



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(EXPRESSED IN UNITED STATES DOLLARS)**

Management's Responsibility for Financial Reporting

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

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

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

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

[signed]

Juan Gavidia

Chief Executive Officer

Toronto, Canada

December 1, 2023

[signed]

Nuria Menéndez

Chief Financial Officer



Independent auditor's report

To the Shareholders of Orvana Minerals Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Orvana Minerals Corp. and its subsidiaries (together, the Company) as at September 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of net income (loss) and other comprehensive income (loss) for the years ended September 30, 2023 and 2022;
- the consolidated statements of cash flows for the years ended September 30, 2023 and 2022;
- the consolidated balance sheets as at September 30, 2023 and 2022;
- the consolidated statements of changes in shareholders' equity for the years ended September 30, 2023 and 2022; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

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



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended September 30, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessments of property, plant and equipment for EMIPA and Orovalle cash generating units (CGUs) <i>Refer to note 3 – Summary of significant accounting policies, note 4 – Critical accounting estimates and judgments, note 16 – Property, plant and equipment and note 26 – Segmented information to the consolidated financial statements.</i> As at September 30, 2023, the total net book value of property, plant and equipment, related to EMIPA and Orovalle CGUs, amounted to \$19.9 million and \$34.6 million, respectively. Management reviews the carrying amounts of property, plant and equipment for impairment indicators whenever facts and circumstances suggest that the carrying amounts may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest level for which there are separately identifiable cash flows (CGU). If the recoverable amount of a CGU is estimated to be less than its carrying amount, the carrying amount of the CGU is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statements of net income (loss) and other comprehensive income (loss). During the year ended September 30, 2023, management identified an impairment indicator as the market capitalization of the Company was less than the carrying amount of the net assets. As a result, management performed an impairment test on EMIPA and Orovalle CGUs. Management determined the recoverable amounts of EMIPA and	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the recoverable amounts of property, plant and equipment related to EMIPA and Orovalle CGUs, which included the following: – Evaluated the reasonableness of key assumptions such as future commodity prices, foreign exchange rates, future operating, capital and reclamation costs and future production and sales volumes, by (i) comparing future commodity prices with external market and industry data; (ii) comparing foreign exchange rates with external market data; (iii) comparing future operating, capital and reclamation costs to prior year actual operating, capital and reclamation expenditures incurred; (iv) comparing the future production and sales volumes to the current and past performance of the CGUs; and (v) assessing whether these assumptions were consistent with evidence obtained in other areas of the audit, as applicable. – The work of management's experts was used in performing the procedures to evaluate the reasonableness of the assumptions associated with the recoverable reserves and resources. As a basis for using this work, the competence, capabilities and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the work as audit



Key audit matter	How our audit addressed the key audit matter
Orovalle CGUs based on a value in use method (VIU method) using discounted cash flow models. Key assumptions used in the discounted cash flow models included: recoverable reserves and resources, future commodity prices, future production and sales volumes, future operating, capital and reclamation costs, foreign exchange rates and discount rates. Management estimates of the recoverable reserves and resources are based on information prepared by or under the supervision of qualified persons (management's experts). No impairment charge was required for EMIPA and Orovalle CGUs because their recoverable amounts exceeded the carrying amounts. We considered this a key audit matter due to the significant audit effort and subjectivity in performing procedures to test the key assumptions used by management in determining the recoverable amounts of EMIPA and Orovalle CGUs, which involved critical judgment by management. We were also assisted by professionals with specialized skill and knowledge in the field of valuation.	evidence was evaluated. The procedures performed also included evaluation of the assumptions used by management's experts and an evaluation of their findings. – Professionals with specialized skill and knowledge in the field of valuation assisted in assessing the reasonableness of the discount rates and future commodity prices used within the models. • Tested the disclosures, including the sensitivity analysis, made in the consolidated financial statements with regard to the impairment assessment of property, plant and equipment for EMIPA and Orovalle CGUs.

Other information

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

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

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

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



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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If



we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
December 1, 2023

ORVANA MINERALS CORP.**Consolidated statements of net income (loss) and other comprehensive income (loss)**
(in thousands of United States dollars)

	Years ended September 30,	
	2023	2022
Revenue (note 6)	\$ 99,122	\$ 94,668
Cost of sales (note 15)		
Mining costs (note 7)	74,867	85,380
Write-off of property, plant and equipment	188	238
Depreciation and amortization (note 16)	17,342	15,252
	92,397	100,870
Gross margin	6,725	(6,202)
Expenses		
General and administrative (note 8)	2,535	2,793
Foreign Exchange gain (note 9)	(804)	(173)
Exploration	910	2,203
Community relations costs (reversal of provision)	-	(737)
Other losses, net (note 10)	350	2,787
Finance costs, net (note 11)	1,841	1,249
Derivative instruments gain (note 12)	(249)	(1,168)
	4,583	6,954
Income (loss) before income taxes	2,142	(13,156)
Provision for (recovery of) income taxes		
Current income taxes (note 21.a)	543	596
Deferred income taxes (note 21.a)	(1,109)	(33)
	(566)	563
Net income (loss)	\$ 2,708	\$ (13,719)
Other comprehensive income (loss) items that may be reclassified to profit or loss		
Other comprehensive loss	(89)	(435)
Cumulative translation adjustments	(242)	(1,802)
Other comprehensive income (loss)	2,377	(15,956)
Net income (loss) per share (note 13)		
Basic and diluted	\$ 0.02	\$ (0.10)

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

ORVANA MINERALS CORP.
Consolidated statements of cash flows
(in thousands of United States dollars)

	Years ended September 30,	
	2023	2022
Operating activities		
Net income(loss) ⁽¹⁾	\$ 2,708	\$ (13,719)
Adjustments for:		
Depreciation and amortization	17,537	15,253
Gain on disposal of assets	-	(11)
PPE write-offs	188	490
PPE impairment Orovalle (note 10)	-	1,686
Provision for uncollectible VAT	139	1,008
Accretion on decommissioning liabilities (note 20)	765	439
Amortization of deferred financing fees	395	298
Share based payments (note 23)	6	(861)
Deferred income taxes (note 21.a)	(1,109)	(33)
Foreign exchange gain	(4,338)	3,056
Derivative instruments (note 12)	-	(213)
	16,291	7,393
Changes in non-cash working capital		
Concentrate and doré sales receivables	255	(1,042)
Value added taxes and other receivables and prepaid expenses	1,928	(1,591)
Inventory	(34)	3,138
Accounts payable and accrued liabilities	(511)	1,331
Provision for statutory labour obligations	217	(961)
Income taxes payable (receivable) (note 21.a)	2,891	(1,093)
	4,746	(218)
Cash provided by operating activities	21,037	7,175
Investing activities		
Capital expenditures (note 16)	(11,666)	(20,084)
Restricted cash	119	484
Proceeds from sale of property, plant and equipment and assets held for sale	-	870
Cash used in investing activities	(11,547)	(18,730)
Financing activities		
Proceeds (Repayments) of Debt (note 18)		
Orovalle	(6,400)	(3,034)
Orovalle & Iberia	(2,480)	12,145
EMIPA	1,500	(2,650)
Repayment of lease liabilities (note 19)	(677)	(1,484)
Cash (used in) provided by financing activities	(8,057)	4,977
Change in cash and cash equivalents	1,433	(6,578)
Cash and cash equivalents, beginning of the year	6,544	11,327
Effect of exchange rate changes on cash	352	1,795
Cash and cash equivalents, end of year	\$ 8,329	\$ 6,544

(1) Net income (loss) includes interests paid for \$661 in fiscal 2023 (\$512 in fiscal 2022).

