PPX Mining Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

Contents

Management's Report

The accompanying unaudited condensed interim consolidated financial statements of PPX Mining Corp. for the three and nine months ended June 30, 2021 and 2020 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

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

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

/s/ Brian Maher

Brian Maher, Chief Executive Officer
Vancouver, BC Canada
September 30, 2021

/s/ Natasha Tsai

Natasha Tsai, Chief Financial Officer
Vancouver, BC Canada
September 30, 2021

PPX Mining Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited – Expressed in Canadian Dollars)

As at	*Note*	**June 30, 2021**	September 30, 2020
Assets			
Current assets			
Cash		**$713,023**	$28,676
Receivables	*5*	**28,944**	33,548
Prepaids and advances		**12,664**	651
		754,631	62,875
Non-current assets			
Advances for assets under construction	*6*	**336,793**	362,473
Exploration and evaluation assets	*6*	**9,076,358**	11,337,857
Property, plant and equipment	*6*	**1,478,539**	1,586,883
		$11,646,321	$13,350,088
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	*7*	**$4,835,587**	$4,518,790
Convertible note	*10 b)*	**1,608,250**	1,630,831
Promissory notes	*8*	**980,008**	959,010
Deferred revenue	*9*	**271,220**	271,220
Gold stream facility - short term	*10 a)*	**4,070,730**	2,531,865
		11,765,795	9,911,716
Non-current liabilities			
Long term debt	*10*	**1,734,140**	3,715,606
Environmental rehabilitation provision	*11*	**372,835**	367,211
		2,106,975	4,082,817
Shareholders' Deficiency	*12*		
Share capital		**61,670,697**	61,670,697
Subscriptions received		**726,067**	592,967
Reserves		**7,222,581**	7,349,642
Deficit		**(71,845,794)**	(70,257,751)
		(2,226,449)	(644,445)
		$11,646,321	$13,350,088

Nature of operations and going concern (note1)

Commitments (note 16)

Subsequent events (notes 12 and 17)

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

Approved on behalf of the Board:

/s/ Brian J Maher — Director

/s/ Florian Siegfried — Director

PPX Mining Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited – Expressed in Canadian Dollars)

	Note	Three months ended June 30,		Nine months ended June 30,	
		2021	2020	**2021**	2020
Operating expenses					
Communication and regulatory		**$62,152**	$88,221	**$101,417**	$187,311
Consulting fees, salaries and benefits	*14*	**164,870**	326,096	**598,146**	767,464
Depreciation	*6*	**95**	290	**293**	1,396
Foreign exchange loss (gain)		**(118,152)**	(381,392)	**(300,197)**	330,838
Office and miscellaneous		**37,055**	43,178	**108,888**	145,324
Premises		**753**	5,508	**2,111**	21,275
Professional fees	*14*	**70,235**	43,518	**237,537**	205,250
Travel and promotion		**13,747**	5,115	**31,956**	54,120
Loss from operations		**(230,755)**	(130,534)	**(780,151)**	(1,712,978)
Finance and other items					
Finance expense and other	*4*	**(253,045)**	(241,373)	**(772,825)**	(845,771)
Loss before income tax		**(483,800)**	(371,907)	**(1,552,976)**	(2,558,749)
Income tax expense		**1,032**	**-**	**(35,067)**	**-**
Net loss		**($482,768)**	($371,907)	**($1,588,043)**	($2,558,749)
Other comprehensive (loss) income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		**(65,786)**	(392,819)	**(127,061)**	304,309
Total comprehensive loss		**($548,554)**	($764,726)	**($1,715,104)**	($2,254,440)
Basic and diluted loss per share		**($0.00)**	($0.00)	**($0.00)**	($0.01)
Weighted average number of common shares outstanding (basic and diluted)		**501,415,848**	501,415,848	**501,415,848**	497,679,172

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

PPX Mining Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited – Expressed in Canadian Dollars)

Nine months ended June 30,	*Note*	**2021**	2020
Operating Activities			
Net loss		**($1,588,043)**	($2,558,749)
Depreciation		**293**	1,396
Foreign exchange (gain) loss		**(67,332)**	271,356
Finance expense		**772,825**	845,771
		(882,257)	(1,440,226)
Change in non-cash operating working capital			
Decrease (increase) in receivables		**4,226**	(1,427)
(Increase) decrease in prepaids		**(12,013)**	8,225
(Decrease) increase in accounts payable and accrued liabilities		**(257,135)**	861,435
Net cash flow used in operating activities		**(1,147,178)**	(571,993)
Financing Activities			
Subscriptions received, net of financing costs		**133,100**	808,691
Proceeds from promissory notes	*8*	**-**	57,337
Net cash flow from financing activities		**133,100**	866,028
Investing Activities			
Additions to exploration and evaluation assets, including changes in working capital		**1,698,425**	(398,667)
Additions to property, plant and equipment		**-**	(49,643)
Loan receivable, net of payment received	*5*	**-**	130,612
Net cash flow from (used in) investing activities		**1,698,425**	(317,698)
Impact of foreign exchange on cash balances		**-**	(11,644)
Increase in cash during the period		**684,347**	(35,307)
Cash at beginning of period		**28,676**	84,262
Cash at end of period		**$713,023**	$48,955

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

PPX Mining Corp.

