COLLECTIVE
MINING

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2021

COLLECTIVE MINING LTD.

Interim Condensed Consolidated Statement of Financial Position (unaudited)

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

As at	Note	September 30, 2021	December 31, 2020
		$	$
ASSETS			
Current assets:			
Cash and cash equivalents	15(a)	**19,715,392**	1,717,385
Receivables and prepaid expenses	7	**121,882**	446,806
Inventories		**1,620**	–
		19,838,894	2,164,191
Non-current assets:			
Equipment and other fixed assets	8	**327,145**	165,849
Intangible assets		**754**	7,536
Long-term receivable	10	**125,100**	–
		452,999	173,385
Total assets		**20,291,893**	2,337,576
LIABILITIES AND EQUITY			
Current liabilities:			
Account payables and accrued liabilities		**1,112,933**	218,244
Warrants liability	11	**–**	–
Other current liabilities	12	**55,338**	127,970
		1,168,271	346,214
Non-current liabilities:			
Lease liability	13	**83,685**	98,321
		83,685	98,321
		1,251,956	444,535
Equity:			
Share capital	16	**25,167,834**	3,050,813
Contributed surplus		**9,251,082**	542,698
Deficit		**(15,378,979)**	(1,700,470)
		19,039,937	1,893,041
Total liabilities and equity		**20,291,893**	2,337,576

Commitments and contingencies	21
Subsequent events	22

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

ON BEHALF OF THE BOARD:

Ari Sussman
Executive Chairman

Paul Begin
CFO

COLLECTIVE MINING LTD.
Interim Condensed Consolidated Statement of Operations and Comprehensive Loss (unaudited)
(All amounts expressed in U.S. Dollars, unless otherwise indicated)

	Note	For the three months ended September 30 2021	For the three months ended September 30 2020	For the nine months and period ended September 30 2021	For the nine months and period ended September 30 2020 [1]
		$	$	**$**	$
Expenses					
Exploration and evaluation	19(a)	**(1,952,642)**	(257,457)	**(4,707,264)**	(662,263)
General and administration	19(b)	**(597,787)**	(58,584)	**(1,937,432)**	(73,562)
RTO Transaction and public listing costs	5	**–**	–	**(1,512,215)**	–
		(2,550,429)	(316,041)	**(8,156,911)**	(735,825)
Other income (expense)					
Revaluation of warrants liability	11(c)	**2,854,405**	(60,234)	**(5,087,559)**	(192,353)
Foreign exchange gain (loss)		**(146,045)**	9,987	**(279,503)**	14,453
Other (expense) income		**(18,644)**	–	**(10,434)**	–
Net income (loss) before finance items and income tax		**139,287**	(366,288)	**(13,534,407)**	(913,725)
Finance income(expense)					
Finance costs	19(c)	**(5,499)**	–	**(144,102)**	–
Net income (loss) before income tax		**133,788**	(366,288)	**(13,678,509)**	(913,725)
Income tax		**–**	–	**–**	–
Net income (loss) and comprehensive income (loss)		**133,788**	(366,288)	**(13,678,509)**	(913,725)
Basic and diluted income (loss) per common share	16(c)	**0.00**	(0.02)	**(0.42)**	(0.08)
Weighted average common shares outstanding, basic and diluted		**45,453,988**	15,113,980	**32,811,221**	11,049,786

1 – For the period from February 11, 2020

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

COLLECTIVE MINING LTD.
Interim Condensed Consolidated Statement of Cash Flows (unaudited)
(All amounts expressed in U.S. Dollars, unless otherwise indicated)

		For the three months ended		For the nine months and period ended	
		September 30		September 30	
	Note	2021	2020	**2021**	2020 [1]
		$	$	**$**	$
Cash flows used in operating activities					
Net income (loss)		**133,788**	(366,288)	**(13,678,509)**	(913,725)
Items not involving cash and cash equivalents:					
Public listing cost	5	**–**	–	**1,309,047**	–
Revaluation of warrants liability	11	**(2,854,405)**	60,234	**5,087,559**	192,353
Finance costs	19(c)	**5,498**	–	**144,102**	–
Foreign exchange loss (gain)		**146,045**	(9,987)	**279,503**	(14,453)
Share-based compensation	19(b)	**191,391**	20,399	**637,935**	20,399
Depreciation and amortization	19(a),(b)	**33,807**	–	**80,834**	–
Net changes in working capital items	20(a)	**240,762**	436,754	**1,563,646**	286,686
		(2,103,114)	141,112	**(4,575,883)**	(428,740)
Cash flows from financing activities					
Cash proceeds from issuance of shares or subscription units	16	**–**	30,180	**12,427,506**	273,369
Financing costs incurred	20(b)	**(5,498)**	–	**(119,007)**	–
Cash proceeds/advances from warrant exercises	12, 16	**10,015,701**	60,416	**10,789,874**	413,521
Cash proceeds from option exercises	16, 17	**5,977**	–	**84,831**	–
Cash proceeds from capital contributions	16(b)(v)	**–**	225,706	**–**	225,706
Cash proceeds (repayment of) from loan and related party payables	12, 14(a)	**–**	134,000	**(83,452)**	134,000
Principal portion of lease payments	13, 19(d)	**(12,220)**	–	**(36,652)**	–
		10,003,959	450,302	**23,063,099**	1,046,596
Cash flows used in investing activities					
Acquisition of fixed assets	8	**(23,774)**	(2,932)	**(183,956)**	(2,932)
		(23,774)	(2,932)	**(183,956)**	(2,932)
Net change in cash and cash equivalents during the period		**7,877,071**	588,482	**18,303,260**	614,924
Cash and cash equivalents, beginning of period		**12,026,244**	29,234	**1,717,385**	–
Foreign exchange effect on cash balances		**(187,923)**	7,949	**(305,253)**	10,741
Cash and cash equivalents, end of period		**19,715,392**	625,665	**19,715,392**	625,665

1 – For the period from February 11, 2020

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

COLLECTIVE MINING LTD.
Interim Condensed Consolidated Statement of Changes in Equity (unaudited)
(All amounts expressed in U.S. Dollars, unless otherwise indicated)