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

ORVANA MINERALS CORP.
Consolidated balance sheets
(in thousands of United States dollars)

	As at September 30, 2023	As at September 30, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 8,329	\$ 6,544
Restricted cash (note 14)	96	96
Concentrate and doré sales receivables	1,018	1,273
Value added taxes (note 21.b)	3,633	4,589
Other receivables and prepaid expenses	390	1,210
Inventory (note 15)	12,678	12,415
Income tax receivable (note 21.a)	14	2,548
	26,158	28,675
Non-current assets		
Value-added taxes (note 21.b)	10,886	10,377
Other assets	915	96
Income tax receivable (note 21.a)	-	809
Restricted cash (note 14)	-	245
Reclamation bonds (note 14)	7,703	7,034
Deferred income tax asset (note 21.a)	13,746	12,637
Inventory (note 15)	4,758	5,148
Property, plant and equipment (note 16)	59,083	63,763
	\$ 123,249	\$ 128,784
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 17)	\$ 27,534	\$ 30,035
Income tax payable (note 21.a)	1,166	-
Provision for statutory labour obligations	90	155
Debt (note 18)	8,636	10,669
Lease liabilities (note 19)	1,004	220
	38,430	41,079
Non-current liabilities		
Decommissioning liabilities (note 20)	19,499	20,593
Debt (note 18)	6,225	9,256
Lease liabilities (note 19)	274	74
Provision for statutory labour obligations	416	134
VAT liabilities (note 21.b)	666	666
Other Long-Term obligations	746	298
Long-term compensation (note 23.b)	434	2,502
	66,690	74,602
Shareholders' equity		
Share capital (note 22)	116,206	116,206
Contributed surplus	3,871	3,871
Retained earnings	(61,957)	(48,238)
Other comprehensive income	(517)	(428)
Cumulative translation adjustments	(3,752)	(3,510)
Current earnings	2,708	(13,719)
	56,559	54,182
	\$ 123,249	\$ 128,784

Commitments and contingent liabilities (note 25)

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

Approved by the Board of Directors:

Robert Metcalfe, Chairman
[signed]

Michael Davies, Director
[signed]

ORVANA MINERALS CORP.**Consolidated statements of changes in shareholders' equity**
(in thousands of United States dollars)

	Share Capital	Contributed Surplus	Retained Earnings	Cumulative translation adjustments	Other comprehensive (loss) income	Total
Balance, October 1, 2022	\$ 116,206	\$ 3,871	\$ (61,957)	\$ (3,510)	\$ (428)	\$ 54,182
Remeasurement of financial assets	-	-	-	-	(89)	(89)
Cumulative translation adjustments	-	-	-	(242)	-	(242)
Net income	-	-	2,708	-	-	2,708
Balance, September 30, 2023	\$ 116,206	\$ 3,871	\$ (59,249)	\$ (3,752)	\$ (517)	\$ 56,559

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

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

ORVANA MINERALS CORP.

Notes to the consolidated financial statements

(in thousands of United States dollars unless otherwise noted)

For the years ended September 30, 2023 and 2022

1. Nature of operations and corporate information

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

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

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

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

2. Basis of preparation

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

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

These consolidated financial statements for the year ended September 30, 2023 were approved by the Board of Directors of the Company on December 1, 2023.

3. Summary of significant accounting policies

(a) Basis of measurement

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

(b) Principles of consolidation

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

Wholly-owned subsidiaries:

Operating companies:

Empresa Minera Paititi, S.A. ⁽¹⁾

Orovalle Minerals, S.L.

Orvana Argentina, S.A.

⁽¹⁾ In September 2023, EMIPA received the approval as Bond Issuer in the Bolivian stock market.

ORVANA MINERALS CORP.

Notes to the consolidated financial statements

(in thousands of United States dollars unless otherwise noted)

For the years ended September 30, 2023 and 2022

Non-operating companies:

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

(c) Segment reporting

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

(d) Foreign currency translation

i. Functional and presentation currency

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

Functional currency for subsidiaries is USD, except for Spanish ones (Orovalle Minerlas S.L. and Orvana Minerals Iberia, S.L.U.), whose functional currency is the Euro.

ii. Transactions and balances

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

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

As part of the capital funding process for ongoing activities in Argentina, the Company purchases equity instruments via a third-party investment broker. The equity instruments are transferred from the parent to the Argentinian subsidiary and then sold. The Company only purchases equity instruments with high trading volumes and low volatilities. Upon receipt of the transferred equity instruments by the local investment broker, the Company realizes an immediate foreign exchange impact. This foreign exchange impact is incurred directly as a result of holding the equity instruments with the intention of trading, and as such the foreign exchange impact is also recognized through profit and loss. For the year ended September 30, 2023 the foreign exchange gain recognised for this concept was \$164 (\$2,293 in 2022), (note 9).

(e) Cash and cash equivalents

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

(f) Financial Instruments

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

ORVANA MINERALS CORP.

Notes to the consolidated financial statements

(in thousands of United States dollars unless otherwise noted)

For the years ended September 30, 2023 and 2022

- Financial Assets:

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

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

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

- Financial Liabilities:

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

(g) Inventories

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

(h) Property, plant and equipment

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

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

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

Estimated useful lives of asset categories are as follows:

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

(i) Exploration and development

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

ORVANA MINERALS CORP.

Notes to the consolidated financial statements

(in thousands of United States dollars unless otherwise noted)

For the years ended September 30, 2023 and 2022

(j) Mineral properties in development and production

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

(k) Impairment of non-financial assets

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

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

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

(l) Decommissioning liabilities

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

(m) Revenue recognition

The type and nature of sale contracts is described below:

- Precious metals sales – Gold-copper concentrates

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

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

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variations to weights and assays. The embedded derivative is measured at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included in revenue in the consolidated statement of income (loss) and presented separately, in note 6, of these consolidated financial statements. Refining, treatment charges and freight are netted against revenues from concentrates.

