued is expensed and is included in long-term compensation expense under general and administrative expenses in the consolidated statements of net loss and comprehensive loss. The fair value of the DSUs are marked to the quoted market price of the Company's common shares at each reporting date and changes in their fair value are also recorded under general and administrative expenses. Payouts are settled in cash within a specified period following a director's departure, based on the market price of the common shares at exercise.

A summary of the DSUs transactions during the period are as follows:

	Number of DSUs	Fair value
Balance, September 30, 2021	8,680,430	\$ 2,316
Issued	1,416,433	394
Mark-to-market adjustment	-	(1,200)
Balance, September 30, 2022	10,096,863	\$ 1,510

(ii) Restricted share units (“RSU”) plan

The Company established a RSU plan, for designated executives, effective October 1, 2008. The initial fair value of units issued is expensed and is included in long-term compensation expense under general and administrative expenses in the consolidated statements of net loss and comprehensive loss, as described in accounting policy per Note 2 (o). The fair value of the RSUs are marked to the quoted market price of the Company's common shares at each reporting date and changes in their fair value are recorded under general and administrative expenses. Payouts are settled in cash after a specified period of vesting, based on the market price of the common shares at vesting.

A summary of the RSUs transactions during the period are as follows:

	Number of RSUs	Fair Value
Balance, September 30, 2021	10,178,243	\$ 1,723
Issued	1,388,556	384
Forfeited ⁽¹⁾	(2,877,858)	(676)
Mark-to-market adjustment	-	(439)
Balance, September 30, 2022	8,688,941	\$ 992

(1) 2,877,858 units, with a fair value of \$676 that were classified in the “Accounts payable and accrued liabilities” at September 30, 2021 were paid in January 2022.

25. Related party transactions and compensation of key management

a) Related party transactions

During the year ended September 30, 2022, the Company recorded \$337 in services fees related to the Taguas Project in Argentina (2021 – \$608) from Compañía Minera Piuquenes, SA, a related party, as it is indirectly owned by Orvana's 51.9% shareholder. During the year ended September 30, 2022, the Company reimbursed to Compañía Minera Piuquenes, SA costs for \$764 (2021 – \$1,171), incurred in relation to the Taguas Project.

b) Compensation of key management

Key management includes directors (non-executive) and senior management of the Company and its affiliates. The compensation paid or payable to key management and directors for services is shown below:

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For the years ended September 30,	2022	2021
Salaries, short term employee benefits and separation payments	\$ 905	\$ 852
Share-based payments	(861)	1,987
Directors fees	447	298
Total compensation of key management	\$ 491	\$ 3,137

26. Commitments and contingent liabilities

- (a) The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. Spanish Water Authority has taken the position that the levels of selenium in the river flowing past El Valle Mine exceed the levels permitted by applicable regulations as a result of discharges attributed to Orovalle which may not be in compliance with certain of Orovalle's permits. Orovalle has received approximately €955,000 (\$931) in fines relating to these matters and may face further additional fines or other sanctions, including the revocation or suspension of certain permits, in the future. Orovalle is appealing the outstanding fines totalling € 628,715 (\$613) and the enforcement of certain fines has been suspended pending the related criminal matter. A criminal court of Asturias has conducted since fiscal 2015, an investigation into the potential commission by Orovalle of a reckless crime under the Spanish penal code relating to these matters. After the conclusion of the investigation phase, the Court notified in the third quarter of fiscal 2020 the opening of the oral trial. The request of the Prosecutor and the State's Attorney acting in this Process includes a fine of up to €20 million (\$19.5 million) and the eventual withholding of Orovalle's operations until it is demonstrated that the alleged polluting activity has ceased. The petition also includes a €5 million (\$4.9 million) indemnity for civil liability. At this time, the state prosecutor has petitioned these sanctions against Orovalle in respect of this matter. Orovalle has filed its preliminary statement of defence requesting for the dismissal of the allegations on the basis that, among other things, there is an absence of a committed offence. The process to resolve this matter is ongoing, and as of the date of this consolidated financial statements, no final decision by the courts have been rendered in respect of this matter. A date for the commencement of the oral trial was set for March 2021. Due to procedural matters, on March 1, 2021, the trial was rescheduled to an undetermined date in the future. In connection with the pending oral trial, the Court set a requirement on Orovalle to provide a bond in the amount of €7 million (\$6.8 million) as a guarantee for contingent liabilities, subject to the outcome of the oral trial. Orovalle has appealed the bond requirement. The appeal is in progress as of date hereof. Individuals have been excluded from any charges, and this case relates only to Orovalle at this time. If Orovalle is ultimately found responsible, monetary penalties, amongst other sanctions, may be applied. These sanctions could have a material impact on the Company.
- (b) On June 27, 2011, as a condition of receiving an environmental permit on that date, the Government of the Principality of Asturias, required Orovalle to commit to post an additional reclamation bond in the amount of €5,000 (approximately \$4,874) in respect of the tailings impoundment area. To satisfy this requirement, Orovalle deposited €5,000 (approximately \$4,874) in September 2011 in favour of the Spanish regulatory authorities. Spanish regulatory authorities have requested an additional reclamation bond totaling €5,000 (approximately \$4,874) be deposited in their favour to satisfy additional reclamation bond commitments in respect of the tailings impoundment area, the assessment of which the Company has contested. The Company is challenging the requirement to fund the additional reclamation bond through an administrative appeal process with the Spanish regulator. The appeal is in progress and the Company will use all legal means at disposal to contest this matter.
- (c) Production from El Valle Mines is subject to a 3% net smelter return royalty ("NSR"). The NSR rate decreases to 2.5% for any quarter in which the average price of gold is below \$1,100 per ounce. Royalty expense under this NSR totaled \$3,087 for the year ended September 30, 2022 (September 30, 2021 - \$3,135). During the first quarter of fiscal 2023, Orovalle and the NSR holder entered into discussions regarding the terms of the NSR.
- (d) Production from Don Mario Mine is subject to a 3% NSR. Royalty expense under this NSR totalled \$nil for the year ended September 30, 2022 (September 30, 2021 - \$nil). The Bolivian government collects a mining royalty tax on the revenue generated from copper, gold and silver sales from Don Mario Mine at rates of 5%, 7% and 6%, respectively. These amounts totaled \$nil for the year ended September 30, 2022 (September 30, 2021 - \$nil).