	Note	Number of shares issued and outstanding	Share capital	Contributed surplus	Deficit	Total
			$	$	$	$
Balance January 1, 2021		**21,617,465**	**3,050,813**	**542,698**	**(1,700,470)**	**1,893,041**
Issuance of shares – RTO	**5, 16**	**2,785,000**	**1,772,606**	**–**	**–**	**1,772,606**
Issuance of shares – Offering	**11(a), 16**	**15,000,000**	**12,427,506**	**–**	**–**	**12,427,506**
Fair value of warrants issued	**11(a)**	**–**	**(2,880,258)**	**–**	**–**	**(2,880,258)**
Finders' Units	**16, 18**	**534,500**	**340,200**	**102,633**	**–**	**442,833**
Exercise of warrants	**11(a), 16, 18**	**6,762,250**	**10,789,874**	**7,967,816**	**–**	**18,757,690**
Exercise of options	**16, 17**	**537,500**	**84,831**	**–**	**–**	**84,831**
Share-based compensation	**17**	**–**	**–**	**637,935**	**–**	**637,935**
Share issue costs	**11(c), 16**	**–**	**(417,738)**	**–**	**–**	**(417,738)**
Net loss for the period		**–**	**–**	**–**	**(13,678,509)**	**(13,678,509)**
Balance September 30, 2021		**47,236,715**	**25,167,834**	**9,251,082**	**(15,378,979)**	**19,039,937**
Balance February 11, 2020		–	–	–	–	–
Subscription of shares	16	12,800,000	273,369	–	–	273,369
Fair value of warrants issued	11(c)	–	(36,093)	–	–	(36,093)
Exercise of warrants	11(c), 16	2,800,000	413,521	228,446	–	641,967
Capital contributions	16	–	–	225,706	–	225,706
Share-based compensation	17	–	–	20,399	–	20,399
Net loss for the period		–	–	–	(913,725)	(913,725)
Balance September 30, 2020		15,600,000	650,797	474,551	(913,725)	211,623

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

Tabular dollar amounts represent United States ("U.S.") dollars, unless otherwise shown. References to C$/CAD and COP are to Canadian dollars and Colombian pesos, respectively.

1. NATURE OF OPERATIONS

Collective Mining Inc. ("CMI" or "Old Collective") was incorporated under the Business Corporations Act (Ontario) on February 11, 2020 and is the holding company of the wholly-owned subsidiary Collective Mining Limited (formerly known as Collective Mining (Bermuda) Ltd.), a Bermuda company incorporated under the Bermuda Companies Act 1981. In addition, wholly owned subsidiaries, incorporated in Colombia, hold certain exploration properties. Prior to May 20, 2021, CMI was controlled by a founding shareholder, who is also the Executive Chairman of the Board of Directors.

On May 20, 2021, CMI and POCML 5 Inc. ("POCML"), a company listed on the Toronto Stock Venture Exchange (the "TSXV"), completed a three-cornered amalgamation resulting in a reverse take-over of POCML by CMI (the "RTO" or the "RTO Transaction") with the resulting issuer now operating as Collective Mining Ltd. ("CML") (See Note 5).

On May 20, 2021, pursuant to the closing of the RTO, CML's common shares were accepted for listing and began trading on the TSXV under the symbol "CNL".

The registered office for CML is located at 82 Richmond St E 4th Floor Toronto, Ontario, Canada.

CML and its subsidiaries (collectively referred to as the "Company") are principally engaged in the acquisition, exploration and development of mineral properties located in South America. The Company principally carries on business through an Ontario corporation and a foreign company branch office in Colombia.

To date, the Company has not generated any revenue from mining or other operations as it is considered to be in the exploration stage.

2. BASIS OF PREPARATION

Statement of Compliance

The unaudited interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim consolidated financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting ("IAS 34"), on a basis consistent with those accounting policies followed by the Company in the most recent audited annual consolidated financial statements.

These interim financial statements do not include all the information required for full annual financial statements. Certain information, in particular accompanying notes normally included in the audited annual consolidated financial statements prepared in accordance with IFRS, has been omitted or condensed. The accounting policies and the significant judgements, estimates and assumptions used in the application of the accounting policies in the preparation of these unaudited interim consolidated financial statements are those applied in the audited annual consolidated financial statements for the year ended December 31, 2020 as also described in notes 2, 3, and 4 of the Company's unaudited consolidated financial statements for the three and six months ended June 30, 2021, the first publicly available financial statements of the Company, and have been consistently applied throughout all periods presented as if these policies had always been in effect, with addition of a policy as described in Note 3 herein.

These unaudited interim condensed consolidated financial statements were approved and authorized by the Audit Committee, on behalf of the Board of Directors of the Company, on November 18th, 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Warrants Liability

From time to time, the Company has common share purchase warrants denominated in Canadian dollars, which are classified as derivative financial liabilities, presented as warrants liability and measured at fair value until the instruments are exercised or extinguished ("Warrants"). Fair value of exercised warrants is transferred to contributed surplus at the exercise date. Warrants that expire unexercised are considered extinguished. Gains or losses on extinguishment are recognized in profit or loss. Proceeds from unit placements are allocated between shares and Warrants issued on a pro-rata basis of their fair value within the unit. Fair value for the Warrants is determined using the Black-Scholes option pricing model. Incremental costs directly attributable to unit placements, including the value of any additional units issued to eligible finders of the unit placements ("Finders' Units"), are allocated on a pro-rata basis between shares and Warrants, with the portion allocated to Warrants recognized as an expense in the statement of operations and comprehensive loss. Any gain or loss arising from the revaluation of a Warrant is recognized in profit or loss.

4. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The following revised standards and amendments, unless otherwise stated, are effective on or after January 1, 2022, with early adoption permitted, and have not been applied in preparing these consolidated financial statements:

(a) IAS 1, Presentation of Financial Statements ("IAS 1") was amended to clarify the classification of liabilities between current and noncurrent to be based on the rights that exist at the end of the reporting period and that such classification is unaffected by the expectations of the entity or events after the reporting date. The changes must be applied retrospectively in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") and are effective on or after January 1, 2023 with early adoption permitted.

The Company does not expect an impact to its consolidated financial statements on adoption and is considering whether to adopt the change early.

(b) IAS 1 was also amended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective on or after January 1, 2023.

The Company does not expect an impact to its consolidated financial statements on adoption and is considering whether to adopt the change early.

(c) IAS 16, Property, Plant and Equipment ("IAS 16") was amended to prohibit the deduction of proceeds from the sale of items produced from an item of property, plant and equipment while the entity is preparing the asset for its intended use. IAS 16 further clarifies that the financial performance of the asset is not relevant in the assessment of the technical and physical performance of the asset. The changes are effective on or after January 1, 2022. The Company does not plan to adopt this change before it becomes effective.

