ATICO MINING CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in United States Dollars)

DECEMBER 31, 2017

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Atico Mining Corporation

We have audited the accompanying consolidated financial statements of Atico Mining Corporation, which comprise the consolidated statements of financial position as at December 31, 2017 and 2016 and the consolidated statements of income and comprehensive income, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Atico Mining Corporation as at December 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Professional Accountants

April 20, 2018

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ATICO MINING CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in United States Dollars)

	December 31 2017	December 31 2016
ASSETS		
Current assets		
Cash and cash equivalents (Note 15)	$ 2,991,334	$ 3,617,172
Receivables and other assets (Note 3)	5,637,852	4,794,591
Inventories (Note 4)	8,539,045	8,759,852
Prepaids and deposits	1,487,636	1,536,105
Other financial assets (Note 11)	-	151,933
Total current assets	18,655,867	18,859,653
Non-current assets		
Mineral property, plant and equipment (Note 5)	59,568,421	60,538,998
Total non-current assets	59,568,421	60,538,998
TOTAL ASSETS	$78,224,288	$79,398,651
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	$ 7,923,594	$ 6,479,643
Credit facilities (Note 7)	3,003,930	5,390,680
Current portion of provisions (Note 8)	425,581	345,545
Current portion of long-term loans payable (Note 9)	2,668,523	2,172,088
Taxes payable (Note 10)	-	2,075,077
Other financial liabilities (Note 11)	73,924	684,783
Total current liabilities	14,095,552	17,147,816
Non-current liabilities		
Provisions (Note 8)	3,008,440	1,678,995
Long-term loans payable (Note 9)	-	3,436,533
Deferred income tax liabilities (Note 10)	17,082,022	17,419,017
Total non-current liabilities	20,090,462	22,534,545
Total liabilities	34,186,014	39,682,361
EQUITY		
Share capital (Note 12)	38,380,597	37,853,750
Reserves	2,623,211	2,492,376
Deficit	(959,087)	(4,334,425)
Total equity attributable to equity holders of the Company	40,044,721	36,011,701
Non-controlling interests	3,993,553	3,704,589
Total equity	44,038,274	39,716,290
TOTAL LIABILITIES AND EQUITY	$78,224,288	$79,398,651

These consolidated financial statements were authorized for issuance by the Board of Directors on April 20, 2018.

Approved by the Board of Directors

"Luis F. Sáenz" Director   *"Jorge R. Ganoza"* Director

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

ATICO MINING CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Expressed in United States Dollars)

	Year ended December 31 2017	Year ended December 31 2016
Sales	$56,996,435	$38,253,384
Cost of sales		
Direct mining and processing costs	(27,896,256)	(18,801,082)
Royalties	(982,262)	(689,547)
Depletion and amortization	(12,794,343)	(10,355,258)
Total cost of sales (Note 4)	(41,672,861)	(29,845,887)
Income from mining operations	15,323,574	8,407,497
Selling, general and administrative expenses	(7,220,142)	(6,281,281)
Share-based payments (Note 12)	(524,867)	(565,390)
Income from operations	7,578,565	1,560,826
Accretion of provisions (Note 8)	(257,995)	(180,729)
Interest on long-term loans payable (Note 9)	(536,189)	(609,556)
Interest and other expenses	(517,919)	(464,186)
Fair value adjustment on derivative instruments, net (Note 11)	458,926	(756,660)
Realized gain (loss) on derivative instruments, net (Note 11)	(455,520)	1,017,170
Foreign exchange gain	75,196	121,643
Income before income taxes	6,345,064	688,508
Current income tax (expense) recovery (Note 10)	(2,646,291)	(2,211,692)
Deferred income tax recovery (Note 10)	336,996	1,841,608
Net income and comprehensive income	$ 4,035,769	$ 318,424
Net income and comprehensive income attributable to:		
Equity holders of Atico Mining Corporation	$ 3,375,338	$ 180,439
Non-controlling interests (Note 14)	660,431	137,985
	$ 4,035,769	$ 318,424
Basic earnings per share (Note 13)	$ 0.03	$ 0.00
Diluted earnings per share (Note 13)	$ 0.03	$ 0.00
Weighted average no. of shares outstanding - basic (Note 13)	98,362,136	97,616,092
Weighted average no. of shares outstanding - diluted (Note 13)	98,603,663	97,616,092

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

ATICO MINING CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in United States Dollars)

	Year ended December 31 2017	Year ended December 31 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 4,035,769	$ 318,424
Items not affecting cash and cash equivalents:		
Depletion and amortization	12,964,850	10,611,091
Share-based payments	434,515	565,390
Accretion of provisions	257,995	180,729
Interest income	(54,322)	(1,262)
Interest expense	832,968	798,756
Fair value adjustment on derivative instruments, net	(458,926)	756,660
Realized loss on derivative instruments, net	455,520	-
Deferred income tax recovery	(336,996)	(1,841,608)
Unrealized foreign exchange effect	47,312	48,595
	18,178,685	11,436,775
Changes in non-cash operating working capital items (Note 15)	(1,458,551)	(1,645,166)
Net cash provided by operating activities	16,720,134	9,791,609
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on mineral property, plant and equipment	(10,183,493)	(8,501,349)
Interest received	54,322	1,262
Settlements of derivative instruments	(455,520)	-
Net cash used in investing activities	(10,584,691)	(8,500,087)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term loans payable	(3,520,618)	(2,651,060)
Payments on finance lease obligations	(523,921)	(170,597)
Credit facilities withdrawn (repaid), net	(2,346,802)	1,478,569
Interest paid	(336,727)	(147,990)
Dividend paid	(371,467)	-
Shares issued	332,554	63,009
Net cash used in financing activities	(6,766,981)	(1,428,069)
Effect of exchange rate changes on cash and cash equivalents	5,700	(40,900)
Change in cash and cash equivalents	(625,838)	(177,447)
Cash and cash equivalents, beginning of year	3,617,172	3,794,619
Cash and cash equivalents, end of year	$ 2,991,334	$ 3,617,172

Supplemental disclosure with respect to cash flows (Note 15)

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

ATICO MINING CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in United States Dollars)

	Number of shares	Share capital	Share-based payments reserve	Foreign currency translation reserve	Contributed surplus reserve	Non-controlling interests	Deficit	**Total equity**
Balance as at December 31, 2015	97,591,571	$37,751,114	$ 2,518,471	$ (715,935)	$ -	$ 3,805,214	$ (4,514,864)	$38,844,000
Exercise of stock options	245,399	102,636	(39,627)	-	-	-	-	63,009
Share-based payments	-	-	385,187	-	-	-	-	385,187
Dividend declared by subsidiary	-	-	-	-	-	(276,863)	-	(276,863)
Contribution by non-controlling interests (Note 14)	-	-	-	-	344,280	38,253	-	382,533
Net income	-	-	-	-	-	137,985	180,439	318,424
Balance as at December 31, 2016	97,836,970	37,853,750	2,864,031	(715,935)	344,280	3,704,589	(4,334,425)	39,716,290
Exercise of stock options	664,367	526,847	(194,293)	-	-	-	-	332,554
Share-based payments	-	-	325,128	-	-	-	-	325,128
Dividend declared by subsidiary	-	-	-	-	-	(371,467)	-	(371,467)
Net income	-	-	-	-	-	660,431	3,375,338	4,035,769
Balance as at December 31, 2017	98,501,337	$38,380,597	$ 2,994,866	$ (715,935)	$ 344,280	$ 3,993,553	$ (959,087)	$44,038,274

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

(Expressed in United States Dollars)

1. NATURE OF OPERATIONS

Atico Mining Corporation (the "Company") was incorporated in the Yukon Territories on April 15, 2010 and continued to British Columbia on October 4, 2011. The Company is engaged in copper-gold mining and related activities including exploration, development, extraction, and processing in Colombia and the acquisition, exploration and development of copper and gold projects in Latin America. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "ATY". The address of its head office is Suite 501 - 543 Granville Street, Vancouver, British Columbia, Canada.