- Precious metals sales – Doré

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

Revenue from gold doré is recognized upon notification of payment from the buyer, which is the point in time when the legal title is transferred. Upon payment the customer is able to direct the use of and obtain substantially all of the benefits from the doré. Revenues are recorded provisionally based on market prices and provisional weights and assays. A receivable is recognized for this amount and subsequently measured at fair value to reflect variability associated with the embedded derivative for changes in the market metal prices and variations to weights and assays. The embedded derivative is measured at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included in revenue in the consolidated statement of income (loss) and presented separately, in note 6, of these consolidated financial statements. Treatment charges are netted against revenues from doré sales.

(n) Cost of sales

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

(o) Share-based payments

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

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

i. Stock options

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

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

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

(p) Earnings per share

Basic earnings per share is computed by dividing net income by the weighted-average number of common shares outstanding during the year. Diluted earnings per share is computed using the "treasury stock

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method". The treasury stock method assumes that all "in the money" option proceeds are used to purchase common shares of the Company at the average market price during the period.

(q) Leases

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

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

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability. A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

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

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

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

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

(r) Borrowing costs

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

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(s) Government grants

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

(t) Income taxes

Taxation on income comprises current and deferred income tax. Current income tax is generally the expected tax payable on the taxable income for the year calculated using rates enacted or substantively enacted at the statements of financial position date in the countries where the Company's subsidiaries operate and generate taxable income.

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

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

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

4. Critical accounting estimates and judgements

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

(a) Impairment of non-financial assets

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

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impaired or the impairment charge reduced with the impact recorded in the consolidated statements of income (loss).

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

(b) Decommissioning liabilities

Management is required to make significant estimates and assumptions in determining the Company's ultimate obligation for decommissioning liabilities. There are numerous factors that will affect the ultimate liability payable including the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Management is also required to apply judgment in determining whether any legal or constructive obligation exists to dismantle, remove or restore its assets, including any obligation to rehabilitate environmental damage on its mineral properties.

(c) Income taxes

Judgment is required in determining whether deferred income tax assets are recognized. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Refer to note 21 – Income tax.

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

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

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

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

(e) Determination of the functional currency

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

5. Significant social and economic uncertainties

The mining industry worldwide is being impacted by economic and geopolitical concerns. Metal prices continue being volatile, and rising inflation and rising prices for energy, fuel and other supplies may affect capital and operating costs. The financial effect of the current situation cannot be estimated with reasonable certainty at this stage.

ORVANA MINERALS CORP.**Notes to the consolidated financial statements****(in thousands of United States dollars unless otherwise noted)****For the years ended September 30, 2023 and 2022****6. Revenue**

The composition of revenue based on products was the following:

		2023	2022
Revenue from contracts with customers	Gold-copper concentrate	\$ 70,046	62,847
	Doré	28,849	31,242
Provisional invoicing adjustments		227	579
Total revenue		\$ 99,122	94,668

The composition of revenue based on metals was the following:

		2023	2022
Gross Revenues			
Gold	\$	87,955	\$ 80,974
Copper		17,679	20,675
Silver		3,379	3,505
Liquidation & mark to market adjustments		(757)	(2,572)
Deductions & other		(9,134)	(7,914)
Total revenue	\$	99,122	\$ 94,668

7. Mining costs

Mining costs include mine production costs, transport costs, royalty expenses, site administration costs, and other related costs, but not the primary mine development costs, incurred at El Valle, which are capitalized and depreciated over the specific useful life or reserves related to that development and are included in depreciation and amortization. The mining costs for the year ended September 30, 2023 and 2022 were:

For the years ended September 30,		2023	2022
Operating costs – Orovalle	\$	71,584	\$ 80,940
Care and maintenance costs - EMIPA		3,283	4,440
Total mining costs	\$	74,867	\$ 85,380

Operating costs at Orovalle include royalties expensed during fiscal 2023, for \$1,149 (during fiscal 2022, \$ 3,088). Relating to the royalty over the El Valle mine, Orovalle and the royalty holder reached an agreement applying a new ratchet structure linked to the gold price from January 1, 2023 (see note 25.d).

Care and maintenance costs at EMIPA include mining rights expensed during fiscal 2023, for \$447 (during fiscal 2022, \$444).

8. General and administrative expenses

For the years ended September 30,		2023	2022
Salaries, directors fees and office administration	\$	2,521	\$ 3,653
Depreciation		8	1
Share based compensation (note 23)		6	(861)
Total general and administrative expenses	\$	2,535	\$ 2,793

9. Foreign Exchange

For the years ended September 30,		2023	2022
Gains in Argentina capital funding (note 3 (d))	\$	(164)	\$ (2,293)
Other variations		(640)	2,120
Total foreign exchange, net	\$	(804)	\$ (173)

ORVANA MINERALS CORP.**Notes to the consolidated financial statements****(in thousands of United States dollars unless otherwise noted)****For the years ended September 30, 2023 and 2022****10. Other losses, net**

For the years ended September 30,	2023	2022
Increase in provision for VAT-Argentina (note 21.b)	\$ 139	\$ 1,008
Increase in (reversal of) provision for VAT-EMIPA (note 21.b)	5	5
PPE Impairment - Orovalle	-	1,686
Loss (gain) on assets held for sale – EMIPA	-	(11)
PPE write-offs – Orovalle	188	489
Miscellaneous other income	18	(390)
Total other losses, net	\$ 350	\$ 2,787

11. Finance costs, net

For the years ended September 30,	2023	2022
Interests on bank debt paid	\$ 659	\$ 501
Accretion expense on decommissioning obligations (note 20)	765	439
Interests paid on lease liability (note 19)	22	11
Finance fees	395	298
Total finance costs, net	\$ 1,841	\$ 1,249

12. Derivative instruments, net

The Company had no outstanding derivative instruments at September 30, 2023.

During fiscal 2023, the Company recorded results on its derivative instruments as follows:

For the years ended September 30,	2023	2022
Gain (loss) in unrealized fair value changes	\$ (1)	\$ 213
Realized gain on cash settlements of derivative instruments	250	955
Derivative instruments gain (loss)	\$ 249	\$ 1,168

13. Net income (loss) per share

For the years ended September 30,	2023	2022
Net income (loss)	\$ 2,708	\$ (13,719)
Weighted average number of common shares outstanding – basic and diluted	136,623,171	136,623,171
Net income (loss) per share – basic and diluted	\$ 0.02	\$ (0.10)

14. Restricted cash and reclamation bonds**Restricted cash**

Restricted cash as at September 30, 2023 was \$96 and consists of warranties provided to the government, required for appealing in labour courts (September 30, 2022, \$96).