The Company does not expect an impact to its consolidated financial statements on adoption.

5. REVERSE TAKE-OVER

On May 20, 2021, Old Collective and POCML completed a business combination agreement whereby POCML acquired all the issued and outstanding shares of Old Collective and which resulted in a reverse take-over of POCML by Old Collective (the "RTO" or the "RTO Transaction") and constituted POCML's qualifying transaction pursuant to TSXV Policy 2.4.

Upon closing of the RTO Transaction, the issued and outstanding common shares of Old Collective prior to the RTO were exchanged on a one for one basis of the resulting issuer company (the

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

"Resulting Issuer") while every four issued and outstanding shares of POCML prior to the RTO Transaction were exchanged for one common share of the Resulting Issuer. Management and directors of the Resulting Issuer were appointed by Old Collective. Immediately after closing of the RTO Transaction, the Resulting Issuer was renamed to Collective Mining Ltd. ("CML" or the "Company").

The substance of the transaction is a reverse acquisition of a non-operating company with Old Collective being identified as the acquirer. The transaction does not constitute a business combination as POCML did not meet the definition of a business under IFRS 3 – Business Combinations ("IFRS 3"). As a result, the RTO Transaction is accounted for as a share-based payment in accordance with IFRS 2 – Share-Based Payments ("IFRS 2") where the consideration for the RTO Transaction is determined as the fair value of CML shares issued to original POCML shareholders.

On closing of the RTO, the Company issued 2,785,000 common shares to original POCML shareholders. The fair value of CML per share on closing of the RTO Transaction has been determined as C$0.77 per share (See Note 11), resulting in a total fair value of $1,772,606 determined as the purchase consideration for the RTO Transaction. In accordance with IFRS 2, any excess of the fair value of the shares issued by the Company over the fair value of the net monetary assets of POCML acquired is recognized as an expense of listing Old Collective on the TSXV.

	$
Fair value of POCML net assets acquired, May 20, 2021	463,559
Public listing costs expensed	1,309,047
Fair value of 2,785,000 CML shares issued to original POCML shareholders, May 20, 2021	1,772,606

The resulting consolidated financial statements of the combined entity represents the continuation of Old Collective Mining and its subsidiaries ("OldCo") with comparative figures presented in the consolidated financial statements after the RTO are those of OldCo.

Upon the closing of the RTO, assets and liabilities of OldCo were recognized by the Resulting Issuer at carrying values whereas POCML assets and liabilities were accounted for at their fair value. POCML's share capital, contributed surplus and deficit at the time of the RTO Transaction were eliminated and costs totaling $203,168 incurred in respect of the RTO Transaction were expensed. As a result, total RTO Transaction costs including the public listing costs was $1,512,215.

6. OPERATING SEGMENTS

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company's operations comprise a single reporting operating segment engaged in mineral development and exploration in Colombia.

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

7. RECEIVABLES AND PREPAID EXPENSES

Receivables and prepaid expenses are made up of the following:

As at	September 30, 2021	December 31, 2020
	$	$
Exploration deposit (a)	–	396,961
Prepaid expenses	37,847	41,061
Other receivables (b)	13,257	8,784
Advance to suppliers	70,778	–
	121,882	446,806

(a) Exploration deposit

The exploration deposit was paid on December 23, 2020 to third parties. On January 4, 2021, upon closing of an option agreement in relation to property within the Guayabales Project (the "Second Guayabales Option") (see Note 9(c)), the deposit was applied to the option payments required within the agreement.

(b) Other receivables

Included in other receivables is $13,257 (December 31, 2020 – $8,769) of Harmonized Sales Tax ("HST") refund receivable in Canada.

8. EQUIPMENT AND OTHER FIXED ASSETS

Equipment and other fixed assets consist of the following:

	Exploration Equipment and structures	Computer Equipment	Leasehold Improvement	Right of use assets (a)	Total
	$	$	$	$	$
Opening net book value, January 1, 2021	20,315	20,971	–	124,563	165,849
Additions	60,565	51,653	71,738	51,391	235,347
Disposals and write-downs	–	–	–	–	–
Depreciation (b)	(11,305)	(12,201)	(7,473)	(43,072)	(74,051)
Net book value, September 30, 2021	69,575	60,423	64,265	132,882	327,145
Balance, September 30, 2021					
Cost	82,632	73,466	71,738	187,278	415,114
Accumulated depreciation	(13,057)	(13,043)	(7,473)	(54,396)	(87,969)
Net book value	69,575	60,423	64,265	132,882	327,145
Opening net book value, February 11, 2020	–	–	–	–	–
Additions	22,067	21,813	–	135,887	179,767
Disposals and write-downs	–	–	–	–	–
Depreciation (b)	(1,752)	(842)	–	(11,324)	(13,918)
Net book value, December 31, 2020	20,315	20,971	–	124,563	165,849
Balance, December 31, 2020					
Cost	22,067	21,813	–	135,887	179,767
Accumulated depreciation	(1,752)	(842)	–	(11,324)	(13,918)
Net book value	20,315	20,971	–	124,563	165,849

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

(a) Right of use assets

Right of use assets are comprised of vehicle leases with terms of 3 years and a warehouse lease with an initial term of 2 years plus an extension for an additional term of 2 years. The value of additions is determined as the present value of lease payments at the inception of the lease (see Note 13).

(b) Depreciation

Depreciation expense for the three and nine months ended September 30, 2021 of $33,807 and $80,834, respectively (three and nine months ended and period from February 11, 2020 to September 30, 2020 – $nil), was recognized within exploration and evaluation expenses and general and administration expenses in the consolidated statement of operations and comprehensive loss.

9. MINERAL INTERESTS

(a) San Antonio Project

On July 9, 2020, the Company entered into an option agreement with a third party to acquire the San Antonio Project. The San Antonio project is located approximately 80km south of Medellín. It is situated in the Middle Cauca belt in the Department of Caldas, Colombia.

The option agreement provides the Company the right to explore, develop and acquire the property over a seven-year term, expiring on July 9, 2027, for total payments over the term of the agreement of $2,500,000 and a 1.5% NSR upon reaching commercial production. The Company has the option to pay an additional $2,500,000 to the optionor in lieu of the 1.5% NSR.

The exploration and development program, including the amount of expenditures, is at the sole discretion of the Company during the term of the agreement.