On November 22, 2013, the Company acquired 90% of the issued and outstanding common shares of Minera El Roble S.A. ("MINER"), the owner of the El Roble mining property ("El Roble"), an operating copper-gold mine in Colombia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and measurement

The consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Principles of consolidation

These consolidated financial statements include the accounts of the parent company and its subsidiaries after eliminating intercompany balances and transactions.

Subsidiaries

Subsidiaries are all entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. The Company's principal operating subsidiaries are as follows:

Name	Place of incorporation	Ownership %
Minera El Roble SA	Republic of Colombia	90%
Atico Mining Corporation Colombia SAS	Republic of Colombia	100%
Atico Mining Corporation Peru SAC	Republic of Peru	100%

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Foreign currency translation

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of each of the entities in the group is the United States ("US") dollar. The functional currency determinations were conducted through an analysis of the factors identified in IAS 21 The Effects of Changes in Foreign Exchange Rates ("IAS 21").

The presentation currency of the Company is the US dollar.

Transactions in currencies other than the US dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statement of income and comprehensive income.

Revenue recognition

Revenue arising from the sale of metals concentrate is recognized following the transfer of title and significant risk and rewards of ownership, provided that collection is reasonably assured, the price is reasonably determinable, the Company has no significant continuing involvement, and the costs incurred or to be incurred in respect of the transaction can be measured readily. The Company's metals concentrate is provisionally priced at the time of sale based on the prevailing market price. Sales of metals concentrate are net of refining and treatment charges.

Variations between the price recorded at the delivery date and the final price set under the sales contracts are caused by changes in market prices, and result in an embedded derivative in receivables. The embedded derivative in receivables is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included in sales in the consolidated statement of income and comprehensive income.

Revenues from metals concentrate sales are subject to adjustment upon final settlement of metals prices, weights, and assays as of a date that is typically three months after the delivery date. Typically, the adjustment is based on an inspection of the concentrate by the customer and, in certain cases, an inspection by a third party. The Company records adjustments to revenues based on quoted metal prices for the expected settlement period. Adjustments for weights and assays are recorded when results are determinable or on final settlement.

Earnings (loss) per share

The Company presents basic earnings (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to equity holders of the Company by the weighted average number of common shares issued and outstanding during the period. Diluted earnings per share is calculated by adjusting the earnings attributable to equity holders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares. The calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In periods where a loss is reported, diluted loss per share is the same as basic loss per share as the effects of potentially dilutive common shares would be anti-dilutive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("FVTPL") - This category comprises financial assets acquired or incurred principally for the purpose of selling or repurchasing them in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statement of income and comprehensive income.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the consolidated statement of income and comprehensive income.

Available-for-sale ("AFS") - Non-derivative financial assets not included in the above categories are classified as AFS. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an AFS financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the consolidated statement of income and comprehensive income.

A financial asset is derecognized when the contractual right of the asset's cash flows expires or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described above.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in accumulated other comprehensive income or loss are reclassified to profit or loss in the period. For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Impairment of financial assets (cont'd…)

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liabilities were acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing them in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statement of income and comprehensive income.

Other financial liabilities - This category comprises non-derivative liabilities, which are recognized at amortized cost using the effective interest method.

Derivative financial instruments and embedded derivatives

Derivative instruments that do not qualify for hedge accounting are initially recorded at fair value and are re-measured at each reporting date to their fair values, and any resulting gains or losses are recognized in the consolidated statements of income and comprehensive income.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts.

Effective interest method

The effective interest method calculates the amortized cost of a financial instrument and allocates interest income or expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts or payments over the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition. Income or expense is recognized on an effective interest basis for instruments other than those financial instruments classified as FVTPL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Cash and cash equivalents

Cash includes cash on hand, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and/or with original maturities of three months or less.

Inventories

Inventories include metals contained in concentrate, ore stockpiles, materials and supplies. The classification of metals inventory is determined by the stage in the production process. Finished goods inventories are sampled for metal content and are valued based on the lower of actual production costs incurred or estimated net realizable value based upon the period ending prices of contained metal. Concentrate and ore stockpile inventories are valued at the lower of actual production costs incurred or estimated net realizable value based upon the period ending prices of contained metal expected to be recovered. Production costs include all mine site costs. Materials and supplies are valued at the lower of average cost less allowance for obsolescence or net realizable value. If carrying value exceeds net realizable amount, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

Mineral property

Operating mineral properties are recorded at cost less accumulated depletion and impairment charges. The costs associated with operating mineral properties include acquired interests in production stage properties representing the fair value at the time they were acquired. Operating mineral properties also include additional capitalized costs after initial acquisition, such as mine development costs. Upon sale or abandonment of an operating mineral property, the carrying value is written off and any gains or losses thereon are included in the consolidated statement of income and comprehensive income.

Plant and equipment

Completed mineral property, plant and equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item are accounted for separately, including major inspection and overhaul expenditures which are capitalized.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of income and comprehensive income.

Capital work in progress

Mineral property development and plant and equipment construction commences when approved by management and/or the Board and the Company has obtained all regulatory permissions to proceed. Development and construction expenditures are capitalized and classified as capital work in progress. Once completed and available for use as intended, the costs associated with all applicable assets, related to the development and construction, are reclassified to the appropriate category within mineral property, plant and equipment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Exploration and evaluation assets (Non-depletable mineral property)

Exploration and evaluation expenditures incurred for regional reconnaissance or property investigations prior to the acquisition of a property or the right to explore are obtained are expensed in the period in which they are incurred. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation assets.

Exploration and evaluation expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Management reviews the carrying value of exploration and evaluation assets quarterly. In the case of undeveloped projects, there may be only limited data to form a basis for the impairment review. The review is based on a status report regarding the Company's intentions for exploration and development of the undeveloped property. In some cases, the undeveloped properties are regarded as successors to ore bodies currently in production. Where this is the case, it is intended that these will be developed and put into production when the current source of ore is exhausted or to replace the reduced output.

Once an economically viable resource has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to capital work in progress. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If the property is put into production, the costs of acquisition and exploration and evaluation will be amortized over the life of the property. If a project does not prove viable, all non-recoverable costs associated with the project net of any impairment provisions are written off.