(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the Nine Months Ended June 30, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)

	Note	Share capital		Subscriptions	Reserves				Deficit	Total Equity
		Shares	Amount	received	Warrants	Share based payments	Other	Accumulated other comprehensive (loss)		
At September 30, 2019		**494,497,947**	**$ 61,304,189**	**$ -**	**$ 1,010,461**	**$ 7,105,173**	**$ 47,071**	**$ (874,126)**	**$ (66,458,464)**	**$ 2,134,304**
Private placement shares issued, net of share issue costs of $220,397	*12(b)*	6,917,901	366,508	-	-	-	-	-	-	366,508
Subscriptions received		-	-	442,183	-	-	-	-	-	442,183
Net loss		-	-	-	-	-	-	-	(2,558,749)	(2,558,749)
Other comprehensive income		-	-	-	-	-	-	304,309	-	304,309
At June 30, 2020		**501,415,848**	**$ 61,670,697**	**$ 442,183**	**$ 1,010,461**	**$ 7,105,173**	**$ 47,071**	**$ (569,817)**	**$ (69,017,213)**	**$ 688,555**
At September 30, 2020		**501,415,848**	**$ 61,670,697**	**$ 592,967**	**$ 1,010,461**	**$ 7,105,173**	**$ 47,071**	**$ (813,063)**	**$ (70,257,751)**	**$ (644,445)**
Subscriptions received		-	-	133,100	-	-	-	-	-	133,100
Net loss		-	-	-	-	-	-	-	(1,588,043)	(1,588,043)
Other comprehensive income		-	-	-	-	-	-	(127,061)	-	(127,061)
At June 30, 2021		**501,415,848**	**$ 61,670,697**	**$ 726,067**	**$ 1,010,461**	**$ 7,105,173**	**$ 47,071**	**$ (940,124)**	**$ (71,845,794)**	**$ (2,226,449)**

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

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

PPX Mining Corp. ("PPX Mining" or the "Company") is a publicly listed company incorporated under the Alberta Business Corporations Act on July 28, 1987; the Company's shares are traded on the Toronto Exchange Venture (the "TSX Venture Exchange"), the Lima Stock Exchange (Bolsa De Valores De Lima) and the Santiago Stock Exchange Venture. Following a number of name changes the Company became Peruvian Precious Metals Corp. on July 2, 2013 and then PPX Mining Corp. on August 4, 2016. The head office, principal address and records office of the Company are located at 880 – 580 Hornby Street, Vancouver, BC, Canada, V6C 3B6.

The Company is in the business of acquiring, exploring and evaluating mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. As its principal business, the Company acquires and explores mineral properties in areas deemed to have relatively high potential for mining success and relatively low political risk. The Company's business plan is to engage in these mining activities on a long-term basis.

As the Company does not yet have cash flows from operations, it must rely on debt or equity financings to fund its operations. To date the Company's main source of funding has been the issuance of equity securities or debt, through private placements to sophisticated investors and through public offering to institutional investors.

The condensed interim consolidated financial statements (the "Interim Financial Statements") have been prepared on the basis of accounting principles applicable to a going concern. This assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. The Company has incurred operating losses since inception, including $1,588,043 for the nine months ended June 30, 2021 and has accumulated a deficit of $71,845,794. As at June 30, 2021 the Company has cash of $713,023 and a negative working capital of $11,011,164; the working capital deficiency includes $1,608,250 for the non-secured convertible note (note 10(b)).

The Company needs to raise funds in order to continue on as a going concern and there can be no assurances that sufficient funding, including adequate financing, will be available to cover its working capital deficiency or develop its mineral properties and / or cover general and administrative expenses necessary for the maintenance of a public company. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and mineral property exploration success. In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business, including potential delays to its exploration efforts/activities/programs, and could have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments other than in the normal course of business and at amounts different from those in the consolidated financial statements.

2. BASIS OF PREPARATION

Statement of Compliance

The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), and follow the same accounting policies and methods of application as the annual consolidated financial statements of the Company for the year ended September 30, 2020, except as noted below under changes in accounting policies. The Interim Financial Statements do not contain all disclosures required by International Financial Reporting Standards ("IFRS") and accordingly should be read in conjunction with the 2020 annual consolidated financial statements and the notes thereto. The Interim Financial Statements were approved by the Board of Directors of the Company on September 30, 2021.

(Unaudited – Expressed in Canadian Dollars)

The Interim Financial Statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value, as set out in the accounting policies in note 3 of the 2020 annual consolidated financial statements.

The preparation of consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended September 30, 2020.

3. CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Adoption of New Accounting Standards

Amendments to IFRS 3 Business Combinations

Amendments to IFRS 3, Business Combinations assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. It amends the definition of a business to include an input and a substantive process that together significantly contribute to the ability to create goods and services provided to customers, generating investment and other income, and it excludes returns in the form of lower costs and other economic benefits. These amendments are effective for reporting periods beginning on or after January 1, 2020.

Accounting Standards Issued But Not Yet Effective

Amendments to IAS 16 Property, Plant and Equipment

With the amendments to IAS 16 Property, Plant and Equipment, proceeds from selling items before the related item of property, plant and equipment is available for use should be recognized in profit or loss, together with the costs of producing those items. The Company will therefore need to distinguish between the costs associated with producing and selling items before the item of property, plant and equipment (pre-production revenue) is available for use and the costs associated with making the item of property, plant and equipment available for its intended use. For the sale of items that are not part of a Company's ordinary activities, the amendments will require the Company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of loss and comprehensive loss. These amendments will have an impact on the Company's financial statements. These amendments are effective for reporting periods beginning on or after January 1, 2022.

4. FINANCE EXPENSE AND OTHER

	Three months ended June 30,		Nine months ended June 30,	
	2021	2020	**2021**	2020
Gold stream facility interest expense *note 10(a)*	**$183,752**	$207,178	**$568,067**	$607,955
Convertible note interest expense and acretion *note 10(b)*	**30,705**	-	**94,930**	135,277
Promissory notes interest expense *note 8*	**23,136**	22,532	**71,659**	69,444
Unwinding of the discount - environmental closure provision *note 11*	**10,769**	10,774	**32,304**	30,624
Bank charges and other	**4,682**	889	**5,864**	2,471
Finance expenses and other	**$253,045**	$241,373	**$772,825**	$845,771

(Unaudited – Expressed in Canadian Dollars)

5. RECEIVABLES

As at	**June 30, 2021**	September 30, 2020
Sales tax and government receivables	**$23,986**	$27,019
Other	**-**	1,193
Loan receivable	**4,958**	5,336
	$28,944	$33,548

Loan receivable represents non-interest bearing operational loans provided to Proyectos La Patagonia S.A.C ("Patagonia"), a Peruvian entity, to carry out the bulk-sampling program on the Igor 4 concession (note 6). $115,324 (US$90,504) and $343,189 (US$274,991), respectively, were advanced during the years ended September 30, 2018 and 2017. The Company received $130,612 (US$98,079) and $129,569 (US$97,524), respectively, during the years ended September 30, 2020 and 2019.

The fair value of receivables approximates their carrying value. None of the amounts included in receivables at June 30, 2021 are past due.

6. EXPLORATION AND EVALUATION ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Period ended June 30, 2021	**Exploration and Evaluation Assets**	**Property, plant and equipment**
Cost		
At October 1, 2020	**$11,337,857**	**$1,738,975**
Additions	**364,598**	**-**
Net profit Interest received	**(2,063,023)**	**-**
Foreign exchange	**(563,074)**	**(117,993)**
Cost at June 30, 2021	**$9,076,358**	**$1,620,982**
Accumulated depreciation		
At October 1, 2020	**$-**	**$152,092**
Depreciation	**-**	**293**
Foreign exchange	**-**	**(9,942)**
Accumulated depreciation at June 30, 2021	**$ -**	**$142,443**
Carrying value at June 30, 2021	**$9,076,358**	**$1,478,539**

Year ended September 30, 2020	Exploration and Evaluation Assets	Property, plant and equipment
Cost		
At October 1, 2019	$10,842,592	$1,726,989
Additions	647,887	-
Change in environmental rehabilitation provision	(5,606)	-
Net profit interest received	(212,464)	-
Foreign exchange	65,448	11,986
Cost at September 30, 2020	$11,337,857	$1,738,975
Accumulated depreciation		
At October 1, 2019	$-	$149,435
Depreciation	-	1,666
Foreign exchange	-	991
Accumulated depreciation at September 30, 2020	$ -	$152,092
Carrying value at September 30, 2020	$11,337,857	$1,586,883

(Unaudited – Expressed in Canadian Dollars)

Exploration and evaluation assets

The Company, through its subsidiary Sienna Minerals S.A.C., has a 100% interest in the Igor Project, located in Northern Peru. The Igor Project totals approximately 1,300 hectares on four concessions. The production from the Igor 4 concessions is subject to the requirements of a gold streaming facility as disclosed in note 10(a); the Company has been carrying out a bulk-sampling program at Mina Callanquitas on the Igor 4 concession since October 2016.

On December 4, 2018 the Company filed a pre-feasibility study ('PFS") for the 100% owned Igor 4 concession in Peru, which established proven and probable reserves.

During the year ended September 30, 2020, the Peruvian Ministry of Energy and Mines issued a notice that the Company's environmental license at the Igor 1 and 3 exploration projects had expired. During the year ended September 30, 2019, the Company's water use permit had expired. In April 2021 the Company's environmental license at the Igor 4 also has expired. During the nine months ended June 30, 2021, the exploration license at the Igor 4 exploration project is expired, while the exploitation license remains in good standing. Management is in the process of having these expired licenses and permits reinstated.