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- (e) The Company and certain of its employees may be involved in other legal proceedings from time to time, arising in the ordinary course of its business. The amount of ultimate liability with respect to these actions, in the opinion of management, is not expected to materially affect the Company's financial position, results of operations or cash flows. The Company does not believe that the outcome of any of the matters not recorded in the consolidated financial statements, individually or in aggregate, would have a material adverse effect.
- (f) During first quarter of fiscal 2020, the Company suspended mining and milling operations at EMIPA, as a result of higher than expected ore-grade operational mining dilution in Las Tojas area, with more narrow, erratic and discontinued mineralized structures, which resulted in uneconomic unitary cost per ounce. As a result of the suspension of operations, during the second quarter of fiscal 2020 EMIPA implemented a labor restructuring process that affected 182 employees. The process was managed according to the terms defined by applicable laws in Bolivia. A group of 84 former employees affected by the restructuring process (the "Former Employees") decided not to accept the dismissal terms provided for under applicable employment laws in Bolivia. In respect of these Former Employees, EMIPA proceeded to deposit into a judicial account the compensation benefits to which the aforementioned employees were entitled within the period established by law and according to the terms defined by the local regulation.

As a result of filings by the Former Employees to dispute the dismissal process, the Labor Authority notified EMIPA in July 2020 by way of Reinstatement Resolutions that the Former Employees should be reinstated to their original job positions with the payment of the wages accrued since their dismissal (the "Original Reinstatement Resolutions"). EMIPA subsequently filed Constitutional Appeals to dispute the Original Reinstatement Resolutions on the basis that the dismissal process conducted by EMIPA during the restructuring process is in full compliance with applicable employment laws. In June 2021, the Constitutional Court ruled in favor of EMIPA instructing the correction of identified errors in the Original Reinstatement Resolutions, because of not considering the suspension of operations as force majeure causing the restructuring process.

Since then, the Labor Authority has reissued Reinstatement Resolutions (the "Amended Reinstatement Resolutions") on three separate occasions (June 2021, January 2022 and May 2022) trying to correct the errors identified by Constitutional Court. The Constitutional Court determined that the Labor Authority's Amended Reinstatement Resolutions on June 2021 and January 2022 did not adequately address the deficiencies identified by the Constitutional Court. The Labor Authority reissued its Amended Reinstatement Resolutions for a third time on May 2022 to address the Constitutional Court's ruling. As the May 2022 Amended Reinstatement Resolutions still did not adequately consider EMIPA's force majeure reasons for implementing the labor restructuring, EMIPA filed a complaint to the Constitutional Court to direct the Labor Authority to consider EMIPA's force majeure arguments. The Constitutional Court has issued a sentence instructing the Ministry of Labor to issue new resolutions determining the existence of force majeure, and therefore recognizing that EMIPA's dismissal of the Former Employees in 2020 was in valid and in compliance with applicable laws. As at the date of this report, the Labor Authority has not issued new Reinstatement Resolutions that have complied with the Constitutional Court rulings.