Depletion and amortization of mineral property, plant and equipment

The carrying amounts of mineral property, plant and equipment are depleted or amortized over the estimated economic life of the specific assets to which they relate, using the depletion and amortization methods and rates as indicated below.

Categories	Methods	Estimated economic life
Mineral property	Units of production	Estimated mineral resources
Plant and building	Straight line	5 to 10 years
Machinery and equipment	Straight line	3 to 5 years

On an annual basis, the amortization method, useful economic life and the residual value of each component asset is reviewed, with any changes recognized prospectively over its remaining useful economic life. Amortization commences on the date the asset is available for its use as intended by management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Impairment of long-lived assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of a long-lived asset, or a cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of long-lived assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The recoverable amount of an asset is determined as the higher of its fair value less costs of disposal and its value in use. In assessing value in use, estimated future cash flows are 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. In assessing fair value less costs of disposal, fair value is the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. For mining assets fair value less costs of disposal is typically estimated using a discounted cash flow approach. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying value, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. When an impairment loss exists it is recorded as an expense immediately.

An impairment loss is reversed if there is an indication that 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 depletion or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Leases

A lease is a finance lease when substantially all of the risks and rewards incidental to ownership of the leased asset are transferred from the lessor to the lessee by the agreement. Assets under finance leases are initially capitalized at the lower of the fair value or the estimated present value of the minimum lease payments and are depreciated over the assets' useful lives. The corresponding liability is recognized as a finance lease obligation. The interest element is allocated to reporting periods during the lease term to reflect the rate of interest on the remaining balance of the obligation. Operating lease assets are not capitalized and payments are included in the statement of income and comprehensive income on a straight line basis over the lease term.

Decommissioning, restoration and other provisions

Restoration, rehabilitation and environmental obligations are recognized for the expected obligations related to the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. A restoration, rehabilitation or environmental obligation is recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made with a corresponding cost recognized by increasing the carrying amount of the related long-lived asset. The restoration, rehabilitation or environmental cost is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated future value.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and amortized to income (loss). The method of amortization follows that of the underlying asset. The costs related to a decommissioning and restoration provision are only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit. For a closed site or where the asset which generated a decommissioning and restoration provision no longer exists, there is no longer a future benefit related to the costs. As such, adjustments to the provisions are required and the resulting changes in estimates are charged to income in the period in which the adjustment is identified. For operating sites, a revision in estimates or a new disturbance will result in an adjustment to the liability with an offsetting adjustment to the capitalized retirement cost.

Provisions are recognized when a present legal or constructive obligation exists, as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using a risk-adjusted market based pre-tax discount rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as part of the share-based payments reserve. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Share-based payments

The Company grants stock options to directors, officers, employees and consultants to acquire common shares of the Company. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other equity-settled share-based payment arrangements are recorded based on the estimated fair value at the grant date and charged to earnings over the vesting period. Where awards are forfeited because non-market based vesting conditions are not satisfied, the expense previously recognized is proportionately reversed in the period the forfeiture occurs.

Share-based payment expense relating to cash-settled awards, including deferred and restricted share units is accrued over the vesting period of the units based on the quoted market value of Company's common shares. As these awards will be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the consolidated statement of income and comprehensive income.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and losses carried forward. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes (cont'd…)

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Chief Executive Officer.

Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

a) *Estimated decommissioning and restoration costs*

The Company's provision for decommissioning and restoration represents management's interpretation of current regulatory requirements, constructive obligations, and best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-adjusted discount rate for discounting future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company. Changes to the restoration and decommissioning costs are recorded with a corresponding change to the carrying amount of the related mining property. Adjustments to the carrying amounts of the related mineral property can result in a change to future depletion expense.

b) *Share-based payments*

Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and is expensed to the consolidated statement of income and comprehensive income over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

c) *Inventory valuation*

Consumable parts and supplies, ore stockpiles, and metals concentrates are valued at the lower of cost and net realizable value. Estimates in the carrying values of inventories arise due to the nature of the valuation of ore stockpiles and metals concentrate based on an appropriate allocation of direct mining costs, direct labour and material costs, overhead, and depletion and amortization. Changes in these estimates can result in a change in mine operating costs of future periods and carrying amounts of inventories.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Critical accounting estimates and judgments (cont'd…)

d) Income taxes

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward. The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company will benefit from these prior losses and other deferred tax assets.

The tax rates expected to be in effect when temporary differences reverse are 27% for Canada, 37% for Colombia, and 30% for Peru. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

e) Valuation of financial instruments

Financial instrument estimates are based on either unadjusted quoted prices in active markets or direct or indirect observable inputs in accordance with the definitions of the financial instruments. Provisional pricing calculations are determined based on the change in fair value of forward commodity prices of metals. To account for the change in metal prices from the total contract value to the provisional value amount that has been received, estimates of the value of metals concentrate are used to determine the provisionally-priced trade receivables at each reporting date.

f) Mineral reserve and/or resource estimates

Mineral reserves and/or resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions, including economic assumptions such as metal prices, and the market conditions could have a material effect in the future on the Company's financial position and results of operations.

g) Estimated recoverable resources

The carrying amount of the Company's mineral property is depleted based on recoverable resources. Changes to estimates of recoverable resources and depletable costs including changes resulting from revisions to the Company's mine plan and changes in metal price forecasts can result in a change to future depletion rates.

h) Amortization rate for plant and equipment and depletion for mineral property

Depletion and amortization expenses are allocated based on assumed asset lives. Should the asset life, depletion rates, or amortization rates differ from the initial estimate, an adjustment would be made in the consolidated statement of income and comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Critical accounting estimates and judgments (cont'd…)

i) Impairment of mineral property, plant and equipment

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's mineral property, plant and equipment are impaired. External sources of information management considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its mineral property, plant and equipment. Internal sources of information that management considers include the manner in which mineral property, plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

In determining the recoverable amounts of the Company's mineral property, plant and equipment, management makes estimates of the future operating results and discounted net cash flows expected to be derived from the Company's mineral property, costs to sell the mineral property and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future non-expansionary capital expenditures, reductions in the amount of recoverable mineral reserves, mineral resources, and exploration potential, and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mineral property, plant and equipment.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

a) Functional currency

The functional currency of each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

b) Recoverability of exploration and evaluation assets

The Company estimates its mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. The estimation of future cash flows related to mineral resources is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the mineral resources estimates may impact the carrying value of exploration and evaluation assets, mineral property, plant and equipment, decommissioning and restoration provision, recognition of deferred tax amounts and depletion.

c) Financial instruments

Financial assets and liabilities are designated upon inception to various classifications. The designation determines the method by which the financial instruments are carried on the consolidated statements of financial position subsequent to inception and how changes in value are recorded. The designation may require the Company to make certain judgments, taking into account management's intention of the use of the financial instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Accounting standards adopted during the year

IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses was amended to clarify the requirements for recognizing deferred income tax assets on unrealized losses, deferred income taxes where an asset is measured at fair value below the asset's tax base, and certain other aspects of accounting for deferred income tax assets. The amendment was adopted on January 1, 2017, without a significant impact on the Company's consolidated financial statements.