The Company's spending in the Igor concession for the nine months ended June 30, 2021 and 2020 is as follows:

Nine months ended June 30,	**2021**	2020
Drilling, road and site preparation	**$138,684**	$142,337
Salaries, claims maintenance and staking	**31,954**	61,207
Social development	**159,036**	140,745
Environmental	**34,925**	113,378
Environmental rehabilitation provision *note 11*	**-**	(5,499)
Total additions	**$364,598**	$452,168

The Company also received net profit interest income of $2,063,023 (2020 – $nil) on the Igor 4 concession during the nine months ended June 30, 2021.

a) Agreement with Proyectos Le Patagonia, S.A.C. ("Patagonia")

The Company has entered into an agreement with Patagonia, a Peruvian entity, whereby the Company has granted to Patagonia the rights to the mining concession (the "assignment contract") on the Igor 4 concession until the earlier of the date Patagonia extracts 600,000 metric tons of mineralized material or October 1, 2022. During the term of the agreement, the Company and Patagonia share the net profits from the mine operations at the Igor 4, at a ratio of 70%/30% until the production from the mine reaches 350 tons per day ("MTPD"), and 75%/25% thereafter.

Patagonia is responsible for obtaining all necessary permits and licenses to carry out mining operations on the Igor 4 concession in order to reach certain production milestones. The Company is responsible for building and installing a processing plant with a capacity of at least 150 MTPD and to be expanded to 350 MTPD.

The Company can terminate the assignment agreement at any time subject of payments to Patagonia as follows:

- if terminated after November 1, 2019, US$3,000,000 less US$5 multiplied by the tons of ore extracted;
- if terminated before November 1, 2019, US$4,000,000 less US$5 multiplied by the tons of ore extracted;

The assignment agreement represents a joint operation as defined in IFRS 11, *Joint Arrangements*, and as such the Company recognizes its assets, liabilities, and its share of revenues and expenses from the operation.

b) Community Agreements

On February 14, 2018, the Company signed a ten year agreement with the community of Callanquitas in Northern Peru that provides the Company with the Social License to conduct mining and exploration activities at the Igor Project, including the ongoing test-mining and bulk-sampling program at Igor 4 concession. The agreement provides for employment opportunities for the people of Callanquitas, improved road maintenance in the vicinity of the community, and infrastructure improvements to the local elementary school.

(Unaudited – Expressed in Canadian Dollars)

On November 20, 2018, the Company signed an agreement with the Igor community in Northern Peru that provides the Company with the Social License to build and operate the heap leach facility for processing of the ore from the Igor 4 concession. The agreement provides for employment opportunities for the people of the Igor community, improved road maintenance in the vicinity of the community, and infrastructure improvements to local schools and medical facility.

Property, Plant and Equipment

Property, plant and equipment at June 30, 2021 includes $1,117,511 (September 30, 2020 - $1,198,020) for construction in progress related to the heap leach facility being built by the Company on the Igor 4 concession, including spending for permits, design and engineering work. In August 2018, the Company contracted the services of Big Rock Consulting Inc. ("BRC"), a Canadian entity, for the manufacturing of certain equipment for the Company's heap leach plant at Mina Callanquitas for a total of US$1,913,250. Advances for assets under construction at June 30, 2021 include $336,793 (US$271,739) (September 30, 2020 - $362,473 (US$271,739)) advanced to BRC toward the price of the equipment. The full contracted amount will be paid in various instalments with the final payments due once the equipment is delivered. An impairment charge of $629,190 (US$467,572) was recorded for the year ended September 30, 2020, as certain equipment paid for in advance are no longer available to the Company.

Property, plant and equipment at June 30, 2021 include $360,549 for land where $47,071 is for land donated by a third party being used as the site for the Company's heap leach plant.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	**June 30, 2021**	September 30, 2020
Trade payables	**$2,615,147**	$2,727,659
Due to RIVI Opportunity Fund LP - accrued interest *note 10(a)*	**2,046,045**	1,603,439
Acquisition of surface rights	**174,395**	187,692
	$4,835,587	$4,518,790

The fair value of accounts payable and accrued liabilities approximates their carrying amount. Trade payables relate mainly to the acquisition of materials, supplies and contractor services. These payables do not accrue interest and no guarantees have been granted.

8. PROMISSORY NOTES

On April 24, 2019, the Company entered into unsecured promissory note agreements with two directors of the Company for proceeds of US$100,000 ($132,373). The promissory notes bear interest at 12% per annum payable semi-annually, starting on December 31, 2019, and matured on June 30, 2020.

On June 30, 2019, the Company entered into an unsecured promissory note agreement to repay amounts owing to the former CFO of the Company. The promissory note has a principal amount of $112,160, bears interest at 12% per annum payable semi-annually, starting on December 31, 2019, and matured on June 30, 2020.