For the three and nine months ended September 30, 2021, the Company has recognized $284,000 and $1,883,000, respectively (three months ended and period from February 11, 2020 to September 30, 2020 – $115,000), including option payments of $50,000 (three months ended and period from February 11, 2020 to September 30, 2020 – $30,000), as exploration and evaluation expense in the consolidated statement of operations.

Summary:

Option payments under the agreement are as follows:

	$
August 8, 2020	30,000
July 9, 2021	50,000
July 9, 2022	100,000
July 9, 2023	150,000
July 9, 2024	250,000
July 9, 2025	420,000
July 9, 2026	750,000
July 9, 2027	750,000
	2,500,000
Upon reaching commercial production	2,500,000
	5,000,000

As the Company has the option to terminate the agreement at any time, upon notification to the optionor, the Company has not recognized any option payments payable in the future under the agreement in its consolidated statement of financial position.

(b) The Guayabales Project

The Company entered into two option agreements (the "First Guayabales Option" and the "Second Guayabales Option") with third parties to explore, develop and acquire property within the Guayabales Project. The Guayabales Project is located in the Middle Cauca belt in the Department of Caldas, Colombia.

Details of the two option agreements are as follows:

i. First Guayabales Option

On June 24, 2020, the Company entered into the First Guayabales Option. The terms of the agreement are as follows:

Phase 1:

The Company must incur a minimum of $3,000,000 of exploration and evaluation expenditures in respect of property within the First Guayabales Option and make total option payments of $2,000,000 over a maximum four-year term ending on or before June 24, 2024, to proceed to Phase 2 of the agreement.

For the three and nine months ended September 30, 2021, the Company has recognized $1,263,000 and $1,714,000, respectively (three months ended and period from February 11, 2020 to September 30, 2020 – $134,000 and $534,000 respectively), including option payments of $200,000 and $400,000, respectively (three months ended and period from February 11, 2020 to September 30, 2020 – $nil and $350,000 respectively), as exploration and evaluation expense in the consolidated statement of operations in respect of Phase I of the First Guayabales Option.

As at September 30, 2021, the Company has recognized a total of $1,795,000 as exploration expenditures from inception of the agreement in respect of the minimum expenses required under the Phase I of the agreement.

Phase 2:

To acquire a 90% interest in the property within the First Guayabales Option, the Company must incur a minimum of $10,000,000 of exploration and evaluation expenditures in respect of such property and make total option payments of $2,000,000, payable in equal instalments of $166,666 semi-annually over a maximum six-year term, commencing at the end of Phase 1.

Phase 3:

To acquire the remaining 10% interest in the property within the First Guayabales Option, the Company has the following options:

- acquire 0.625% each year to a total of 10% by paying $250,000 semi-annually, commencing at the end of Phase 2, to a total of $8,000,000 in lieu of the NSR;
- pay a one-time payment of $8,000,000 in lieu of the NSR; or
- provide notice that the Company has elected to pay a 1% NSR commencing on the first calendar day of each month after 85% of the processing plant capacity has been achieved in exchange for the remaining 10% interest.

In addition, the Company is required to fund and complete all development and construction activities to bring the project to commercial production.

<u>Summary:</u>

The following is a summary of the option payments and exploration expenditures required to acquire 100% of the property under the First Guayabales Option:

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

		Option Payments	Exploration Expenditures	Total
		$	$	$
Total Phase 1	June 24, 2020 – June 24, 2024	2,000,000	3,000,000	5,000,000
Total Phase 2	June 24, 2024 – June 24, 2030	2,000,000	10,000,000	12,000,000
Total Phase 3	To commercial production	8,000,000[1]	–	8,000,000
		12,000,000	13,000,000	25,000,000

1 Based on the assumption that the Company does not elect to pay the NSR.

The Company has the option to terminate the agreement at any time, upon notification to the optionor. As a result, the Company has not recognized any option payments payable in the future under the agreement in the consolidated statement of financial position.

ii. Second Guayabales Option

On January 4, 2021, the Company entered into the Second Guayabales Option. The terms of the agreement are as follows:

Phase 1:

The option agreement provides the Company the right to explore the property within the Second Guayabales Option over a four-year term, expiring on January 2, 2025, for total payments over the term of the agreement of $1,750,000, with minimum payments of $1,000,000 if the agreement is terminated on or before January 3, 2022.

For the three and nine months ended September 30, 2021, the Company recognized a total of $405,000 and $1,105,000, respectively as exploration and evaluation expense in the consolidated statement of operations in respect of Phase I of the Second Guayabales Option, including option payments of $nil and $700,000, respectively. As at September 30, 2021, $300,000 was included in accounts payable and accrued liabilities, representing the unpaid portion of required minimum option payments.

Phase 2:

The option agreement provides the Company the right to explore the property within the Second Guayabales Option over a second four-year term between January 2, 2025 to January 2, 2029 for total payments over the term of $1,000,000.

Phase 3:

Upon completion of Phase 2, the Company is required to pay a total of $4,300,000 over a two-year period ending on January 2, 2030 to acquire 100 percent of the property within the Second Guayabales Option.

<u>Summary:</u>

The following is a summary of the option payments to acquire the property under the Second Guayabales Option:

	$
Total Phase 1	1,750,000
Total Phase 2	1,000,000
Total Phase 3	4,300,000
	7,050,000

The Company has the option to terminate the agreement at any time, upon notification to the optionor. Other than the required minimum option payments under the agreement, the Company has not recognized any option payments payable in the future in the consolidated statement of financial position.

10. LONG-TERM RECEIVABLE

Long-term receivable represents value added taxes in respect of exploration activities that will be recovered when the related project commences production.

11. WARRANTS LIABILITY

The following represents warrants denominated in Canadian dollars and classified as derivative financial liabilities:

	2021		2020	
	Number of warrants	**Black-Scholes Value**	Number of warrants	Black-Scholes Value
		$		$
Opening balance	**–**	**–**	–	–
Subscription Warrants issued (a)	**7,500,000**	**2,880,258**	–	–
2020 warrants issued (c)	**–**	**–**	5,200,000	36,093
Warrants exercised (a), (c)	**(6,495,000)**	**(7,967,813)**	(5,200,000)	(228,446)
Warrants expired (a)	**(1,005,000)**	**(975,807)**	–	–
Fair value revaluation of warrants liability (a), (c)	**–**	**6,063,362**	–	192,353
Balance, end of period	**–**	**–**	–	–

(a) Subscription Warrants

In conjunction with the Transaction (See Note 5), the Company closed a total of C$15,000,000 non-brokered private placement in the form of subscription receipts (“Subscription Receipts”) at a price of C$1.00 per Subscription Receipt (the “Offering”). Proceeds from the Offering were held in escrow until May 20, 2021, upon closing of the Transaction.