Long-term restricted cash as at September 30, 2023 was \$nil (September 30, 2022 – \$245). At September 30, 2022 this restricted cash consisted mainly of cash required by local Spanish banks in connection with the Spanish banking facility.

Reclamation bonds

At September 30, 2023, reclamation bonds were \$7,703 (September 30, 2022 – \$7,034) and are expected to be released after all reclamation work at Orovalle has been completed. Additional reclamation bonds could be required, as part of the process of updating the environmental permit of the El Valle tailings facility (see Note 25.a).

At September 30, 2023 reclamation funds for \$6 million (September 30, 2022 - \$7 million) were held in an investment Fund (see note 27 for valuation criteria of this investment), and remaining reclamation bonds were backed by cash.

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As at September 30,	2023	2022
Ore in stockpiles	\$ 1,167	\$ 503
Ore in-process	1,237	1,788
Doré	717	220
Gold-Copper concentrates	2,791	3,600
Materials and supplies	6,766	6,304
	\$ 12,678	\$ 12,415
Long-term materials and supplies	\$ 2,466	\$ 2,856
Long-term ore in stockpiles	2,292	2,292
	\$ 17,436	\$ 17,563

The Company recognized \$89,980 of inventory in cost of sales (including depreciation and amortization) for the year ended September 30, 2023 (September 30, 2022 - \$98,704). The long-term inventory corresponds to the stockpile and materials and supplies at EMIPA.

16. Property, plant and equipment

	Land	Plant and equipment (2)	Furniture and equipment	Mineral properties in production	Mineral properties in exploration and evaluation	Total
Net book value, September 30, 2022	\$1,441	\$40,183	\$387	\$17,601	\$4,151	\$63,763
Additions	-	5,467	96	6,728	\$331	12,622
Change in decommissioning assets	-	(2,242)	-	-	-	(2,242)
Disposals and write-offs	-	(429)	-	-	-	(429)
Cumulative translation adjustment	125	545	31	3,020	-	3,721
Depreciation ⁽¹⁾	-	(4,826)	(56)	(13,470)	-	(18,352)
Net book value, September 30, 2023	\$1,566	\$38,698	\$458	\$13,879	\$4,482	\$59,083

Total cost	\$1,566	\$166,035	\$3,531	\$152,525	\$4,482	\$328,139
Total accumulated depreciation	-	(127,337)	(3,073)	(138,646)	-	(269,056)
Net book value, September 30, 2023	\$1,566	\$38,698	\$458	\$13,879	\$4,482	\$59,083

(1) Depreciation includes amounts recorded in inventory for \$161 and (\$241) of accumulated depreciation of written-off assets.

(2) Construction in progress is included in plant and equipment for \$159.

ORVANA MINERALS CORP.**Notes to the consolidated financial statements****(in thousands of United States dollars unless otherwise noted)****For the years ended September 30, 2023 and 2022**

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

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

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

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

Mineral properties in exploration and evaluation

During fiscal 2023, the Company capitalized \$0.3 million of exploration and evaluation costs related to the Taguas Project in Argentina (\$4.2 million during fiscal 2022).

Right of Use assets

Equipment includes Right Of Use ("ROU") assets under lease contracts which amounted to \$1,591 at September 30, 2023. During fiscal 2023, there were additions of ROUs for \$1,707, depreciation was \$748 and CTA adjustments were \$(119).

Disposals, write-offs and impairments

Write-offs during 2023 amounted to \$429 of cost and \$241 of accumulated depreciation (\$1,836 of cost, \$1,346 of accumulated depreciation, and impairment of Orovalle's shaft facility for \$1,686 in 2022).

Paid and unpaid Capital Expenditures

On the consolidated statement of cash flow for the year ended September 30, 2023, capital expenditures exclude approximately \$3,679 of capital expenditures incurred but unpaid as at September 30, 2023 (September 30, 2022 - \$1,582) and include \$2,723 of capital expenditures incurred in fiscal 2022 but paid as at September 30, 2023 (September 30, 2022 - \$3,734).

Impairment test

The Company performs impairment indicators assessments for its property, plant and equipment at all CGUs, using life of mine ("LOM") plans at the end of each reporting period. As of September 30, 2023, the Company's market capitalization was below its net assets values, and after assessing factors such as production, commodity prices, and changes in the mine plans, management concluded that further impairment tests were required for the Company's CGUs. The Company estimated that the net recoverable amounts are greater than the carrying values of the respective net assets at September 30, 2023.

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

ORVANA MINERALS CORP.**Notes to the consolidated financial statements****(in thousands of United States dollars unless otherwise noted)****For the years ended September 30, 2023 and 2022**

commodity prices are a key assumption in estimating forecasted cash flows and were obtained from independent sources. Reserves and resources are estimated based on National Instrument 43-101 compliant reports produced by qualified persons.

Management used a long-term price per ounce of gold of between \$2,014 to \$2,213 and long-term price per pound of copper of \$3.78 to \$3.94 to perform its impairment assessments as at September 30, 2023. A 5% decrease in price per ounce in gold (all else equal) would have resulted in no impairment. A 5% decrease in price per pound in copper (all else equal) would have resulted in no impairment. Management used long-term Euro/USD exchange rates, obtained from independent sources, between 1/1.10 to 1/1.13 to perform its impairment assessments for Orovalle as at September 30, 2023. A 5% devaluation of the annual Euro/USD exchange rates (all else equal) would have resulted in no impairment.

17. Accounts payable and accrued liabilities

As at September 30,	2023	2022
Accounts payable	\$ 22,491	\$ 24,658
Operating activities	12,007	16,464
Care & maintenance	718	1,104
Capital Expenditures	3,383	2,723
Salaries and wages	4,189	3,691
Current portion – Share based compensation	1,879	676
Other	315	-
Accrued liabilities	5,043	5,377
Total accounts payable and accrued liabilities	\$ 27,534	\$ 30,035

18. Debt

As at September 30,	2023	2022
Orovalle and Iberia Syndicated Loan	\$ 9,882	\$ 12,363
Orovalle		
Revolving facilities	1,271	2,427
Spanish banking facility	-	964
COVID-19 related facilities	-	2,589
Other bank loans	1,689	1,582
EMIPA		
Banco FIE Loan	1,500	-
Orvana Minerals Corp.		
Fabulosa Mines Limited Loan (see note 24)	519	-
	14,861	19,925
Less: current portion	(8,636)	(10,669)
	\$ 6,225	\$ 9,256

Syndicated Loan – Orovalle and Iberia

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

ORVANA MINERALS CORP.**Notes to the consolidated financial statements****(in thousands of United States dollars unless otherwise noted)****For the years ended September 30, 2023 and 2022**

Facility	Bank	Principal (000s)	Proceeds up until September 30, 2023 (000s)	Repayments up until September 30, 2023 (000s)	Outstanding balance, September 30, 2023 (000s)
Loan	BBVA	€ 7,500	€ 7,500	€ 2,813	€ 4,687
	Sabadell	7,500	7,500	2,812	4,688
Totals (€ 000s)		€ 15,000	€ 15,000	€ 5,625	€ 9,375
Deferred financing fees (€ 000s)		-	-	-	€ (48)
Totals (€ 000s) - net		€ 15,000	€ 15,000	€ 5,625	€ 9,327
Totals (\$ 000s) - net		\$15,891	\$15,891	\$ 5,959	\$ 9,882

The facility term is 4 years, and the interest rate is Euribor 6M+2.5%. For the year ended September 30, 2023, the Company paid \$663 in interest on this facility (for the year ended September 30, 2022 - \$185).