IAS 7 Statement of Cash Flow was amended on January 29, 2016 by the IASB introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The amendment was adopted on January 1, 2017, without a significant impact on the Company's consolidated financial statements.

Accounting pronouncements not yet effective

The following standards and pronouncements have been issued by the IASB and have not yet been adopted by the Company.

IFRS 15 Revenue from Contracts with Customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted. The Company did not early adopt this standard. The Company analyzed its contract with its customer and does not anticipate any material changes in the timing or measurement of revenue.

IFRS 9 Financial Instruments ("IFRS 9") addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 Financial Instruments: Recognition and Measurement requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in net earnings, unless this creates an accounting mismatch. IFRS 9 is effective for periods beginning on or after January 1, 2018. The Company has analyzed the impact of adoption of this standard and does not anticipate that there will be any material impact on the consolidated financial statements.

IFRS 16 Leases was issued in January 2016 (effective January 1, 2019) and provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company is currently evaluating the impact this standard is expected to have on its consolidated financial statements.

(Expressed in United States Dollars)

3. RECEIVABLES AND OTHER ASSETS

	December 31 2017	December 31 2016
Trade receivables	$ 3,009,729	$ 1,298,125
GST/VAT and other taxes recoverable/prepaid	2,371,873	3,403,260
Other receivables	256,250	93,206
	$ 5,637,852	$ 4,794,591

As at December 31, 2017 and 2016, the Company did not have any trade receivables that were past due. The Company's allowance for doubtful accounts at December 31, 2017 and 2016 was $Nil.

The Company has a concentrate off-take agreement where the customer will purchase 100% of the metals concentrate produced at the El Roble mining property. This current agreement has an expected settlement period of four months. The aging analysis of the Company's trade receivables from sales of metals concentrate is as follows:

	December 31 2017	December 31 2016
0 to 30 days	$ 1,699,747	$ 186,157
31 to 60 days	734,441	-
61 to 90 days	-	408,973
91 to 120 days	575,541	702,995
Over 120 days	-	-
	$ 3,009,729	$ 1,298,125

4. INVENTORIES

	December 31 2017	December 31 2016
Consumable parts and supplies	$ 3,085,965	$ 2,276,191
Ore stockpiles	1,894,827	357,575
Metals concentrate	3,558,253	6,126,086
	$ 8,539,045	$ 8,759,852

For the year ended December 31, 2017, the Company recorded cost of sales of $41,672,861 (2016 - $29,845,887) where direct mining and processing costs include salaries and other short-term benefits, contractor charges, energy, consumables, and other production-related costs.

(Expressed in United States Dollars)

5. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Mineral property	Plant, building, machinery, and equipment	Land and non-depletable exploration property	**Total**
As at December 31, 2015, net	$ 51,783,887	$ 11,528,497	$ 275,834	$ 63,588,218
Changes for the year:				
Additions	3,488,435	4,440,956	571,958	8,501,349
Provision adjustments (Note 8)	(220,053)	-	-	(220,053)
Reclassification	(436,220)	-	436,220	-
Depletion and amortization	(5,964,160)	(5,366,356)	-	(11,330,516)
As at December 31, 2016, net	48,651,889	10,603,097	1,284,012	60,538,998
Changes for the year:				
Additions	3,824,962	5,747,078	2,168,790	11,740,830
Depletion and amortization	(6,437,219)	(6,274,188)	-	(12,711,407)
As at December 31, 2017, net	$ 46,039,632	$ 10,075,987	$ 3,452,802	$ 59,568,421
As at December 31, 2016				
Historical cost	$ 65,782,799	$ 21,109,036	$ 1,284,012	$ 88,175,847
Accumulated amortization	(17,130,910)	(10,505,939)	-	(27,636,849)
Net carrying amount	$ 48,651,889	$ 10,603,097	$ 1,284,012	$ 60,538,998
As at December 31, 2017				
Historical cost	$ 69,607,761	$ 26,197,632	$ 3,452,802	$ 99,258,195
Accumulated amortization	(23,568,129)	(16,121,645)	-	(39,689,774)
Net carrying amount	$ 46,039,632	$ 10,075,987	$ 3,452,802	$ 59,568,421

As at December 31, 2017, the Company held leased assets with net carrying amount of $1,330,532 (2016 - $163,255) financed by finance leases (Note 8).

During the year ended December 31, 2017, the Company derecognized its fully amortized plant, building, machinery, and equipment with an aggregate gross historical cost of $658,482.

For the years ended December 31, 2017 and 2016, no impairment indicators were present.

(Expressed in United States Dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31 2017	December 31 2016
Trade and other payables	$ 5,282,139	$ 4,604,226
Payables to non-controlling interest of MINER	88,357	88,407
Payroll and related liabilities	1,316,289	816,940
Accrued liabilities	1,236,809	970,070
	$ 7,923,594	$ 6,479,643

7. CREDIT FACILITIES

	December 31 2017	December 31 2016
Bank credit facilities	$ 3,000,000	$ 2,014,000
Advances on concentrate inventories	-	3,332,802
Accrued interest expense	3,930	43,878
	$ 3,003,930	$ 5,390,680

Bank credit facilities

The Company has arrangements for unsecured credit facilities with a number of Colombian banks, including Banco Davivienda S.A., Banco de Occidente, Bancolombia, and Banco Popular, of up to Colombian pesos (“COP”) $26,100,000,000 (approximately $8,700,000). As at December 31, 2017, the Company owed balances on these facilities, which carry annual interest based on the London Interbank Offered Rates (“LIBOR”) plus 0.8% to 1.0% (2016 - LIBOR plus 1.9% to 2.2%) and terms up to seven months from the date of drawn down.

Advance on concentrate inventories

As part of the off-take agreement with the customer, the Company has been provided an inventory facility. Any amount advanced by the customer carries annual interest based on LIBOR plus 4.50% from the date of advance until the date of the payment on provisional invoice has been made.

(Expressed in United States Dollars)

8. PROVISIONS

	Decommissioning and restoration provision	Finance lease obligations	Share-based payment provision	**Total**
As at December 31, 2016	$ 1,568,548	$ 275,789	$ 180,203	$ 2,024,540
Additions	-	1,557,339	-	1,557,339
Accretion expense	152,550	105,445	-	257,995
Payments during the year	-	(523,921)	(90,352)	(614,273)
Share-based payments (Note 12)	-	-	199,739	199,739
Currency translation adjustments	-	8,681	-	8,681
As at December 31, 2017	1,721,098	1,423,333	289,590	3,434,021
Less: current portion	-	308,649	116,932	425,581
Long term portion	$ 1,721,098	$ 1,114,684	$ 172,658	$ 3,008,440
As at December 31, 2015	$ 1,642,295	$ 426,292	$ -	$ 2,068,587
Changes in estimates	(220,053)	-	-	(220,053)
Accretion expense	146,306	34,423	-	180,729
Payments during the year	-	(170,597)	-	(170,597)
Share-based payments (Note 12)	-	-	180,203	180,203
Currency translation adjustments	-	(14,329)	-	(14,329)
As at December 31, 2016	1,568,548	275,789	180,203	2,024,540
Less: current portion	-	275,789	69,756	345,545
Long term portion	$ 1,568,548	$ -	$ 110,447	$ 1,678,995

Decommissioning and restoration provision

A decommissioning and restoration provision has been recognized in respect of the mining operations at the El Roble mining property, including associated infrastructure and buildings. The estimated undiscounted cash flows required to satisfy the decommissioning and restoration provision as at December 31, 2017 were $3,150,000 (2016 - $3,150,000), which were adjusted for inflation and uncertainty of the cash flows and then discounted using a risk adjusted pre-tax discount rate of 9.75% (2016 - 9.75%).