Upon closing of the Transaction, the holder of each Subscription Receipt (on a post-consolidation basis) received one unit in the capital of the Company at a price of C$1.00 per unit (a “Subscription Unit). Each Subscription Unit consisted of one common share of CML (a “Subscription Share”) and one-half share purchase warrant of CML (each whole warrant, a “Subscription Warrant”). Each Subscription Warrant had an exercise price of C$2.00 per share with an expiry date of May 20, 2024, subject to the Company’s right to accelerate the expiry of the Subscription Warrants in the event that the Company’s closing price on the TSXV remains equal to or higher than $2.60 for 20 consecutive trading days. On June 25, 2021, the Company issued a notice exercising its right to accelerate the expiry date to August 9, 2021.

As at September 30, 2021, there were no outstanding Subscription Warrants and the balance of the warrants liability was $nil. As at August 9, 2021, 6,495,000 Subscription Warrants were exercised with total proceeds received of $10,363,272 (C$12,990,000) in respect of the Subscription Warrants. The remaining 1,005,000 unexercised warrants expired. The fair value of the Subscription Warrants exercised was revalued to $7,967,813 and transferred to contributed surplus. The remaining value of the warrants liability was reduced to $nil and recognized in the statement of operations. For the three and nine months ended September 30, 2021, the Company recognized a derivative gain of $2,854,405 and a derivative loss of $5,087,559, respectively, in the consolidated statement of operations and comprehensive loss for the revaluation of the Subscription Warrants.

The Subscription Warrants were classified as derivative financial liabilities as a result of their being denominated in Canadian dollars. Proceeds from the Offering are allocated between Subscription Shares and Subscription Warrants on a pro-rata basis of their fair value within the unit.

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

The issue date fair value of the Subscription Warrants was determined to be C$0.46 per warrant with the resulting allocation of the total proceeds for the Offering being:

	C$	$
Warrants liability – Subscription Warrants	3,476,472	2,880,258
Share capital – Subscription Shares	11,523,528	9,547,248
Total gross proceeds	15,000,000	12,427,506

Fair value for the Subscription Warrants was determined using the Black-Scholes option pricing model using the following weighted average assumptions for the period from May 20, 2021 (date of issue) to September 30, 2021:

Weighted average share price	C$2.10
Weighted average risk-free interest rate	0.47%
Weighted average dividend yield	Nil
Weighted average stock price volatility, based on historical volatility for comparable companies	130%
Weighted average period to expiry (years)	1.5

(b) Financing Costs

Costs directly attributable to the Offering are made of:

	$
Finders' Units (see Note 18)	442,833
Additional financing costs	100,931
Total financing costs	543,764

Financing costs are allocated on a pro-rata basis between Subscription Shares and Subscription Warrants, with the portion allocated to Subscription Warrants recognized as an expense and the portion allocated to Subscription Shares recognized as a reduction in share capital as follows:

	$
Subscription Warrants – financing expense	126,026
Subscription Shares – share issue costs	417,738
	543,764

(c) 2020 Warrants

i. On May 25, 2020, the Company issued 4,800,000 Warrants (see Note 16(b)vi and vii). Each Warrant had an exercise price of C$0.10 per share and an expiry date of June 5, 2021. The issue date fair value of the Warrants was $35,909. In June 2020, all such Warrants were exercised. The Company recognized a derivative loss of $132,119 in the consolidated statement of operations and comprehensive loss upon revaluation of the Warrants immediately prior to their exercise.

ii. On August 12, 2020, the Company issued 400,000 Warrants (see Note 16(b)viii). Each Warrant had an exercise price of C$0.20 per share and an expiry date of June 5, 2021. The issue date fair value of the Warrants was $184. In September 2020, all such Warrants were exercised, resulting in the recognition of a derivative loss of $60,234 in the consolidated statement of operations and comprehensive loss.

12. OTHER CURRENT LIABILITIES

Other current liabilities are made up of the following:

As at	Note	September 30, 2021	December 31, 2020
		$	$
Loan payable (a)		–	76,477
Related party loan payable	14(a), 15(a)	–	6,973
Current portion of lease liabilities	13	55,338	44,520
		55,338	127,970

(a) In 2020, the Company received a loan of $154,504. The loan was subject to interest payable to September 2020 at an annualized rate of 10.03%. Effective September 2020, the loan became payable on demand with no interest recognized subsequent to that date. As at September 30, 2021, the loan was settled in full.

13. LEASE LIABILITIES

As at (in thousands of U.S. dollars)	September 30, 2021	December 31, 2020
	$	$
Opening balance	142,841	–
New leases during the period	51,391	135,887
Lease payments	(54,729)	(13,838)
Interest accretion expense	18,077	4,951
Foreign exchange	(18,557)	15,841
Balance, end of period	139,023	142,841
Current portion	(55,338)	(44,520)
Long-term portion	83,685	98,321

The lease liabilities were measured on inception of the lease at the present value of the lease payments over the lease term, discounted using a weighted average discount rate of 15.70%, based on the Company's incremental borrowing rate.

Interest accretion expense or amortization of the discount on the lease liability is charged to the consolidated statement of operations and comprehensive loss using the effective interest method.

For the three and nine months ended September 30, 2021, the Company made lease payments of $35,150, and $96,352, respectively (three months ended and period from February 11, 2020 to September 30, 2020 – $3,649) for contracts with terms of 12 months or less and which were recognized as lease expense within exploration and evaluation expenses.

14. RELATED PARTY TRANSACTIONS

Related parties include management, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The following are related party transactions of the Company:

(a) During the period from February 11, 2020 to December 31, 2020, an officer and employee of the Company incurred expenditures totaling $165,816, included within exploration and evaluation expenses (see Note 19(a)), on behalf of the Company at an interest rate of 27%, which was reimbursed. The amounts advanced were considered as a loan to the Company with interest payable at an annualized rate of 13.48% and was payable on demand. For the period ended December 31, 2020, the Company incurred interest of $6,884 in respect of the loan from the employee. As at September 30, 2021, the loan was settled in full.