The Company's obligations to the lenders are secured by the pledge of all of Orvana's shares of Orovalle and Orvana Minerals Iberia. Amongst other obligations, the ratio net finance debt to EBITDA calculated based on the aggregated financial information of Orovalle and Iberia, must be, throughout the life of the financing, less than 3.5. At September 30, 2023 Orovalle and Orvana Minerals Iberia were in compliance with these covenants.

Revolving facilities - Orovalle

Orovalle has two revolving lines with Bankinter for a total of €2.5 million, with quarterly renewal. These facilities have no interest, and are subject to a 1.40% opening fee applicable when renewed. As of September 30, 2023 these revolving facilities had a balance of \$1,271 (September 30, 2022 – \$2,427).

In September 2023, Orovalle contracted with BSCH revolving lines for a total of €1.8 million (\$1.9 million). The term is six months and interest is EURIBOR 3 month + 2.70%. This facility has a balance of \$nil at the fiscal 2023 year end.

For the year ended September 30, 2023, the Company paid \$61 in interest on the revolving facilities in Orovalle (for the year ended September 30, 2022 - \$28).

Spanish Banking Facility – Orovalle

In January 2019 Orovalle closed a syndicated credit facility for a total amount of €6 million (\$6,356). In May 2019, Orovalle increased the facility by €2 million (\$2,119), achieving a total aggregated amount of €8 million (approximately \$ 8.5 million). During the second quarter of fiscal 2023 Orovalle completed the repayment of this facility. Repayments during the year ended September 30, 2023 were \$964 (\$2,507 during the year ended September 30, 2022).

COVID-19 related facilities – Orovalle

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

During fiscal 2023 Orovalle completed the repayment of this facility. Repayments during the year ended September 30, 2023 were \$2,589 (\$2,514 during the year ended September 30, 2022). Interests paid during the year ended September 30, 2023, \$60 (during year ended September 30, 2022, \$70)

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Bank	Date	Principal (000s)	Interest Rate (%)	Outstanding balance September 30, 2023 (000s)	Maturity
Bankia	Feb 2021	\$ 579	1.3%	\$ -	Feb 2023
Bankinter	Dec 2021	509	1.5%	65	Dec 2023
Sabadell	May 2022	291	Euribor 12-m+0.55%	99	May 2024
BBVA	Aug 2022	1,080	Euribor 3-m+1.35%	542	Aug 2024
BBVA	Oct 2022	984	Euribor 3-m+1.35%	504	Oct 2024
Caja Rural Asturias	June 2023	636	4.25%	479	Jun 2024
Totals (\$ 000s)		\$ 4,079		\$ 1,689	
Totals (€ 000s)		€ 3,850		€ 1,594	

During the year ended September 30, 2023 the Company received funds for \$1,620 (during the year ended September 30, 2022, \$2,864), repaid principal for \$1,513 (during fiscal 2022, \$598) and paid interests for \$68 (during fiscal 2022, \$9).

Banco FIE – EMIPA

During the fourth quarter of fiscal 2023 EMIPA closed with Banco FIE a financing line to be used for working capital or CAPEX. The principal amounted to Bs. 20.88 million (\$3 million), being \$1.5 million immediately available and \$1.5 million subject to the advance of the Oxides Stockpile Project. The line is available for a three year term, with disbursements due in one year term. The interest rate is 6% fixed. This funding is subject to the maintenance of certain financial covenants (debt coverage and leverage ratio), and guarantee consisting on certain fixed assets at Don Mario Plant. As of September 30, 2023 \$1.5 million had been disbursed.

Fabulosa Loan 0.5M€ – Orvana

In April 2023, Orovalle entered into a 6-month loan with Fabulosa Mines Ltd. (the controlling shareholder). The principal amounted to \$500 at an annual fixed interest rate of 8% and a 1% finance fee. This has been fully repaid as of this report date.

19. Lease liabilities

As of September 30, 2023, the Company has lease liabilities for machinery amounting to \$1,278 (September 30, 2022 - \$294). During the year ended September 30, 2023, the Company made lease payments of \$677 (September 30, 2022 - \$1,484) and there were lease additions of leases for \$1,661. Interests paid on lease liabilities amounted to \$22 during fiscal year 2023 (\$11 during fiscal 2022). These leases are payable in monthly installments at annual interest rates ranging from 1.12% to 3.29%.

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

	September 30, 2023
2024	\$ 945
2025	363
	1,308
Amount representing interest (at 3.29% Fiscal 2023 / at 1.17% Fiscal 2022)	30
	1,278
Less: current portion of lease liability	1,004
Total long-term obligations lease liability	\$ 274

20. Decommissioning liabilities

Decommissioning liabilities relate to the dismantling of the mine facilities and environmental reclamation of the areas affected by mining operations. Mine facilities include structures and the tailings dam. Environmental

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reclamation requirements include mine water treatment, reforestation and dealing with soil contamination. It is possible that the Company's estimates of the ultimate amounts required to decommission its mines could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation, cost estimates or the estimated remaining ore reserves.

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

As at September 30,	2023	2022
Balance, beginning of period	\$ 20,593	\$ 23,296
El Valle		
- Foreign exchange	1,201	(2,679)
- Timing of payments and discount rates	(2,242)	(463)
Don Mario		
- Timing of payments and discount rates	(818)	-
	18,734	20,154
Accretion expense in El Valle	516	200
Accretion expense in Don Mario	249	239
Total decommissioning liabilities	\$ 19,499	\$ 20,593

The decommissioning liability balance consists of:

As at September 30,	2023	2022
El Valle	\$ 13,334	\$ 13,859
Don Mario	6,165	6,734
Total decommissioning liabilities	\$ 19,499	\$ 20,593

As at September 30, 2023, the undiscounted cash flows and discount rate used to calculate the decommissioning liabilities are as follows:

	Undiscounted Cash Flows Required to Settle Decommissioning Liabilities	Discount Rate	Discounted Cash Flows Required to Settle Decommissioning Liabilities
El Valle ⁽¹⁾	\$ 19,160	4.28%	\$ 13,334
Don Mario ⁽¹⁾	8,133	4.80%	6,165
Total	\$ 27,293		\$ 19,499

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

Reclamation bonds backing these liabilities totaled approximately \$7,703 at September 30, 2023 (September 30, 2022 – \$7,034) and are expected to be released after all reclamation work has been completed in respect of El Valle Mine. Refer to note 14 – Restricted cash and reclamation bonds.