On July 22, 2019, the Company entered into an unsecured promissory note agreement for proceeds of US$400,000 ($525,680). The promissory note bears interest at 12% per annum and matured on September 30, 2019.

On January 9, 2020 and January 16, 2020, the Company entered into unsecured promissory note agreements with another director of the Company for total proceeds of US$16,754 ($21,912). The promissory notes bear interest at 12% per annum payable semi-annually and matured on January 31, 2021.

(Unaudited – Expressed in Canadian Dollars)

Between December 19, 2019 and March 24, 2020, the Company entered into several unsecured promissory note agreements with another director of the Company for total proceeds of US$26,928 ($35,425). The promissory notes bear interest at 12% per annum payable semi-annually and matured on January 31, 2021.

	Nine months ended June 30, 2021	Year ended September 30, 2020
Balance at beginning of period/year	**$959,010**	$793,422
Proceeds	**-**	57,337
Accrued interest	**71,659**	107,373
Foreign exchange	**(50,661)**	878
Balance at end of period/year	**$980,008**	$959,010

9. DEFERRED REVENUE

On July 7, 2020, the Company signed a one year Ore Purchase Agreement ("OPA") for 40,000 tonnes of gold-bearing material with Inca One Gold Corp. ("Inca One"), a gold producer operating two fully permitted mineral processing facilities in Peru. Under the terms of the OPA, the Company will deliver 40,000 tonnes, approximately 110 tonnes per day ("TPD") of gold-bearing material during the first year, with a minimum grade of 8 grams of gold per tonne to Inca One's Kori One processing facility. In addition, Inca One will provide a secured, advance payment based on certain milestones for up to US$400,000 to the Company. In the event the Company does not deliver 20,000 tonnes in the first year, the supply contract will be extended to a total of 80,000 tonnes by the end of the second year. This arrangement has been set up to use the Igor mining concessions as security for a total value of up to US$800,000.

As at June 30, 2021, the Company has received $271,220 (September 30, 2020 – $271,220) in advance of shipments.

10. LONG TERM DEBT

As at	**June 30, 2021**	September 30, 2020
Gold stream facility *10(a)*	**$5,804,870**	$6,247,471
Convertible note 10*(b)*	**1,608,250**	1,630,831
	7,413,120	7,878,302
Current portion *10(a)(b)*	**(5,678,980)**	(4,162,696)
Long term debt	**$1,734,140**	$3,715,606

a) Gold Stream Facility

	Nine months ended June 30, 2021	Year ended September 30, 2020
Balance at beginning of period/year	**$6,247,471**	$6,202,509
Proceeds	**-**	-
Principal repayments	**-**	-
Foreign exchange	**(442,601)**	44,962
Balance at end of the period	**5,804,870**	6,247,471
Accrued principal repayments	**(4,070,730)**	(2,531,865)
Gold stream facility (long term)	**$1,734,140**	$3,715,606

On October 10, 2016, the Company entered into an agreement with RIVI Opportunity Fund LP ("RIVI") to provide the Company with an investment of US$5 million in return for a Metal Purchase Agreement ("Gold Stream Facility" or the "Facility") on future precious metal production from the Company's Igor 4 concession, further amended on November 21, 2017. RIVI is entitled to receive the greater of 10% of the Company's portion of the combined production of gold and silver ounces from the Igor 4 concession on a Gold Equivalent Ounce ("GEO") basis and 50 GEOs at a price per GEO of the lesser of US$400 or 80% the market price of gold on a monthly basis.

The Company received the first tranche of US$2.5 million on October 11, 2016 and the second tranche on December 13, 2017 (total net proceeds of US$4.550 million ($5,907,855), net of US$225,000 finder and restructuring fees for each tranche). The Company incurred total transaction costs of $875,940 in relation to the gold stream facility, including $584,833 (US$450,000) for the finder and restructuring fees.

During the three and nine months ended June 30, 2021, the Company paid to RIVI $nil of interest related to the Facility (2020 – $nil). Accounts payable and accrued liabilities at June 30, 2021 and September 30, 2020 include accrued interest related to the Facility of $2,046,045 (US$1,651,206) and $1,603,439 (US$1,202,069), respectively.

The Facility has been classified as a financial liability at FVTPL and is revalued at its fair value on each subsequent reporting date with the changes in the fair value recorded in profit or loss. Due to the uncertainty of the total expected ounces to be delivered and the timing of cash flows, the Facility is currently recorded at its face value with derivative measured at a nominal value.

The first tranche payment was subject to interest of 10% per annum, payable quarterly in US$ and accruing on daily balances until the end of the third month after certain production milestones were met. The amended agreement signed on November 21, 2017 (the "Amended Agreement") provides for interest at 12%, payable quarterly in US$ and accruing daily on the full amount of the investment of US$5 million, until three months after the Company reaches commercial production. Commercial production is defined as the Company's processing plant average monthly production from the Igor 4 concession is at least 85% of 150 MTPD or the Company delivers a monthly average of 150 MTPD from the Igor 4 concession to a smelter (the "Monthly Production Milestone").