(b) Compensation of key management personnel

Key management includes independent directors, the executive chairman of the board of directors (the "Chairman"), the president and chief executive officer ("CEO") and the chief financial officer ("CFO"). The remuneration of members of key management personnel were as follows:

	Three months ended September 30		Nine months and period ended September 30	
	2021	2020	**2021**	2020 [1]
	$	$	**$**	$
Management salaries and benefits	**125,983**	–	**486,243**	–
Share-based payments	**10,920**	–	**94,573**	–
	136,903	–	**580,816**	–

1 – For the period from February 11, 2020

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company.

15. FINANCIAL AND CAPITAL RISK MANAGEMENT

(a) Financial Risk Management

The Company's activities expose it to a variety of financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Risk management is carried out by the Company's management with guidance from and policies approved by the Board of Directors.

Financial risk factors

Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in currency that is not the entity's functional currency. The Company's functional currency is the U.S. dollar. The Company conducts some of its operating, financing and investing activities in currencies other than the U.S. dollar. The Company is therefore subject to gains and losses due to fluctuations in these currencies relative to the U.S. dollar. The Company does not use derivative instruments to hedge exposure to foreign exchange risk.

The Company had the following foreign currency balances:

As at September 30, 2021	**Foreign Currency**	**Foreign Balance**	**$**
Cash and cash equivalents	COP (000's)	**717,201**	**187,030**
Cash and cash equivalents	CAD	**1,422,193**	**1,116,233**
Receivables	COP (000's)	**805,156**	**209,967**
Receivables	CAD	**16,645**	**13,257**
Accounts payable and accrued liabilities	COP (000's)	**(3,635,344)**	**(948,018)**
Accounts payable and accrued liabilities	CAD	**(18,858)**	**(14,801)**
Lease liability	COP (000's)	**(533,107)**	**(139,023)**

As at December 31, 2020	Foreign Currency	Foreign Balance	$
Cash and cash equivalents	COP (000’s)	852,871	248,469
Cash and cash equivalents	CAD	1,801,983	1,415,540
Receivables	COP (000’s)	50,000	15
Receivables	CAD	9,302	7,307
Accounts payable and accrued liabilities	COP (000’s)	(300,032)	(87,409)
Accounts payable and accrued liabilities	CAD	(17,543)	(13,766)
Loan payable	COP (000’s)	(262,507)	(76,477)
Related party payable	COP (000’s)	(23,934)	(6,973)
Lease liability	COP (000’s)	(490,302)	(142,841)

Credit risk

Credit risk is the risk of loss associated with a counter party’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from its properties. The majority of the Company’s cash and cash equivalents are held with banks in Canada. Funds held in banks in Colombia are limited to forecasted 90-day cash requirements. The Company limits material counterparty credit risk on these assets by dealing with financial institutions with credit ratings of at least “A” or equivalent, or those which have been otherwise approved. Receivables mainly consist of receivables for refundable commodity taxes in Canada. Management believes that the credit risk concentration with respect to remaining amounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company manages its liquidity risk by proactively mitigating exposure through cash management, including forecasting its liquidity requirements with available funds and anticipated investing and financing activities.

As at September 30, 2021, the cash balance of $19.7 million is expected to be sufficient to meet its obligations in respect of its current liabilities of $1.2 million, and anticipated exploration, evaluation and administrative expenditures over the next twelve months. However, the cash balance is not sufficient to meet all of its future obligations in respect of the option contracts in note 9 if the Company elects to exercise all its options in respect of all the contracts. Thus, continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from existing shareholders and/or new shareholders or through other arrangements, complete sufficient public equity financing, or generate profitable operations in the future.

Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Company’s earnings and liabilities. The Company’s cash balances are not subject to significant interest rate risk as balances are current.

(b) Capital Management

The Company manages its capital to maintain its ability to continue as a going concern in order to pursue the exploration and evaluation of its mineral interests. The Company mainly relies on equity issuances to raise new capital. The capital structure of the Company includes the components of equity as well as cash and cash equivalents.

The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company maintains its cash in highly liquid short-term deposits which can be liquidated immediately without interest or penalty.

The Company's overall strategy with respect to capital risk management has remained consistent for the nine months ended September 30, 2021.

16. SHARE CAPITAL

(a) Authorized

Authorized share capital consists of an unlimited number of common shares without par value. All issued shares are fully paid. No dividends have been paid or declared by the Company since inception.

(b) Issued

During the three and nine months ended September 30, 2021 and 2020, the Company issued shares resulting from the following transactions:

2021 Transactions

i. On January 5, 2021, the Company issued 500,000 common shares resulting from the exercise of stock options (See Note 17(a)).

ii. On May 20, 2021, the Company issued 2,785,000 common shares to original POCML shareholders on closing of the RTO. The fair value of shares was determined to be $1,772,606 (See Note 5).

iii. On May 20, 2021, the Company issued 15,000,000 common shares upon closing of the Offering. Proceeds from the Offering of C$15,000,000 ($12,427,506) were allocated between Subscription Shares and Subscription Warrants on a pro-rata basis of their fair value within the unit of which $9,547,248 was allocated to Subscription Shares (See Note 11(a)). Share issue costs of $417,739 (See Note 11(b)) were recognized as a reduction in share capital.

From July 1, 2021 to August 9, 2021, the Company issued 6,495,000 common shares and received total proceeds of C$12,990,000 ($10,363,272) as a result of the exercise of the Subscription Warrants (See Note 11(a)).

iv. On May 20, 2021, the Company issued 534,500 common shares as part of the Subscription Units issued to eligible finders (the "Finders' Shares") (See Note 18). The value allocated to the Finders' Shares was $340,200.

From July 1, 2021 to August 9, 2021, the Company issued 267,250 common shares and received total proceeds of C$534,500 ($426,602) as a result of the exercise of the Finders' Warrants (See Note 18).

2020 Transactions

v. On March 16, 2020, the Company issued 20,000,000 common shares at a price of C$0.005 per share for total proceeds of C$100,000 ($71,565). On August 4, 2020, the Company received capital contributions totaling $300,000 ($225,706) from the shareholders, effectively increasing the price per share to C$0.02 on a pre-consolidation basis. The additional capital contribution was recognized in contributed surplus in the consolidated statement of financial position at the time of receipt.

vi. On May 25, 2020, the Company issued 4,800,000 units at a price of C$0.05 per unit for total proceeds of C$240,000 ($171,625). Each unit is comprised of one common share and one Warrant with an exercise price of C$0.10. The increase in share capital was $135,716, being the total proceeds less the fair value of the Warrants on the date of issue (See Note 11(c)i).