21. Taxes**(a) Income taxes**

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

For the year ended September 30,	2023	2022
Current income taxes:		
Current tax on income for the year	\$ 543	\$ 596
Total current income taxes	\$ 543	\$ 596
Deferred income tax:		
Origination of temporary differences in Orovalle	\$ (17)	\$ 567
Origination of temporary differences in EMIPA	(1,092)	(600)
Total deferred taxes (recoveries)	(1,109)	(33)
Total income taxes (recoveries)	\$ (566)	\$ 563

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

For the year ended September 30,	2023	2022
Income (loss) before income taxes	\$ 2,142	\$ (13,156)
Statutory income tax rates	26.5%	26.5%
Income tax provision calculated using the combined Canadian federal and provincial statutory income tax rates	568	(3,486)
Tax effects of:		
Foreign tax rates	(408)	70
Non-deductible expenses	(235)	2,344
Deferred income tax assets not recognized (recognition of deferred income tax assets previously unrecognized)	(491)	1,635
Income tax expense	\$ (566)	\$ 563

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

As at September 30,	2023	2022
Deferred tax assets:		
Other temporary differences in EMIPA	280	1,626
Tax loss carryforwards in EMIPA	10,366	7,928
Tax loss carryforwards in Orovalle	10,100	9,260
Tax loss carryforwards	20,466	17,188
Total deferred tax assets	\$ 20,746	\$ 18,814
Deferred tax liabilities:		
Property, plant and equipment in Orovalle	\$ (7,000)	\$ (6,177)
Total deferred tax liabilities	(7,000)	(6,177)
Net deferred tax assets	\$ 13,746	\$ 12,637

As at September 30, 2023, the Company had non-capital losses of \$13,126 (September 30, 2022 – \$15,107) in Canada that expire over the periods of 2029 to 2042 and other deductible temporary differences of \$16,155 (September 30, 2022 – \$11,114). EMIPA had deductible temporary differences of \$13,115 (September 30, 2022 – \$13,294). The Company has not recognized the benefit of these items in the consolidated financial statements.

Income tax cash pre-payments during fiscal 2023 were \$nil (during fiscal 2022, \$505).

(b) Value added taxes

At September 30, 2023 the long-term VAT receivable balances at EMIPA amounted to \$10,886 (September 30, 2022 - \$10,377).

During fiscal 2023, EMIPA received \$nil in cash from VAT related to previous years.

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For the year ended September 30,		2023	2022
At October 1	\$	14,966	\$ 14,013
Additions ⁽¹⁾		12,409	13,086
Recoveries ⁽²⁾		(12,712)	(11,120)
Provision for uncollectible VAT ⁽³⁾		(144)	(1,013)
At September 30 ⁽⁴⁾	\$	14,519	\$ 14,966
Current	\$	3,633	\$ 4,589
Long term	\$	10,886	\$ 10,377
(1)	Additions for fiscal 2023 amount to \$100 for Corporate (\$130 in 2022), \$514 for EMIPA (\$480 in 2022), \$11,656 for Orovalle (\$11,857 in 2022) and \$139 are from Orvana Argentina (\$619 in 2022).		
(2)	Recoveries for fiscal 2023 amount to \$119 for Corporate (\$116 in 2022), \$nil for EMIPA (\$nil in 2022) and \$12,593 for Orovalle (\$11,004 in 2022).		
(3)	Provision adjustment for uncollectible VAT is related to EMIPA for \$5 (\$5 as at September 30, 2022) and to Orvana Argentina for \$139 (\$1,008 in September 30, 2022).		
(4)	Outstanding closing balances are \$24 in Corporate (\$43 in 2022), \$nil in Argentina (\$nil in 2022), \$10,886 in EMIPA (\$10,377 in 2022) and \$3,609 in Orovalle (\$ 4,546 in 2022).		
(5)	There is a liability for VAT contingent obligations in EMIPA for \$666 as at September 30, 2023 (\$666 as at September 30, 2022).		

22. Share capital

Issued share capital as at September 30, 2023 was \$116,206 (September 30, 2022 – \$116,206). The Company's authorized share capital contains an unlimited number of common shares. As at September 30, 2023, the Company had 136,623,171 common shares (September 30, 2022 – 136,623,171) issued and outstanding.

23. Share based compensation**(i) Deferred share unit ("DSU") plan**

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

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

	Number of DSUs	Fair value
Balance, September 30, 2022	10,096,863	\$ 1,510
Issued	2,645,501	373
Cancelled	(1,686,507)	(222)
Paid to former Directors	(1,618,778)	(214)
Mark-to-market adjustment	-	(232)
Balance, September 30, 2023	9,437,079	\$ 1,215
Less: current portion	8,093,891	\$ 1,066
Long term portion	1,343,188	\$ 149

The 8,093,891 current units with a fair value of \$1,066, corresponding to former Directors, are classified as "Accounts payable and accrued liabilities". At this time, this balance is due and unpaid, and the Company has established a payment schedule.

(i) Restricted share units ("RSU") plan

The Company established a RSU plan, effectively a phantom stock plan, for designated executives, effective October 1, 2008. The initial fair value of units issued is expensed and is included in long-term compensation expense under general and administrative expenses in the consolidated statements of net loss and comprehensive loss, as described in accounting policy per Note 2 (o). The fair value of the RSUs are marked

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to the quoted market price of the Company's common shares at each reporting date and changes in their fair value are recorded under general and administrative expenses. Payouts are settled in cash after a specified period of vesting, based on the market price of the common shares at vesting.

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

	Number of RSUs		Fair value
Balance, September 30, 2022	8,688,941	\$	992
Mark-to-market adjustment	-		106
Balance, September 30, 2023	8,688,941	\$	1,098
Less: current portion	5,470,300	\$	813
Long term portion	3,218,641	\$	285

The 5,470,300 units vested in fiscal 2023, with a fair value of \$813, are classified in the "Accounts payable and accrued liabilities" section of the Balance. At this time, this balance is due and unpaid, and the Company is working on the payment schedule.