In view of the uncertainties concerning environmental reclamation, the ultimate cost of reclamation activities could differ materially from the estimated amount recorded. The estimate of the Company's decommissioning and restoration liability relating to the El Roble mining property is subject to change based on amendments to laws and regulations and as new information regarding the Company's operations becomes available. Future changes, if any, to the estimated liability as a result of amended requirements, laws, regulations, operating assumptions, estimated timing and amount of obligations may be significant and would be recognized prospectively as a change in accounting estimate. Any such change would result in an increase or decrease to the liability and a corresponding increase or decrease to the mineral property, plant and equipment balance.

Share-based payment provision

The Company recognized a share-based payment provision for restricted share units ("RSUs") granted, refer to Note 12 for details on the RSUs plans.

(Expressed in United States Dollars)

8. PROVISIONS (cont'd…)

Finance lease obligations

The Company acquired additional mining equipment that are classified as finance leases, with the applicable cost included in mineral property, plant and equipment (Note 5). Future minimum lease payments as at December 31, 2017 and 2016 are as follows:

		December 31 2017		December 31 2016
Not later than one year	$	431,487	$	334,732
Later than one year and not later than five years		1,282,972		-
Later than five years		-		-
Total minimum lease payments		1,714,459		334,732
Future finance charges at implicit rate		(291,126)		(14,105)
Currency translation adjustments		-		(44,838)
Balance of unpaid obligations	$	1,423,333	$	275,789

9. LONG-TERM LOANS PAYABLE

		Trafigura		Sandvik		**Total**
As at December 31, 2016	$	5,167,937	$	440,684	$	5,608,621
Repayments - principal		(2,800,000)		(266,933)		(3,066,933)
Repayments - interest		(426,389)		(27,296)		(453,685)
Interest expense		511,998		24,191		536,189
Currency translation adjustments		-		44,331		44,331
As at December 31, 2017		2,453,546		214,977		2,668,523
Less: current portion		2,453,546		214,977		2,668,523
Long term portion	$	-	$	-	$	-
As at December 31, 2015	$	6,603,262	$	1,054,710	$	7,657,972
Repayments - principal		(1,416,667)		(601,730)		(2,018,397)
Repayments - interest		(570,346)		(62,317)		(632,663)
Interest expense		551,688		57,868		609,556
Currency translation adjustments		-		(7,847)		(7,847)
As at December 31, 2016		5,167,937		440,684		5,608,621
Less: current portion		1,917,937		254,151		2,172,088
Long term portion	$	3,250,000	$	186,533	$	3,436,533

Trafigura Pte. Ltd.

In November 2013, the Company entered into a senior secured repayable debt facility for $8,000,000 with Trafigura Pte. Ltd. ("Trafigura"). The funds drawn have a repayment term of 48 months, with stated annual interest of LIBOR plus 9%, payable quarterly, subject to a 12-month grace period with the first repayment date being February 22, 2015. There was a $125,000 financing fee paid to Trafigura when the funds were drawn. The facility is secured by the Company's shareholding in MINER. Under the effective interest method, this loan has an effective annual interest rate of 11.73%. In February 2015, the repayment schedule was amended where the Company has the option to postpone each of the first four principal repayments for twelve months; at which, the Company elected to postpone two of its principal repayments. In August 2016, the repayment schedule was extended up to 2019 where each principal payment amount has been reduced and an accelerated payment component, dependent on metal prices, has been added.

(Expressed in United States Dollars)

9. LONG-TERM LOANS PAYABLE (cont'd…)

Trafigura Pte. Ltd. (cont'd…)

As at December 31, 2017, the Company was in compliance with all qualitative and quantitative covenants.

Sandvik

During the year ended December 31, 2015, the Company entered into loan agreements for an aggregate of €708,900 in connection with purchase financing of equipment from Sandvik AB ("Sandvik"). Under the terms of the arrangement, the Company makes quarterly installments totaling €59,075, along with applicable interest at a stated annual interest rate of 7.5% over three years.

The Company's outstanding loan obligations have maturities over the next twelve months.

10. INCOME TAXES

Income tax expense differs from the amount that would result from applying Canadian income tax rates to earnings before income taxes. These differences result from the following items:

Years ended	December 31 2017	December 31 2016
Income before income taxes	$ 6,345,064	$ 688,508
Canadian federal and provincial income tax rates	26.00%	26.00%
Expected income tax expense at statutory income tax rate	1,649,717	179,012
Difference between Canadian and foreign tax rates	505,084	(91,134)
Changes in effective tax rates	(1,198,842)	(392,873)
Permanent differences and other adjustments	1,022,694	515,229
Changes in unrecognized deferred tax assets	595,019	437,027
Impact of foreign exchange on deferred tax assets and liabilities	(264,377)	(277,177)
Total income tax expense	$ 2,309,295	$ 370,084
Current income tax expense (recovery)	$ 2,646,291	$ 2,211,692
Deferred income tax expense (recovery)	(336,996)	(1,841,608)

As at December 31, 2017, the Company had taxes payable of $Nil (2016 - $2,075,077), which related to current income taxes.

Effective January 1, 2018, the Canadian statutory tax rate increased to 27% and the Colombian statutory tax rate decreased to 33%. The composition of the Company's net deferred income tax asset (liability) that has been recognized is as follows:

Deferred income tax assets (liabilities)	December 31 2017	December 31 2016
Mineral property, plant and equipment	$ (17,373,095)	$ (18,820,166)
Decommissioning and restoration provision	654,017	658,790
Share issue costs	-	64,757
Non-capital losses and others	2,581,336	3,026,863
	(14,137,742)	(15,069,756)
Unrecognized deferred tax assets	(2,944,280)	(2,349,261)
Net deferred income tax asset (liability)	$ (17,082,022)	$ (17,419,017)

(Expressed in United States Dollars)

10. INCOME TAXES (cont'd…)

The Company's significant temporary differences, unused tax credits, and unused tax losses that have not been recognized as deferred income tax assets are as follows:

	December 31 2017	Expiry date range	December 31 2016	Expiry date range
Mineral property, plant and equipment	$ 78,787	No expiry date	$ 45,973	No expiry date
Share issue costs	-	2035 to 2040	249,064	2035 to 2039
Non-capital losses and other - Canada	10,133,066	2030 to 2037	8,006,107	2030 to 2036
Non-capital losses and other - other	724,255	2030 onward	633,987	2030 onward

Tax attributes are subject to review, and potential adjustments, by tax authorities.