The amended agreement provides that until 20,000 GEOs have been delivered to RIVI, the GEOs will include:

- all production from the Igor 4 concession and any other sources from the first 700 tons of ore processed at the Company's plant on any given day;
- production from only Igor 4 for any production above the 700 tons of ore processed on any given day and after 20,000 GEOs have been delivered to RIVI.

The principal balance of US$5 million is reduced as the GEOs are delivered to RIVI. The amount of reduction for each period is determined based on the GEOs from the Igor 4 pre-production, multiplied by the difference between the market price of gold and the lesser of US$400 or 80% the market price of gold. The face value of the gold stream facility at June 30, 2021 and September 30, 2020 was US$4,683,613. Upon expiry of the term which is the earlier of 40 years and depletion of the mine, any balance remaining unpaid shall be refunded to RIVI.

During the nine months ended June 30, 2021, the Company paid to RIVI $nil related to GEOs produced (September 30, 2020 – $nil). Short term portion of the stream facility at June 30, 2021 and September 30, 2020 of $4,070,730 (US$3,284,436) and $2,531,865 (US$1,898,092), respectively, relates to amounts due to RIVI for GEOs produced and not yet paid until that respective date.

Seventy-two months after the Monthly Production Milestone has been met, or when 20,000 GEOs have been delivered under the Gold Stream Agreement (whichever occurs first), the Company has the option to reduce RIVI's entitlement to 5% of the GEOs produced on the Igor 4 concession by making a one-time payment of US$5 million to RIVI, subject to the price of gold being greater than US$1,200 per ounce.

The Company has granted RIVI a first and preferred mining tenements mortgage of US$5 million on the Igor concession and surface land and general security interest (the "Security") over all of the present and after-acquired assets within the property. The Security provided to RIVI will cease once the Company has fully paid the US$5 million investment by RIVI.

On April 30, 2021, the Company signed a Net Smelter Royalty Agreement with RIVI, whereby RIVI is granted an option to acquire a royalty equal to 2% of Net Smelter Returns ("NSR") over the Igor, Igor 3 and Igor 4 concessions, in exchange for reducing US$500,000 of the amounts owed to RIVI by the Company. In addition, the Company has the option to repurchase 1% of the NSR royalty for US$750,000 until October 21, 2021.

(Unaudited – Expressed in Canadian Dollars)

b) *Convertible note*

	Nine months ended June 30, 2021	Year ended September 30, 2020
Opening balance	**$1,630,831**	$1,388,001
Interest acretion	**-**	88,082
Accrued interest	**94,930**	145,631
Foreign exchange	**(117,511)**	9,117
Convertible note	**$1,608,250**	$1,630,831

On August 9, 2018 the Company signed a subscription agreement with an investor for a US$1.0 million non-secured convertible note (the "note"). The note bears annual interest at 10% payable at maturity, matures 18 months from issuance and is convertible into common shares of the Company, at the option of the holder, at a price of US$0.11 per common share. The Company received the note proceeds of $1,303,600 (US$1,000,000) on August 24, 2018 and incurred transaction costs of $6,837. At June 30, 2021, the convertible note was classified as short term, as the note matured in February 2020.

During the three and nine months ended June 30, 2021 and 2020, the Company incurred $30,705 (US$25,000) and $94,930 (US$75,000) of interest expense (2020 – $nil and $135,277 (US$101,898)), including interest accretion of $nil and $nil (2020 –$nil and $88,082 (US$66,342)).

The conversion feature of the note meets the definition of a derivative liability and is recorded as such revalued on each subsequent reporting date with the changes in the fair value recorded in profit and loss. The fair value of the derivative liability is measured using the Black Scholes option pricing model. As of June 30, 2021, the conversion feature of the note has expired upon the maturity of the convertible note.

11. ENVIRONMENTAL REHABILITATION PROVISION

Environmental rehabilitation provision represents the discounted values of the estimated cost for site reclamation and remediation for the Company's Igor properties. The environmental rehabilitation provision as at June 30, 2021 and September 30, 2020 is as follows:

As at	**June 30, 2021**	September 30, 2020
Balance at beginning of period/year	**$367,211**	$329,431
Accretion	**32,304**	41,310
Change in estimates	**-**	(5,606)
Foreign Exchange	**(26,680)**	2,076
	$372,835	$367,211

The environmental rehabilitation provision is calculated using a risk adjusted rate of 12% with the rehabilitation and remediation spending expected to incur starting 2024. The total undiscounted estimated rehabilitation provision at June 30, 2021 is $489,464 (US$392,500) (September 30, 2020 – $523,556 (US$392,500)).

12. SHARE CAPITAL

a) Authorized

Unlimited number of common shares, without par value; and unlimited number of preference shares, without par value.