For the year ended September 30, 2023 expenses regarding DSUs and RSUs were as follows:

For the years ended September 30,	2023		2022
Deferred share unit plan - expense	\$ (100)	\$	(807)
Restricted share unit plan - expense	106		(54)
Share based compensation (note 8)	\$ 6	\$	(861)

24. Related party transactions and compensation of key management**a) Related party transactions**

During the year ended September 30, 2023, the Company recorded \$337 in services fees related to the Taguas Project in Argentina (2022 – \$337) from Compañía Minera Piuquenes, SA, a related party, as it is indirectly owned by Orvana's controlling shareholder. During the year ended September 30, 2023, the Company reimbursed to Compañía Minera Piuquenes, SA costs for \$58 (2022 – \$764), incurred in relation to the Taguas Project.

In April 2023 the Company entered into a \$500 loan with its controlling shareholder, Fabulosa Mines Ltd. See note 18 for further detail.

b) Compensation of key management

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

For the years ended September 30,	2023		2022
Salaries, short term employee benefits and separation payments	\$ 642	\$	905
Share based compensation	6		(861)
Directors fees	327		447
Total compensation of key management	\$ 975	\$	491

25. Commitments and contingent liabilities

- (a) The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. Spanish Water Authority has taken the position that the levels of selenium in the river flowing past El Valle Mine exceed the levels permitted by applicable regulations as a result of discharges attributed to Orovalle which may not be in compliance with certain of Orovalle's permits. Orovalle has received approximately € 955,000 (\$1,012) in fines relating to these matters and may face further additional fines or other sanctions, including the revocation or suspension of certain permits, in the future. Orovalle is appealing the outstanding fines totalling € 628,000 (\$665) and the enforcement of certain fines has been suspended pending the related criminal matter. A criminal court of Asturias has conducted since fiscal 2015, an investigation into the potential commission by Orovalle of a reckless crime under the Spanish penal code relating to these matters. After the conclusion of the investigation phase,

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the Court notified in the third quarter of fiscal 2020 the opening of the oral trial. The request of the Prosecutor and the State's Attorney acting in this Process includes a fine of up to €20 million (\$21.2 million) and the eventual withholding of Orovalle's operations until it is demonstrated that the alleged polluting activity has ceased. The petition also includes a €5 million (\$5.3 million) indemnity for civil liability. At this time, the state prosecutor has petitioned these sanctions against Orovalle in respect of this matter. Orovalle has filed its preliminary statement of defence requesting for the dismissal of the allegations on the basis that, among other things, there is an absence of a committed offence. The process to resolve this matter is ongoing, and as of the date of this consolidated financial statements, no final decision by the courts has been rendered in respect of this matter. A date for the commencement of the oral trial had been set for March 2021. Due to procedural matters, on March 1, 2021, the trial has been rescheduled to an undetermined date in the future. In connection with the pending oral trial, the Court set a requirement on Orovalle to provide a bond in the amount of €7 million (\$7.4 million) as warranty for contingent liabilities, subject to the outcome of the oral trial. Orovalle has appealed the bond requirement. The appeal is in progress as of date hereof. Individuals have been excluded from any charges, and this case relates only to Orovalle at this time. If Orovalle is ultimately found responsible, monetary penalties, amongst other sanctions, may be applied. These sanctions could have a material impact on the Company.

- (b) During first quarter of fiscal 2020, the Company suspended mining and milling operations at EMIPA, as a result of higher than expected ore-grade operational mining dilution in Las Tojas area, with more narrow, erratic and discontinued mineralized structures, which resulted in uneconomic unitary cost per ounce. As a result of the suspension of operations, during the second quarter of fiscal 2020 EMIPA implemented a labor restructuring process that affected 182 employees. The process was managed according to the terms defined by applicable laws in Bolivia. A group of 84 former employees affected by the restructuring process (the "Former Employees") decided not to accept the dismissal terms provided for under applicable employment laws in Bolivia. In respect of these Former Employees, EMIPA proceeded to deposit into a judicial account the compensation benefits to which the aforementioned employees were entitled within the period established by law and according to the terms defined by the local regulation.

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

Since then, the Labor Authority has reissued Reinstatement Resolutions (the "Amended Reinstatement Resolutions") on three separate occasions (June 2021, January 2022 and May 2022) trying to correct the errors identified by Constitutional Court. The Constitutional Court determined that the Labor Authority's Amended Reinstatement Resolutions on June 2021 and January 2022 did not adequately address the deficiencies identified by the Constitutional Court. The Labor Authority reissued its Amended Reinstatement Resolutions for a third time on May 2022 to address the Constitutional Court's ruling. As the May 2022 Amended Reinstatement Resolutions still did not adequately consider EMIPA's force majeure reasons for implementing the labor restructuring, EMIPA filed a complaint to the Constitutional Court to direct the Labor Authority to consider EMIPA's force majeure arguments. The Constitutional Court has issued a sentence instructing the Ministry of Labor to issue new resolutions determining the existence of force majeure, and therefore recognizing that EMIPA's dismissal of the Former Employees in 2020 was valid and in compliance with applicable laws. As at the date of this report, the Labor Authority has not issued new Reinstatement Resolutions that have complied with the Constitutional Court rulings. In January 2023 EMIPA received new reinstatement resolutions from the Labor Authority, but in this case based on the new Bolivian Law No. 1468, which was implemented to maintain the employment rights during the COVID-19 pandemic. EMIPA has subsequently appealed the matter, arguing that the labor restructuring process was necessary as a result of the suspension of operations, and that it was not COVID-19 related.

In parallel to the administrative matters summarized above, the Former Employees started four criminal complaints against the General Manager of EMIPA, for not reinstating them to EMIPA notwithstanding that the Constitutional Court nullified the Original Reinstatement Resolutions issued by the Labor Authority. Despite the Original Reinstatement Resolutions having been nullified by the Constitutional Court, three of

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

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

- (c) At September 30, 2023, reclamation bonds at Orovalle were 7.8 million euros. Additional reclamation bonds could be required by the Government of the Principality of Asturias, as part of the process of updating the environmental permit of the El Valle Tailings Facility. According to preliminary information, the reclamation bond to cover the execution of the restoration plan of the Orovalle. Operation would increase to the total of 8.3 million euros. Final amounts are subject to the outcome of the permitting process in progress.
- (d) Production from El Valle Mines has been subject to a 3% net smelter return royalty ("NSR") since 2008, with the NSR rate decreasing to 2.5% for any quarter in which the average price of gold is below \$1,100 per ounce. During fiscal 2023, Orovalle and the NSR holder entered into discussions regarding the terms of the NSR and reached an agreement whereby Orovalle has agreed to pay the outstanding royalty amounts until 31 December 2022 according to the original terms, totaling \$1.5 million in full, before applying a new ratchet structure linked to the gold price from January 1, 2023, that will see the applicable royalty increase from a minimum 0.5% where the gold price is <\$1,800/oz up to 3.0% where the gold price is <\$2,500/oz.
- (e) Production from Don Mario Mine is subject to a 3% NSR. Royalty expense under this NSR totaled \$nil for the year ended September 30, 2023 (September 30, 2022 - \$nil). The Bolivian government collects a mining royalty tax on the revenue generated from copper, gold and silver sales from Don Mario Mine at rates of 5%, 7% and 6%, respectively. These amounts totaled \$nil for the year ended September 30, 2023 (September 30, 2022 - \$nil).
- (f) The Company and certain of its employees may be involved in other legal proceedings from time to time, arising in the ordinary course of its business. The amount of ultimate liability with respect to these actions, in the opinion of management, is not expected to materially affect the Company's financial position, results of operations or cash flows. The Company does not believe that the outcome of any of the matters not recorded in the consolidated financial statements, individually or in aggregate, would have a material adverse effect.
- (g) The Company is, from time to time, involved in various tax assessments arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or outcome of these actions. The Company has recognized tax provisions from any uncertain tax positions identified. Management re-evaluates the outstanding tax assessments regularly to update their estimates related to the outcome for those assessments.