11. OTHER FINANCIAL ASSETS AND LIABILITIES

	Commodity derivative arrangements	Commodity forward sale arrangements	Currency forward arrangements	**Total**
As at December 31, 2015	$ -	$ 180,000	$ 43,810	$ 223,810
Fair value adjustments during the year	(598,298)	-	65,448	(532,850)
Reversal of previous fair value adjustments	-	(180,000)	(43,810)	(223,810)
As at December 31, 2016	(598,298)	-	65,448	(532,850)
Fair value adjustments during the year	-	-	(73,924)	(73,924)
Reversal of previous fair value adjustments	598,298	-	(65,448)	532,850
As at December 31, 2017	$ -	$ -	$ (73,924)	$ (73,924)
As at December 31, 2017				
Other financial assets	$ -	$ -	$ -	$ -
Other financial liabilities	$ -	$ -	$ (73,924)	$ (73,924)
As at December 31, 2016				
Other financial assets	$ 86,485	$ -	$ 65,448	$ 151,933
Other financial liabilities	$ (684,783)	$ -	$ -	$ (684,783)

The Company enters into derivative instruments from time to time in the normal course of business in order to manage its exposure to fluctuations in copper price, gold price, and the Colombian peso/US dollar exchange rate. The Company does not enter into or trade derivative instruments for speculative purposes. The Company has not applied hedge accounting to these derivative transactions. Derivative instruments are marked-to-market at the end of each reporting period based on the terms of the arrangements and the expected settlement prices and/or rates. Any resulting mark-to-market adjustment has been recognized in other financial assets or liabilities on the consolidated statement of financial position. During the year ended December 31, 2017, the Company recognized a positive net fair value adjustment of $458,926 (2016 - negative $756,660) on its derivative instruments, and a net realized loss of $455,520 (2016 - gain of $1,017,170) on the settlement of its derivative instruments.

Commodity derivative arrangements

The Company had entered into zero-cost commodity derivative arrangements with Auramet International LLC. These arrangements were net settled based on the difference between the market price and the contracted settlement price, where the Company receives proceeds if the contracted settlement price is above the market price. As at December 31, 2017, the Company did not have any outstanding arrangements.

(Expressed in United States Dollars)

11. OTHER FINANCIAL ASSETS AND LIABILITIES (cont'd…)

Commodity forward sale arrangements

The Company had entered into zero-cost commodity forward sale arrangements with its customer, whereby both parties agreed to preset the prices on metals shipped and to be settled at the end of the settlement period. As at December 31, 2017, the Company did not have any outstanding arrangements.

Currency forward arrangements

The Company had entered into zero-cost non-deliverable currency forward arrangements with local Colombian banks between the US dollar and Colombian peso. Each arrangement was net settled based on the difference between the market exchange rate and the contracted settlement rate, where the Company received proceeds if the contracted settlement rate is above the market exchange rate to purchase Colombian peso. As at December 31, 2017, the Company had $5,340,000 (2016 - $910,000) of currency forward arrangements outstanding and to be settled between January and March 2018.

12. SHARE CAPITAL

Authorized share capital consists of an unlimited number of common shares without par value.

Issued share capital

During the year ended December 31, 2017, the Company issued 664,367 (2016 - 245,399) common shares pursuant to the exercise of stock options for gross proceeds of $332,554 (2016 - $63,009).

Stock options

The Company has adopted a stock option plan pursuant to the policies of the TSX-V that has been approved by the Company's shareholders. The maximum number of shares that may be reserved for issuance under the plan is limited to 10% of the issued common shares of the Company at any time. The vesting terms are determined by the Company's Board of Directors at the time of the grant. The continuity of stock options for the years ended December 31, 2017 and 2016 are as follows:

Expiry Date	Exercise Price (CAD)	**Balance December 31 2016**	Granted	Exercised	Expired/ Cancelled	**Balance December 31 2017**
Apr 24, 2017	$ 0.55	250,000	-	(250,000)	-	-
May 16, 2017	0.51	130,000	-	(90,000)	(40,000)	-
Feb 04, 2018[1]	0.98	1,805,000	-	-	-	1,805,000
Mar 01, 2018[1]	0.98	340,000	-	-	(300,000)	40,000
Jul 11, 2019	0.79	2,870,671	-	(321,367)	(18,000)	2,531,304
Apr 12, 2021	0.345	2,245,184	-	(3,000)	-	2,242,184
Apr 17, 2022	0.77	-	841,119	-	-	841,119
Outstanding		7,640,855	841,119	(664,367)	(358,000)	7,459,607
Weighted average exercise price (CAD)		$ 0.70	$ 0.77	$ 0.66	$ 0.92	$ 0.70
Exercisable		4,130,019				4,824,741

[1] Expired subsequently

(Expressed in United States Dollars)

12. SHARE CAPITAL (cont'd…)

Stock options (cont'd…)

Expiry Date	Exercise Price (CAD)	**Balance December 31 2015**	Granted	Exercised	Expired/ Cancelled	**Balance December 31 2016**
Jun 30, 2016	$ 0.50	1,710,000	-	-	(1,710,000)	-
Jul 11, 2016	0.50	140,000	-	-	(140,000)	-
Apr 24, 2017	0.55	250,000	-	-	-	250,000
May 16, 2017	0.51	130,000	-	-	-	130,000
Feb 04, 2018	0.98	1,810,000	-	-	(5,000)	1,805,000
Mar 01, 2018	0.98	340,000	-	-	-	340,000
July 11, 2019	0.79	2,870,671	-	-	-	2,870,671
April 12, 2021	0.345	-	2,490,583	(245,399)	-	2,245,184
Outstanding		7,250,671	2,490,583	(245,399)	(1,855,000)	7,640,855
Weighted average exercise price (CAD)		$ 0.76	$ 0.345	$ 0.345	$ 0.50	$ 0.70
Exercisable		4,954,134				4,130,019

As at December 31, 2017, the weighted average remaining life of the stock options outstanding is 2.01 (2016 - 2.53) years with vesting periods ranging from 0 to 36 months.

Restricted share units

In 2016, the Company has adopted a RSUs plan pursuant to the policies of the TSX-V that has been approved by the Company's shareholders. The RSUs entitle employees, directors, or officers to cash payments payable upon vesting based on vesting terms determined by the Company's Board of Directors at the time of the grant. The RSUs payment will be an amount equal to the fair market value of the Company's common shares on the vesting date multiplied by the number of RSUs held. The continuity of RSUs for the years ended December 31, 2017 and 2016 are as follows:

Expiry Date	**Balance December 31 2016**	Granted	Vested	Expired/ Cancelled	**Balance December 31 2017**
Apr 12, 2019	771,429	-	(154,286)	-	617,143
Apr 17, 2020	-	147,362	-	-	147,362
Outstanding	771,429	147,362	(154,286)	-	764,505

Expiry Date	**Balance December 31 2015**	Granted	Vested	Expired/ Cancelled	**Balance December 31 2016**
Apr 12, 2019	-	971,429	-	(200,000)	771,429
Outstanding	-	971,429	-	(200,000)	771,429

As at December 31, 2017, the weighted average remaining life of the RSUs outstanding is 1.48 (2016 - 2.28) years with vesting periods ranging from 12 to 36 months.