In parallel to the administrative jurisdiction, the Former Employees started four criminal complaints against the General Manager of EMIPA, for not reinstating them to EMIPA notwithstanding that the Constitutional Court nullified the Original Reinstatement Resolutions issued by the Labor Authority. Despite the Original Reinstatement Resolutions having been nullified by the Constitutional Court, three of the four complaints continued in progress at the criminal jurisdiction. Two of the three complaints that progressed under the criminal jurisdiction were declared not criminally related, and directed to the labor jurisdiction. Former Employees filed a constitutional appeal regarding these two complaints that were declared not criminally related. The Former Employees won the constitutional appeal, and therefore the files returned to the criminal jurisdiction. EMIPA has subsequently appealed the matter, arguing that these complaints are not within the criminal jurisdiction. Regarding the third of of three outstanding complaints, the prosecutor rejected the case as a criminal matter, and is now in the process of being closed. Notwithstanding the status of the matters described in this paragraph, upon the Labor Authority complying with the Constitutional Court's ruling in favour of EMIPA (as described in the previous paragraph), any remaining criminal complaints against the General Manager of EMIPA will be nullified as there will be no basis for such complaints. The status of the legal proceedings described under this paragraph and the previous paragraph is a summary of a report provided by EMIPA's external legal counsel.

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As at the date of this report, 68 employees continue with their claim for reinstatement. The Company continues defending vigorously its position, as the restructuring process was implemented because of the suspension of operations, and in full compliance with all the applicable laws in Bolivia. Considering the strength of EMIPA's arguments and all the positive rulings obtained as of today, the Company expects a positive outcome of the process. If EMIPA has to ultimately reinstate the Former Employees, it could have a material impact on the Company.

27. Segmented information

The Company primarily operates in the gold and copper mining industry and its major products are gold doré and gold/copper concentrates. The Company's primary mining operations are Orovalle, which operates El Valle Mine in Spain, and EMIPA, which operates Don Mario Mine in Bolivia, currently in care and maintenance. The Company also owns the Taguas Project in Argentina, in preliminary economic assessment stage. The reported segments are those operations whose operating results are reviewed by the Chief Executive Officer and that pass certain quantitative measures. Operations whose revenue, earnings or losses or assets exceed 10% of the total consolidated revenues, earnings or losses, or assets are reportable segments. The Company has administrative offices in Toronto, Canada; Stockholm, Sweden; and Nicosia, Cyprus. The following tables set forth the information by segment:

As at September 30, 2022:

	Cash and cash equivalents	Property, plant and equipment	Reclamation bonds and restricted cash	Other Assets	Total assets
Orovalle	\$ 5,490	\$ 40,042	\$ 7,279	\$ 24,328	\$ 77,139
EMIPA	16	19,548	96	26,430	46,090
Orvana Argentina	323	4,151	-	31	4,505
Corporate	715	22	-	313	1,050
	\$ 6,544	\$ 63,763	\$ 7,375	\$ 51,102	\$ 128,784

As at September 30, 2021:

	Cash and cash equivalents	Property, plant and equipment	Reclamation bonds and restricted cash	Other Assets	Total assets
Orovalle	\$ 8,320	\$ 53,836	\$ 9,743	\$ 25,162	\$ 97,061
EMIPA	488	17,465	85	26,797	44,835
Orvana Argentina	47	-	-	394	441
Corporate	2,472	-	-	398	2,870
	\$ 11,327	\$ 71,301	\$ 9,828	\$ 52,751	\$ 145,207

For the year ended September 30, 2022:

	Revenue	Mining costs ⁽¹⁾	Depreciation/Amortization ⁽²⁾	Other costs	Income (loss) before taxes
Orovalle	\$ 94,668	\$ 80,940	\$ 15,098	\$ (1,239)	\$ (131)
EMIPA	-	4,440	154	2,126	(6,720)
Orvana Argentina	-	-	-	299	(299)
Corporate	-	-	1	6,005	(6,006)
	\$ 94,668	\$ 85,380	\$ 15,253	\$ 7,191	\$ (13,156)

(1) Mining costs includes royalties, mining rights and mining taxes. Refer to note 7 – Mining costs.

(2) Depreciation is included under general and administrative expenses for non-operating companies.