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

In June 2020, the Company issued 4,800,000 common shares and received total proceeds of C$480,000 ($353,105) as a result of the exercise of the related Warrants (See Note 11(c)i).

vii. On August 5, 2020, the Company completed a share consolidation of the common shares on the basis of 2 pre-consolidation shares for 1 post-consolidated common share. All share amounts for 18(b)(v) and (vi) are presented on the consolidated statement of changes in equity as post-consolidated shares.

viii. On August 12, 2020, the Company issued 400,000 units at a price of C$0.10 per unit for total proceeds of C$40,000 ($30,180). Each unit is comprised of one common share and one Warrant with an exercise price of C$0.20. The increase in share capital was $29,996, being the total proceeds less the fair value of the warrants on the date of issue (See Note 11(c)ii).

In September 2020, the Company issued 400,000 common shares and received total proceeds of C$80,000 ($60,416) as a result of the exercise of the related Warrants (See Note 11(c)ii).

(c) Earnings per share

Basic earnings per share are calculated by dividing the net income (loss) attributable to equity holders of the Company by the weighted average number of common shares outstanding during the year.

The Company incurred net losses for each of the periods of nine months ended September 30, 2021 and 2020; therefore, all outstanding stock options and share warrants have been excluded from the calculation of diluted loss per share since the effect would be anti-dilutive.

17. SHARE BASED PAYMENTS

The Company adopted a stock option plan (the "Plan") pursuant to the Securities Act of Ontario (the "Act"). The aggregate maximum number of shares reserved for issuance under the Plan and all other security-based compensation arrangements (together "Share Compensation Arrangements") at any given time is 10% of the Company's issued and outstanding shares as at the date of the grant of the Share Compensation Arrangement. Any shares subject to a stock option under the Plan which have been exercised, cancelled, repurchased, expired or terminated in accordance with the Plan will again be available under the Plan.

Under the Plan, the Company may grant to directors, officers, employees, and consultants stock options to purchase common shares of the Company. Stock options granted under the Plan will be for a term not to exceed 10 years.

The continuity of stock options during the period were as follows:

	2021		2020	
	Number of stock options	**Weighted average exercise price**	Number of stock options	Weighted average exercise price
		C$		C$
Outstanding, beginning of period	**2,120,000**	**0.37**	–	–
Granted	**940,000**	**1.88**	1,300,000	0.20
Exercised (a)	**(537,500)**	**(0.20)**	–	–
Expired/cancelled	**(122,500)**	**(0.48)**	(100,000)	(0.20)
Outstanding, September 30, 2021	**2,400,000**	**1.00**	1,200,000	0.20

(a) On January 5, 2021, 500,000 options were modified whereby vesting of such options were accelerated and immediately exercised, resulting in the recognition of $19,237 in the consolidated statement of operations and comprehensive loss on the date of modification.

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

The following table summarizes information about stock options outstanding and exercisable as at September 30, 2021:

	Options Outstanding			Options Exercisable		
Range of Price (C$)	Number of Options Outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price (C$)	Number of options exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price (C$)
$0.20 – $1.00	2,050,000	1.93	0.59	903,335	1.30	0.32
$2.90 – $4.00	350,000	4.87	3.37	–	–	–
	2,400,000	**2.36**	**1.00**	**903,335**	**1.30**	**0.32**

Options granted for the three and nine months ended September 30, 2021 have vesting terms of every six or eight months over a two-year period and a term of three or five years. Options outstanding as at December 31, 2020 have vesting terms of every six or eight months from the date of grant over a two-year period and terms of two to three years.

The following is a summary of the stock options granted, the fair values and the assumptions used in the Black-Scholes option pricing formula:

For the nine months or period ended September 30	**2021**	2020[1]
Number of options granted	**940,000**	1,300,000
Weighted average share price on grant date	**C$1.88**	C$0.15
Weighted average risk-free interest rate	**0.6%**	0.3%
Weighted average dividend yield	**Nil**	Nil
Weighted average stock price volatility, based on historical volatility for comparable companies	**130%**	130%
Weighted average period to expiry (years)	**2.5**	1.4
Weighted average grant date fair value per share	**$1.00**	$0.23

1 – For the period from February 11, 2020

18. WARRANTS RESERVE

The following represents warrants issued and recognized within warrants reserve, a component of contributed surplus:

	Number of warrants	**$**
Balance January 1, 2021	**–**	**–**
Finders' Warrants issued, May 20, 2021	**267,250**	**102,633**
Exercised	**(267,250)**	**(102,633)**
Balance September 30, 2021	**–**	**–**

In connection with the Offering, eligible finders were issued a total of 534,500 Finders' Units, upon closing of the Transaction and representing 5% of the number of Subscription Receipts placed by such eligible finders. Each Finders' Unit consisted of one Finders' Share and one-half of a Finders' Warrant, with the same terms and conditions as the Subscription Warrants (See Note 10(a)).

The Finders' Warrants are accounted for under IFRS 2, as they were issued in exchange for services and therefore, the value allocated to the Finders' Warrants are classified in warrants reserve, a component of contributed surplus, and are not subsequently revalued. The value of services received is determined to be the issue price of the Finders' Units on the date of issue, May 20, 2021, and are allocated between Finders' Shares and Finders' Warrants on a pro-rata basis of their fair value within the unit. Fair value for the Finders' Warrants was determined using the Black-Scholes option pricing model.

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

The allocation of values between Finders' Shares and Finders' Warrants is as follows:

	C$	$
Contributed surplus – Finders' Warrants	123,878	102,633
Share capital – Finders' Shares	410,622	340,200
Total value of Finders' Units issued	534,500	442,833

On June 25, 2021, the Company issued a notice exercising its right to accelerate the expiry date to August 9, 2021.

As at August 9, 2021, all Finders' Warrants were exercised and total proceeds of $426,602 (C$534,500) in respect of the Finders' Warrants were received.