(Unaudited – Expressed in Canadian Dollars)

b) Issued

On February 25, 2020, the Company closed the first tranche of the non-brokered private placement previously announced on January 31, 2020 for up to 8,333,334 common shares of the Company at a price of $0.06 per share for gross proceeds of up to $500,000. Pursuant to the closing of the first tranche of the private placement, the Company issued 6,917,901 shares for aggregate gross proceeds of $415,074. In consideration for introducing certain first tranche subscribers to the private placement, the Company is paying a cash finders' fee of $33,206 to one arm's length finder, representing 8% of the total funds raised from subscribers introduced to the Company by such finder. In addition, the Company incurred cash transaction costs of $15,360 related to the financing.

During the period ended June 30, 2021 the Company received $131,100, for subscription agreement towards future private placement.

c) Reserves

Share purchase options

Pursuant to the Company's share option plan (the "Option Plan"), the Company may grant incentive share options to directors, officers, employees and consultants of the Company or any subsidiary thereof. The total number of shares issuable pursuant to the Option Plan is up to a maximum of 10% of the issued and outstanding common shares of the Company at any given time. The exercise price of each share option shall not be lower than the market price or such discount from the market price as may be permitted by the stock exchange on which the common shares are listed and provided that no share option shall have a term exceeding ten years (or such longer period as is permitted by the stock exchange on which the common shares are listed). The Board of Directors determines the vesting terms of the options which may vary between grants.

The number of share options issued to insiders of the Company within a one-year period cannot exceed 10% of the number of common shares outstanding; no one eligible optionee can hold share options that represent more than 5% of the total common shares issued and outstanding. Finally, there may not be issued to any one insider and such insider's associates, within a one-year period, a number of share options exceeding 5% of the number of common shares outstanding.

Movements in the Company's share options for the nine months ended June 30, 2021 and the year ended September 30, 2020 are as follows:

	Nine months ended June 30, 2021		Year ended September 30, 2020	
	Number of options	**Weighted-average exercise price**	Number of options	Weighted-average exercise price
Outstanding, beginning of period/year	**22,836,000**	**$0.10**	26,236,000	$0.10
Expired	**(5,750,000)**	**$0.10**	(3,400,000)	$0.10
Outstanding, end of period/year	**17,086,000**	**$0.10**	22,836,000	$0.10
Exercisable, end of period/year	**17,086,000**	**$0.10**	22,836,000	$0.10

(Unaudited – Expressed in Canadian Dollars)

The summary of the Company's options outstanding and exercisable as at June 30, 2021 is as below:

Exercise price	Options outstanding	Options exercisable	Remaining contractual life (years)	Expiry dates
$0.10	13,686,000	13,686,000	0.34	November 1, 2021
$0.075	600,000	600,000	0.84	May 2, 2022
$0.07	1,800,000	1,800,000	1.17	August 30, 2022
$0.09	1,000,000	1,000,000	1.39	November 20, 2022
	17,086,000	17,086,000		

Warrants

Movements in the Company warrants for the nine months ended June 30, 2021 and the year ended September 30, 2020 are as follows:

	Nine months ended June 30, 2021		Year ended September 30, 2020	
	Number of warrants	**Weighted-average exercise price**	Number of warrants	Weighted-average exercise price
Outstanding, beginning of period/year	**12,123,499**	**$0.09**	73,773,615	$0.09
Expired	**(11,437,499)**	**0.09**	(61,650,116)	0.09
Outstanding, end of period/year	**686,000**	**$0.09**	12,123,499	$0.09

The summary of the Company's warrants outstanding as at June 30, 2021 is as below:

Exercise price	Warrants outstanding	Remaining contractual life (years)	Expiry dates
$0.10	686,000	0.20	September 12, 2021
	686,000		

(1) All of the warrants expired unexercised subsequent to June 30, 2021.

Finder's Warrants

The Company had no finder's warrants as at June 30, 2021 and September 31, 2020.

13. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being mineral exploration. Geographic segment information of the Company as at and for the nine months ended June 30, 2021 and the year ended September 30, 2020 is as follows:

(Unaudited – Expressed in Canadian Dollars)

	As at June 30, 2021			As at September 30, 2020		
	Canada	**Peru**	**Total Company**	Canada	Peru	Total Company
Total assets	**$449,259**	**$11,197,062**	**$11,646,321**	$36,540	$13,313,548	$13,350,088
Total non-current assets	**$-**	**$10,891,690**	**$10,891,690**	**$-**	$13,287,213	$13,287,213
Total liabilities	**$12,994,241**	**$878,529**	**$13,872,770**	$12,771,419	$1,223,114	$13,994,533

	Three months ended June 30, 2021			Three months ended June 30, 2020		
	Canada	**Peru**	**Total Company**	Canada	Peru	Total Company
Net loss	**($454,250)**	**($28,518)**	**($482,768)**	($331,388)	($40,519)	($371,907)

	Six months ended June 30, 2021			nine months ended June 30, 2020		
	Canada	**Peru**	**Total Company**	Canada	Peru	Total Company
Net loss	**($1,266,178)**	**($321,865)**	**($1,588,043)**	($2,284,998)	($273,751)	($2,558,749)

14. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The Company's key management personnel consist of the Company's officers, directors and companies associated with them including the Maher Global Exploration, a company controlled by Brian Maher, Chief Executive Officer.