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For the year ended September 30, 2021:

	Revenue	Mining costs ⁽¹⁾	Depreciation/ Amortization ⁽²⁾	Other costs	Income (loss) before taxes
Orovalle	\$ 105,513	\$ 69,752	\$ 15,468	\$ 1,584	\$ 18,709
EMIPA	-	5,092	(135)	3,124	(8,081)
Orvana Argentina	-	-	-	2,235	(2,235)
Corporate	-	-	4	4,982	(4,986)
	\$ 105,513	\$ 74,844	\$ 15,337	\$ 11,925	\$ 3,407

(1) Mining costs includes royalties, mining rights and mining taxes. Refer to note 7 – Mining costs.

(2) Depreciation is included under general and administrative expenses for non-operating companies.

28. Financial instruments and fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Fair value hierarchy

The following table classifies financial assets and liabilities that are recognized on the consolidated balance sheet at fair value in to the fair value hierarchy based on significance of the inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). For example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value options contracts.
- Level 3 - Inputs for the asset or liability that are based on unobservable market data (supported by little or no market data or other means).

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Valuation techniques for Level 1:

Reclamation bonds: Part of the Reclamation bonds (\$5,370) are invested in a Fund. Every closing period the Company adjusts the fair value based on the market value of the Fund. The rest of the reclamation bonds are backed by cash.

As at September 30, 2022	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Aggregate Fair value
Financial assets:				
Reclamation bonds (only Investment Fund)	7,034	-	-	7,034
Concentrate and doré sales receivables	-	1,273	-	1,273
Total	\$ 7,034	\$ 1,273	\$ -	\$ 8,307
Financial liabilities:				
Long-term compensation	\$ -	\$ 2,502	\$ -	\$ 2,502
Total	\$ -	\$ 2,502	\$ -	\$ 2,502

As at September 30, 2021	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Aggregate Fair value
Financial assets:				
Reclamation bonds (only Investment Fund)	8,872	-	-	8,872
Concentrate and doré sales receivables	-	231	-	231
Total	\$ 8,872	\$ 231	\$ -	\$ 9,103
Financial liabilities:				
Derivative instruments	-	227	-	227
Long-term compensation	\$ -	\$ 3,321	\$ -	\$ 3,321
Total	\$ -	\$ 3,548	\$ -	\$ 3,548

Valuation techniques for Level 2:

Concentrate and doré sales receivables: The Company's concentrate and doré sales are subject to provisional pricing with the selling prices adjusted at the end of the quotational period. The Company's trade receivables are marked-to-market at each reporting period based on quoted forward prices for which there exists an active commodity market.

Derivative instruments: The fair value was determined by obtaining quoted market prices or executable dealer quotes for identical or similar instruments in inactive markets, or other inputs that are observable or can be corroborated by observable market data.

Long-term compensation: The Company's DSUs and RSUs are measured at fair value using the Black-Scholes model.

Fair values of financial assets and liabilities not already measured and recognized at fair value

At September 30, 2022 and September 30, 2021, the carrying amounts of cash and cash equivalents; restricted cash; value added taxes and other receivables; debt; accounts payable and accrued liabilities; and obligations

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under finance leases approximate their fair value either due to their short-term maturities or, for borrowings, interest payables are close to the current market rates.

Financial Risks Factors

The Company's activities expose it to a variety of financial market risks (including commodity price risks, currency risk and interest rate risk), credit risks, liquidity risks, financing risks and other risks. Enterprise risk management is carried out by management of the Company under policies approved by the Board of Directors thereof. Management identifies and evaluates the financial risks in co-operation with the Company's operating units. The Board of Directors of the Company reviews management's risk programs and provides oversight on specific areas. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial and operating performance.

(a) Market risk

(i) Currency risk

Orvana's functional currency is the US dollar. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro.

Currency risk arises when future recognized assets or liabilities are denominated in a currency that is not the Company's functional currency and may impact the fair values thereof or future cash flows of the Company's financial instruments. Exchange rate fluctuations may also affect the costs that the Company incurs in its operations.

(ii) Price risks

The Company is primarily exposed to gold and copper commodity price risk. The company is continuously monitoring commodity prices trend, and from time to time, fixes the price for a limited amount of production.

Gold prices

The net loss of \$13,719 for the 2022 fiscal year would be impacted by changes in average realized gold prices on gold ounces sold. A 10% increase/decrease in average realized gold prices would affect the gross revenue by an increase/decrease of approximately \$8,317.