(Expressed in United States Dollars)

12. SHARE CAPITAL (cont'd…)

Share-based payments and share-based payment reserve

During the year ended December 31, 2017, the Company granted 841,119 stock options and 147,362 RSUs to employees, directors, and officers of the Company, all of which will vest over 36 months. Using the fair value method for share-based payments, the Company determined the fair value of the options granted to be C$414,040 or C$0.49 per option (2016 - C$540,404 or C$0.22). The fair value of the stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows:

Weighted average:	December 31 2017	December 31 2016
Risk free interest rate	1.05%	0.76%
Expected dividend yield	0%	0%
Expected stock price volatility	80%	79%
Expected life in years	5	5
Forfeiture rate	0%	0%

In accordance with the vesting terms of stock options and RSUs granted, the Company recorded a charge to share-based payments expense of $524,867 (2016 - $565,390) with the offsetting credit to share-based payments reserve and provision of $325,128 and $199,739 (2016 - $385,187 and $180,203) respectively during the year ended December 31, 2017.

13. EARNINGS PER SHARE

Earnings per share, calculated on a basic and diluted basis, is as follows:

Years ended	December 31 2017	December 31 2016
Net income[1]	$ 3,375,338	$ 180,439
Weighted average number of common shares outstanding - basic	98,362,136	97,616,092
Dilutive effect of stock options outstanding	241,527	-
Weighted average number of common shares outstanding - diluted	98,603,663	97,616,092
Basic earnings per share[1]	$ 0.03	$ 0.00
Diluted earnings per share[1]	$ 0.03	$ 0.00

[1] Attributable to equity holders of the Company

(Expressed in United States Dollars)

14. RELATED PARTY BALANCES AND TRANSACTIONS

MINER non-controlling interests

MINER is a 90%-owned subsidiary of the Company and is 10% owned by a minority shareholders' group. On the acquisition date, the Company allocated $3,508,384 to the non-controlling interests ("NCI") based on the fair value of assets acquired and liabilities assumed on the acquisition of MINER. For the year ended December 31, 2016, the minority shareholders' group made a contribution of $382,533 to MINER, which has been allocated between the contributed surplus reserve and NCI based on proportionate interests. For the year ended December 31, 2017, income of $660,431 (2016 - $137,985) has been allocated to the non-controlling interests of MINER. Summarized financial information about MINER is as follows:

Years ended	December 31 2017	December 31 2016
Current assets	$ 17,738,784	$ 17,301,524
Non-current assets	55,848,329	56,950,805
Current liabilities	11,627,779	13,318,102
Non-current liabilities	18,803,120	19,174,098
Net income and comprehensive income	$ 6,604,310	$ 1,379,850

Compensation of key management personnel

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

Year ended December 31, 2017	Salary or fees	Share-based payments	**Total**
Management	$ 829,875	$ 359,544	$ 1,189,419
Outside directors	126,319	122,942	249,261
Seabord Services Corp.	189,313	-	189,313
	$ 1,145,507	$ 482,486	$ 1,627,993

Year ended December 31, 2016	Salary or fees	Share-based payments	**Total**
Management	$ 1,043,800	$ 392,446	$ 1,436,246
Outside directors	136,800	130,138	266,938
Seabord Services Corp.	176,829	-	176,829
	$ 1,357,429	$ 522,584	$ 1,880,013

As at December 31, 2017, the Company had $460,266 (2016 - $832,200) due to directors and management related to remuneration and performance-based remuneration, which have been included in accounts payable and accrued liabilities.

Seabord Services Corp., ("Seabord") is a management services company controlled by a director. Seabord provides the Chief Financial Officer, Corporate Secretary, accounting staff, administration staff and office space to the Company pursuant to a service agreement. The Chief Financial Officer and Corporate Secretary are employees of Seabord and are not paid directly by the Company. In addition to the service agreement with Seabord, the Company entered into rental agreements with companies with common directors for office space for $2,200 and $800 per month, respectively.

(Expressed in United States Dollars)

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Components of cash and cash equivalents

The short-term deposits are used as collateral for the Company's credit cards.

	December 31 2017	December 31 2016
Cash	$ 2,905,084	$ 3,530,922
Short-term deposits	86,250	86,250
	$ 2,991,334	$ 3,617,172

Changes in non-cash working capital

The changes in non-cash working capital items are comprised as follows:

	Year ended December 31 2017	Year ended December 31 2016
Receivables and other assets	$ (843,261)	$ (867,965)
Inventories	(32,633)	(2,891,262)
Prepaids and deposits	48,469	(406,920)
Accounts payable and accrued liabilities	1,443,951	1,363,580
Taxes payable	(2,075,077)	1,157,401
Net change in non-cash working capital	$ (1,458,551)	$ (1,645,166)

Significant non-cash investing and financing activities

During the year ended December 31, 2017, the Company:

a) reallocated mineral property depletion of $1,804,949 to the carrying amount of ore stockpile and metals concentrate inventories produced but not yet sold at the reporting date;
b) reallocated mineral property depletion of $2,058,389 previously recognized in carrying amounts of metals concentrate inventories sold to cost of sales;
c) recorded mineral property, plant and equipment of $1,557,339 in finance lease obligations; and
d) reallocated $194,293 from reserves to share capital for the exercise of stock options.

During the year ended December 31, 2016, the Company:

a) reallocated mineral property depletion of $2,058,389 to the carrying amount of ore stockpile and metals concentrate inventories produced but not yet sold at the reporting date;
b) reallocated mineral property depletion of $1,368,834 previously recognized in carrying amounts of metals concentrate inventories sold to cost of sales;
c) recorded adjustment to non-controlling interest of $105,670 in accounts payable and accrued liabilities; and
d) recorded adjustment to mineral property, plant and equipment of $220,053 in decommissioning and restoration provision; and
e) reallocated $39,627 from reserves to share capital for the exercise of stock options.

(Expressed in United States Dollars)

16. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to provide shareholder returns through maximization of the profitable growth of the business and to maintain a degree of financial flexibility relevant to the underlying operating and metal price risks while safeguarding the Company's ability to continue as a going concern.

The capital of the Company consists of share capital and available credit facilities. The Board of Directors does not establish a quantitative return on capital criteria for management. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may issue new shares in order to meet its financial obligations. The management of the Company believes that the capital resources of the Company as at December 31, 2017 are sufficient for its present needs for at least the next twelve months. The Company is not subject to externally imposed capital requirements.

17. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	December 31 2017	December 31 2016
Financial assets		
Loans and receivables:		
Cash and cash equivalents	$ 2,991,334	$ 3,617,172
Receivables	256,250	93,206
Fair value through profit or loss:		
Receivables from provisional sales	3,009,729	1,298,125
Other financial assets	-	151,933
	$ 6,257,313	$ 5,160,436
Financial liabilities		
Other financial liabilities:		
Accounts payable and accrued liabilities	$ 7,923,594	$ 6,479,643
Credit facilities	3,003,930	5,390,680
Finance lease obligations	1,423,333	275,789
Long-term loans payable	2,668,523	5,608,621
Fair value through profit or loss:		
Other financial liabilities	73,924	684,783
Share-based payment provision	289,590	180,203
	$ 15,382,894	$ 18,619,719

Fair value

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

(Expressed in United States Dollars)

17. FINANCIAL INSTRUMENTS (cont'd…)

Fair value (cont'd…)

As at December 31, 2017, the Company's financial instruments measured at fair value are as follows:

Financial assets and liabilities	Level 1	Level 2	Level 3	Total
Trade receivable from provisional sales	$ -	$ 3,009,729	$ -	$ 3,009,729
Other financial liabilities	$ -	$ 73,924	$ -	$ 73,924
Share-based payment provision	$ 289,590	$ -	$ -	$ 289,590

The carrying value of cash and cash equivalents, receivables (excluding trade receivable from provisional sales of metals concentrate), accounts payable and accrued liabilities, and credit facilities approximated their fair value because of the short-term nature of these instruments. The fair values of the Company's long-term loans payable and finance lease obligations are approximated by their carrying values as their interest rates are comparable to current interest rates.

Trade receivable from provisional sales of metals concentrate includes provisional pricing, and final price and assay adjustments. Derivative instruments are forward arrangements that were valued using pricing models, which require a variety of inputs, such as expected copper prices, gold prices, and foreign exchange rates. The trade receivable from sales of metals concentrate and derivative instruments are valued using observable market commodity prices and thereby classified within Level 2 of the fair value hierarchy.

The Company's activities expose it to financial risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are metal price risk, credit risk, liquidity risk, currency risk, and interest rate risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

Metal price risk

The Company is exposed to metals price risk given that its revenues are derived from the sale of metals through its metals concentrate products, the prices for which have been historically volatile. Consequently, the economic viability of the Company's mineral property may be adversely affected by fluctuations in metals prices. For concentrate shipped and provisionally invoiced during the year ended December 31, 2017, a 1% change in copper and gold prices would result in an increase/decrease of approximately $228,000 and $133,000 respectively in the Company's pre-tax income or loss on an annualized basis, respectively.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and cash equivalents are held through large Canadian, international and foreign national financial institutions. All of the Company's trade receivables from concentrate sales are held with a large international metals trading company. The Company mitigates this risk by transacting only with reputable financial institutions and requiring provisional payments of 90% of the value of the concentrate shipped to a single well-known buyer. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. The Company believes it is not exposed to significant credit risk and overall, the Company's credit risk has not declined significantly from the prior year.

17. FINANCIAL INSTRUMENTS (cont'd…)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuing to monitor forecasted and actual cash flows. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its development plans. The Company strives to maintain sufficient liquidity to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its holdings of cash, and its committed liabilities. The maturities of the Company's non-current liabilities are disclosed in Notes 8 and 9. All current liabilities are settled within one year.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company primarily operates in Canada and Colombia and incurs expenditures in currencies other than the US dollars. Thereby, the Company is exposed to foreign exchange risk arising from currency exposure. The Company has not hedged its exposure to currency fluctuations. As at December 31, 2017, the Company was exposed to currency risk through the following monetary assets and liabilities:

	Canadian dollars	Peruvian nuevo soles	Euros	Colombian pesos (000's)
Cash and cash equivalents	$ 93,811	$ 95,192	$ -	$ 2,535,385
Receivables	4,914	55,901	-	7,778,231
Accounts payable and accrued liabilities	(8,546)	(88,857)	-	(19,174,633)
Finance lease obligations	-	-	-	(3,198,494)
Long-term loans payable	-	-	(179,440)	-
Net exposure	90,179	62,236	(179,440)	(12,059,511)
US dollar equivalent	$ 71,852	$ 19,236	$ (214,976)	$ (4,041,828)

Based on the above net exposure, as at December 31, 2017, and assuming that all other variables remain constant, a 1% depreciation or appreciation of the US dollar against the Canadian dollar, Peruvian nuevo sol, Euro, and Colombian peso would result in an increase/decrease of approximately $42,000 in the Company's pre-tax income or loss.

Interest rate risk

The Company is exposed to interest rate risk on its variable rate debt facilities. Variable interest rates are based on the US dollar LIBOR plus a fixed-margin. The Company does not enter into derivative contracts to manage this risk. As at December 31, 2017, a 10% change in LIBOR rates would result in an increase/decrease of approximately $98,000 in the Company's pre-tax income or loss on an annualized basis based on the debt and credit facilities used.

18. COMMITMENT AND CONTINGENCY

Commitment

The Company has entered into various lease agreements for computer and office equipment with terms that expire between May and October 2020. As at December 31, 2017, the total remaining lease commitments were $59,497 (2016 - $Nil).

(Expressed in United States Dollars)

18. COMMITMENT AND CONTINGENCY

Contingency

During the year ended December 31, 2015, the Company's operating subsidiary, MINER, received notice of claim from the mining authority in Colombia requesting payment of royalties related to past copper production. The mining authority is basing its claim on the current mining law, which is subsequent to the prevailing mining law under which MINER executed the contract regulating its royalty obligations. The current mining law in Colombia explicitly states that it does not affect contracts executed prior to this law entering into force. Therefore, the Company and its legal counsel's position is that MINER has complied rigorously with royalty payments due and called for under the current contractual obligations. The claim of approximately $2,000,000 is at an administrative level and the Company will attempt to favorably resolve the claim at this level, and if necessary, will vigorously defend itself should legal action be required. As at December 31, 2017, no provisions have been recorded for any potential liability arising from this matter.

While the outcome of this matter is uncertain, based upon the information currently available, the Company does not believe that this matter in aggregate will have a material adverse effect on its consolidated financial position or results of operations. In the event that management's estimate of the future resolution of this matter changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

19. SEGMENTED INFORMATION

The Company is engaged in mining, exploration, and development of mineral properties, and has an operating mine in Colombia. The Company operates in one industry and has one reportable segment, which is reviewed by the chief operating decision maker and identified based on quantitative factors whereby its revenues or assets comprise 10% or more of the total revenues or assets of the Company. As at December 31, 2017, the Company only had a single off-take agreement for metals concentrate produced at the El Roble mining property.

Geographic segment details

As at December 31, 2017	Canada	Colombia	Other	**Total**
Cash and other current assets	$ 161,069	$ 18,130,331	$ 364,467	$ 18,655,867
Mineral property, plant and equipment	-	59,538,672	29,749	59,568,421
Total assets	$ 161,069	$ 77,669,003	$ 394,216	$ 78,224,288

As at December 31, 2016	Canada	Colombia	Other	**Total**
Cash and other current assets	$ 236,879	$ 17,986,327	$ 636,447	$ 18,859,653
Mineral property, plant and equipment	-	60,493,059	45,939	60,538,998
Total assets	$ 236,879	$ 78,479,386	$ 682,386	$ 79,398,651

20. EVENT AFTER REPORTING DATE

Subsequent to December 31, 2017, the Company granted 124,644 RSUs and 1,597,678 stock options exercisable at $0.69 per share for five years to employees, directors, and officers of the Company, all of which will vest over 36 months.