Compensation includes salaries and professional fees paid to the President and Chief Executive Officer, the former Chief Financial Officer, a company in which the current CFO was an associate until July 31, 2018 and an owner thereafter, and amounts paid to directors.

	Three months ended June 30,		Nine months ended June 30,	
	2021	2020	**2021**	2020
Consulting fees, salaries and benefits	**$80,226**	$95,282	**$257,316**	$278,502
Professional fees	**12,596**	24,956	**48,746**	68,043
	$92,822	$120,238	**$306,062**	$346,545

Accounts payable and accrued liabilities at June 30, 2021 includes $577,872 (September 30, 2020 – $594,478) due to the CEO of the Company, the former CFO of the Company, and a company in which the current CFO was an associate until July 31, 2018 and an owner thereafter. The balances owing are non-interest bearing, payable on demand, and have no fixed repayment terms. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

15. FINANCIAL INSTRUMENTS

Carrying values of financial instruments

The carrying values of the financial assets and liabilities at June 30, 2021 and September 30, 2020 are as follows:

(Unaudited – Expressed in Canadian Dollars)

As at	**June 30, 2021**	September 30, 2020
Financial Assets		
At fair value through profit or loss		
Cash	**$713,023**	$28,676
At amortized cost		
Loan receivable	**4,958**	5,336
	$717,981	$34,012
Financial Liabilities		
At fair value through profit or loss		
Gold stream facility *note 10(a)*	**$5,804,870**	$6,247,471
At amortized cost		
Accounts payable and accrued liabilities	**4,835,587**	4,518,790
Convertible note *note 10(b)*	**1,608,250**	1,630,831
Promissory notes	**980,008**	959,010
	$13,228,715	$13,356,102

Fair values of financial instruments

The fair value of receivables, and accounts payable and accrued liabilities approximate their carrying amounts due to their short terms to maturity.

The fair value hierarchy of financial instruments measured at fair value on the statement of financial position is as follows:

As at	**June 30, 2021**	September 30, 2020
	Level 1	Level 1
Cash	**$713,023**	$28,676
	Level 3	Level 3
Gold stream facility *note 10* (a)	**$5,804,870**	$6,247,471

The Company does not offset financial assets with financial liabilities and there were no transfers between Level 1 and Level 2 input financial instruments.

The fair value of the Gold stream facility is measured at fair value through profit and loss, with derivative valued at nominal value.

16. COMITMENTS AND CONTINGENCIES

The Company's commitments are disclosed in note 6 and summarized below:

The Company has entered into a ten year community agreement, whereby the Company has committed to provide employment opportunities for the people of Callanquitas community in Peru in the vicinity of the Company's Igor 4 concession, improved road maintenance and infrastructure improvements to the local elementary school, in exchange for the Social License to conduct mining and exploration activities at the Igor Project.

On November 20, 2018, the Company signed an agreement with the Igor community in Northern Peru that provides the Company with the Social License to build and operate the heap leach facility for processing of the ore from the Igor 4 concession. The agreement provides for employment opportunities for the people of the Igor community, improved road maintenance in the vicinity of the community, and infrastructure improvements to local schools and medical facility.

The Company has contracted the services of Big Rock Consulting Inc. ("BRC") for the manufacturing of certain equipment for the Company's heap leach plant for US$1,913,250. To March 31, 2021, the Company has advanced $986,167 (US$739,311) to BRC with the rest of the contracted amount to be paid by the time the equipment is delivered. An impairment charge of $629,190 (US$467,572) was recorded for the year ended September 30, 2020, as certain equipment paid for in advance are no longer available to the Company.

In addition, the Company had undiscounted environmental closure obligations (note11) for remediation and rehabilitation work on the Company's Igor properties with estimated total obligations at June 30, 2021 of $489,464 (US$392,500).

During the year ended September 30, 2020, the Company was notified of a claim filed by AMM against the Company, for early termination fees associated with the construction of the Company's mineral processing plant in the amount of US$13.5 million. A second claim by AMM was filed against the Company in the amount of US$1.12 million for fees allegedly payable for construction of the processing plant. As AMM had not presented significant progress in the construction of the plant to the Company, management believes PPX Mining has valid arguments to defend against the claims and as a result no amounts have been recorded for these claims as at June 30, 2021.

17. SUBSEQUENT EVENT

On July 20, 2021, the Company completed a non-brokered private placement pursuant to which the Company issued 7,307,542 common shares in the capital of the Company at a price of $0.06 per share for gross proceeds to the Company of $438,452. In connection with the private placement, PPX paid aggregate finder's fees of $26,307 to arm's length finders and issued 146,151 common shares to an arm's length finder.