19. EXPENSES BY NATURE

(a) Exploration and evaluation

Exploration and evaluation expense for the period is made up of the following:

	Three months ended September 30		Nine months and period ended September 30	
	2021	2020	**2021**	2020 [1]
	$	$	**$**	$
Option payments and fees (i)	**341,150**	62,054	**1,295,503**	466,860
Drilling services	**409,804**	–	**1,130,380**	–
Salaries and benefits	**224,421**	–	**562,677**	–
Field costs, surveys and other	**284,497**	174,076	**511,530**	174,076
Consulting and professional fees	**138,910**	12,600	**373,484**	12,600
Assaying	**195,349**	–	**249,587**	–
Transportation and meals	**111,688**	8,727	**220,225**	8,727
Geophysics	**172,217**		**172,217**	
Depreciation and amortization	**32,464**	–	**77,776**	–
Community expenses	**27,401**	–	**66,298**	–
Security	**14,741**	–	**47,587**	–
	1,952,642	257,457	**4,707,264**	662,263

1 – For the period from February 11, 2020

i. Includes total option payments in respect of option agreements for the three and nine months ended September 30, 2021 of $250,000 and $1,150,000, respectively (three months ended and period from February 11, 2020 to September 30, 2020 of $30,000 and $380,000) and including $300,000 of required minimum option payments recognized in accounts payable and accrued liabilities as at September 30, 2021 (2020 – $nil) (See Note 9(b)ii).

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

(b) General and administration

General and administration expense for the period is made up of the following:

	Three months ended September 30		Nine months and period ended September 30	
	2021	2020	**2021**	2020 [1]
	$	$	**$**	$
Salaries and benefits	**237,960**	–	**794,708**	–
Share-based compensation	**191,391**	20,399	**637,935**	20,399
Consulting and professional fees	**149,730**	34,263	**351,663**	46,040
Travel and entertainment	**6,816**	–	**96,947**	–
Office administration	**697**	2,505	**29,336**	2,706
Regulatory and compliance fees	**1,850**	–	**15,391**	–
Directors' fees and expenses	**8,000**	–	**8,000**	3,000
Depreciation	**1,343**	–	**3,058**	–
Investor relations	**–**	1,417	**394**	1,417
	597,787	58,584	**1,937,432**	73,562

1 – For the period from February 11, 2020

(c) Finance costs

Finance costs expensed for the period is made up of the following:

	Three months ended September 30		Nine months and period ended September 30	
	2021	2020	**2021**	2020 [1]
	$	$	**$**	$
Finance issue expense (i)	**–**	–	**126,025**	–
Interest accretion expense (ii)	**5,499**	–	**18,077**	–
	5,499	–	**144,102**	–

1 – For the period from February 11, 2020

i. Represents the portion of the Offering financing costs allocated to the Subscription Warrants (See Note 11(b)).

ii. Interest accretion expense or amortization of the discount is in respect of the lease liability, also representing the interest portion of lease payments (See Note 13).

20. CASH FLOW INFORMATION

(a) Operating Activities

Net changes in working capital items:

	Three months ended September 30		Nine months and period ended September 30	
	2021	2020	**2021**	2020 [1]
	$	$	**$**	$
Receivables and prepaid expenses	**10,421**	509,969	**190,335**	(5,076)
Inventories	**1,956**	–	**(1,620)**	–
Net assets acquired from RTO Transaction (Note 5)	**–**	–	**463,559**	–
Accounts payables and accrued liabilities	**228,386**	(73,215)	**911,373**	291,762
	240,763	–	**1,563,647**	–

1 – For the period from February 11, 2020

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

(b) Financing Activities

Financing costs paid:

	Three months ended September 30		Nine months and period ended September 30	
	2021	2020	**2021**	2020 [1]
	$	$	**$**	$
Offering financing costs (i)	**–**	–	**100,931**	–
Interest portion of lease payments (Note 13, (19(c)(ii))	**5,499**	–	**18,077**	–
	5,499	–	**119,008**	–

1 – For the period from February 11, 2020

i. Represents financing costs incurred in respect of the Offering (See Note 11(b)).

21. COMMITMENTS, OPTION AGREEMENTS AND CONTINGENCIES

Commitments

As at September 30, 2021, the Company had the following contractual commitments and obligations:

	Total	**Less than 1 Year**	**Years 2 – 5**	**After 5 Years**
	$	**$**	**$**	**$**
Other lease commitments (a)	50,263	50,263	–	–
Social and governance commitments	44,282	44,282	–	–
Service contracts (b)	1,072,065	1,072,065	–	–
	1,166,610	**1,166,610**	**–**	**–**

(a) Other lease commitments represent lease contracts for a warehouse and housing for exploration employees for terms of 12 months or less.

(b) Service contracts represent commitments in respect of drilling and induced polarization (IP) project.

Option Agreements

The Company has the option to terminate its option agreements at any time. Future expenditures are therefore dependent on the success of exploration and development programs and a decision by management to continue or exercise its option(s) for the relevant project and agreement.

As at September 30, 2021, the expected timing of payments, in respect of the Company's option agreements under the assumption that the Company continues to exercise its option(s) for the relevant project and agreement are as follows:

	Total	**Less than 1 Year**	**Years 2 – 5**	**After 5 Years**
	$	**$**	**$**	**$**
San Antonio Option (c)	2,420,000	100,000	1,570,000	750,000
First Guayabales Option (d)	3,250,000	250,000	1,666,664	1,333,336
Second Guayabales Option (e)	6,350,000	300,000	1,000,000	5,050,000
	12,020,000	**650,000**	**4,236,664**	**7,133,336**

(c) Excludes additional option payment or NSR upon reaching commercial production.

(d) Amounts disclosed relate only to option payments of the agreement. In addition, the Company must incur a minimum of $3,000,000 of exploration and evaluation expenditures under Phase 1 and $10,000,000 under Phase 2. As at September 30, 2021, the remaining required minimum exploration and evaluation expenditures under Phase 1 of the First Guayabales Option is $1,205,000.

(e) Excludes required minimum option payments under Phase I of the agreement and recognized in accounts payable and accrued liabilities (See Note 9(b)(ii)).

Environmental Contingencies

The Company's exploration activities are subject to Colombian laws and regulations governing the protection of the environment. These laws are subject to change and may generally become more restrictive. The Company may be required to make future expenditures to comply with such laws and regulations, the amounts for which are not determinable and have not been recognized in the consolidated financial statements.

22. SUBSEQUENT EVENTS

The Company filed a preliminary short form base shelf prospectus on October 5, 2021. The final short form base shelf prospectus was filed on November 10, 2021 which will allow the Company to issue common shares, warrants, subscriptions receipts, units of debt securities among others for up to an aggregate total of C$100,000,000 during the 25-months period that the base shelf prospectus remains effective until December 2023.