Copper prices

The net loss of \$13,719 for the 2022 fiscal year would be impacted by changes in average realized copper prices. A 10% increase/decrease in average realized copper prices would affect gross revenue by an increase/decrease of approximately \$1,941.

(iii) Interest rate risk

The Company's cash flow interest rate risk arises from short and long-term borrowings. Currently, this risk is substantially lower because the only financing subject to variable interest rate is the Revolving Facility in Orovalle which is subject to annual rate of Euribor + 1.95%. Refer to note 19 – Debt.

(b) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to gold-copper concentrate, gold doré sales and value-added tax receivables. The Company has a concentration of credit risk with two customers to which gold-copper concentrate and gold doré are sold under agreements and who provide provisional payments to the Company upon each shipment to the customer. These institutions are international and are large with strong credit ratings. Value-added taxes receivables are collectable from the Bolivian and Spanish governments and received regularly. Management believes that the credit risks with respect to financial instruments attributable to concentrate and gold sales receivable and value-added taxes receivable is minimal.

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(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Cash flow forecasting is performed in the operating entities of the Company and aggregated at the Orvana corporate level to monitor rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs at all times. Such forecasting takes into consideration the Company's debt financing among other factors.

As at September 30, 2022, the Company had cash and cash equivalents of \$6,544 designated to cover a portion of the Company's commitments due in less than one year. In fiscal 2022, the Company generated cash flow from operating activities of \$7,175.

The Company's current contractual obligations are summarized in the following table:

As at September 30, 2022	Payment Due by Period				
	Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
Bank debt – Orovalle ⁽¹⁾	\$14,327	\$8,974	\$5,353	-	-
Bank debt – Iberia (50% of Syndicated) ⁽¹⁾	\$6,717	\$1,976	\$4,741	-	-
Finance leases	\$297	\$223	\$74	-	-
Operating leases	\$2,185	\$1,720	\$465	-	-
Accounts Payable	\$24,658	\$24,658	-	-	-
Statutory Labor Obligations	\$289	\$155	\$134	-	-
Long-term compensation	\$2,502	-	-	-	\$2,502
Total contractual obligations	\$50,975	\$37,706	\$10,767	\$-	\$2,502

(1) Debt payments include interests.

As at September 30, 2022, the Company had cash of \$6,544, and together with forecasted operating cash flow, the renewal of current revolving lines, the reimbursement of VAT balances, the financing secured and the proceeds of assets held for sale, expects to cover the Company's commitments due in less than one year of \$37,706.

If unanticipated events occur that may impact the operations and/or if the Company does not have adequate access to financing on terms acceptable to the Company, the Company may not have adequate resources to maintain its operations or advance its projects as currently anticipated. In such circumstances, the Company may need to take additional measures to increase its liquidity and capital resources, including obtaining additional debt or equity financing, strategically disposing of assets or pursuing joint-venture partnerships, equipment financings or other receivables financing arrangements. The Company may experience difficulty in obtaining satisfactory financing terms or adequate project financing. Failure to obtain adequate financing on satisfactory terms could have a material adverse effect on Orvana's results of operations or financial condition.

29. Capital management

At September 30, 2022, the Company had cash and cash equivalents of \$6,544, and restricted cash of \$341 and total debt of \$19,925. The Company considers its capital employed to consist of shareholders' equity (including share capital, contributed surplus and retained earnings), total debt and lease liabilities, net of cash and cash equivalents as follows:

As at September 30,	2022		2021	
Shareholders' equity	\$	54,182	\$	70,138
Debt		19,925		13,166
Lease liabilities		294		1,543
		74,401		84,847
Less: Cash and cash equivalents		(6,544)		(11,327)
	\$	67,857	\$	73,520

The Company's financial objective when managing capital is to ensure that it has the cash and debt capacity and financial flexibility to fund its ongoing business objectives including operating activities, investments and growth in order to provide returns for shareholders. In order to maintain or adjust the capital structure, in addition

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to using cash flows from operating activities for this purpose, the Company may issue new shares or obtain additional debt.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the Company's operating and financial performance and current outlook of the business and industry in general. The Company's alternatives to fund future capital needs include cash flows from operating activities, debt or equity financing or adjustments to capital spending. The capital structure and these alternatives are reviewed by management and the board of directors of the Company on a regular basis to ensure the best mix of capital resources to meet the Company's needs.

The Company manages capital through its operating and financial budgeting and forecasting processes. The Company reviews its working capital and forecasts its future cash flows on a periodic basis, based on operating expenditures and other investing and financing activities. The forecast is regularly updated based on the results. Information is regularly provided to the board of directors of the Company.