26. Segmented information

The Company primarily operates in the gold and copper mining industry and its major products are gold doré and gold/copper concentrates. The Company's primary mining operations are Orovalle, which operates El Valle Mine in Spain, and EMIPA, which operates Don Mario Mine in Bolivia, currently in care and maintenance. The Company also owns the Taguas Project in Argentina, in preliminary economic assessment stage. The reported

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segments are those operations whose operating results are reviewed by the Chief Executive Officer and that pass certain quantitative measures. Operations whose revenue, earnings or losses or assets exceed 10% of the total consolidated revenues, earnings or losses, or assets are reportable segments. The Company has administrative offices in Toronto, Canada; Stockholm, Sweden; and Nicosia, Cyprus. The following tables set forth the information by segment:

As at September 30, 2023:

	Cash and cash equivalents	Property, plant and equipment	Reclamation bonds and restricted cash	Other Assets	Total assets
Orovalle	\$ 6,934	\$ 34,655	\$ 7,703	\$ 20,499	\$ 69,791
EMIPA	533	19,911	96	27,473	48,013
Orvana Argentina	128	4,482	-	13	4,623
Corporate	734	35	-	53	822
	\$ 8,329	\$ 59,083	\$ 7,799	\$ 48,038	\$ 123,249

As at September 30, 2022:

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

For the year ended September 30, 2023:

	Revenue	Mining costs ⁽¹⁾	Depreciation/Amortization ⁽²⁾	Other expenses	Income (loss) before taxes
Orovalle	\$ 99,122	\$ 71,584	\$ 18,033	\$ 2,508	\$ 6,997
EMIPA	-	3,283	127	(449)	(2,961)
Orvana Argentina	-	-	-	281	(281)
Corporate	-	-	-	1,613	(1,613)
	\$ 99,122	\$ 74,867	\$ 18,160	\$ 3,954	\$ 2,142

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

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

For the year ended September 30, 2022:

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

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

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

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

As at September 30, 2023	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Aggregate Fair value
Financial assets:			
Reclamation bonds (only Investment Fund)	7,703	-	7,703
Concentrate and doré sales receivables	-	1,018	1,018
Total	\$ 7,703	\$ 1,018	\$ 8,721
Financial liabilities:			
Long-term compensation	\$ -	\$ 220	\$ 220
Total	\$ -	\$ 220	\$ 220

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

Fair value hierarchy

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

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

Valuation techniques for Level 1:

Reclamation bonds: Part of the Reclamation bonds (\$5,784) are invested in a Fund. Every closing period the Company adjusts the fair value based on the market value of the Fund. The rest of the reclamation bonds are backed by cash.

Valuation techniques for Level 2:

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

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

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

At September 30, 2023 and September 30, 2022, the carrying amounts of cash and cash equivalents; restricted cash; value added taxes and other receivables; debt; accounts payable and accrued liabilities; and obligations under finance leases approximate their fair value either due to their short-term maturities or, for borrowings, interest payables are close to the current market rates.

Financial Risks Factors

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

(a) Market risk

(i) Currency risk

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

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

(ii) Price risks

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

Gold prices

The net gain of \$2,708 for the 2023 fiscal year would be impacted by changes in average realized gold prices on gold ounces sold. A 5% increase/decrease in average realized gold prices would affect the gross revenue by an increase/decrease of approximately \$4,499.

Copper prices

The net gain of \$2,708 for the 2023 fiscal year would be impacted by changes in average realized copper prices. A 5% increase/decrease in average realized copper prices would affect gross revenue by an increase/decrease of approximately \$914.

(iii) Interest rate risk

The Company's cash flow interest rate risk arises from short and long-term borrowings.

(b) Credit risk

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

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attributable to concentrate and gold sales receivable and value-added taxes receivable is minimal. The company maintains the cash and cash equivalents in highly rated financial institutions, primarily in Spain.

(c) Liquidity risk

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

As at September 30, 2023, the Company had cash and cash equivalents of \$8,329 designated to cover a portion of the Company's commitments due in less than one year. In fiscal 2023, the Company generated cash flow from operating activities of \$21,037.

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

As at September 30, 2023	Payment Due by Period				
	Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
Bank debt – Orovalle ⁽¹⁾	\$ 8,151	\$ 4,925	\$ 3,226	\$ -	\$ -
Bank debt – Iberia ⁽¹⁾	5,152	2,098	3,054	-	-
Bank debt – EMIPA	1,588	1,588	-	-	-
Finance leases	1,308	945	363	-	-
Operating leases	1,886	1,088	746	42	10
Accounts Payable	22,491	22,436	55	-	-
Statutory Labor Obligations	446	87	359	-	-
Long-term compensation	2,313	1,879	-	-	434
Total contractual obligations	\$ 43,335	\$ 35,046	\$ 7,803	\$ 42	\$ 444

(1) Debt payments include interests.

As at September 30, 2023, the Company had cash of \$8,329, and together with forecasted operating cash flow, the renewal of current revolving lines, the reimbursement of VAT balances, the financing secured and the proceeds of assets held for sale, expects to cover the Company's commitments due in less than one year of \$35,046.

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

28. Capital management

At September 30, 2023, the Company had cash and cash equivalents of \$8,329, and restricted cash of \$96 and total debt of \$14,861. The Company considers its capital employed to consist of shareholders' equity (including share capital, contributed surplus and retained earnings), total debt and lease liabilities, net of cash and cash equivalents as follows:

As at September 30,	2023	2022
Shareholders' equity	\$ 56,560	\$ 54,182
Debt	14,861	19,925
Lease liabilities	1,278	294
	72,699	74,401
Less: Cash and cash equivalents	(8,329)	(6,544)
	\$ 64,370	\$ 67,857

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

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

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