1254688 B.C. LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(EXPRESSED IN UNITED STATES DOLLARS)

Independent auditor's report

To the Shareholders of 1254688 B.C. Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of 1254688 B.C. Ltd. and its subsidiaries (together, the Company) as at December 31, 2020 and 2019 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of income (loss) for the years then ended;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; 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.

Other information

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

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

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.

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
April 30, 2021

1254688 B.C. Ltd.
Consolidated Statements of Financial Position
(in thousands of United States Dollars)

As at,	Notes	December 31, 2020	December 31, 2019
ASSETS			
Current			
Cash and cash equivalents		**$ 38,537**	$ 14,062
Restricted cash	4	**9,999**	33,481
Inventories	7	**10,619**	10,038
Value added taxes	17(c)	**5,614**	3,246
VAT certificates	17(c)	**711**	1,720
Prepaid assets		**2,531**	1,428
Other assets		**419**	261
Marketable securities	8	**2,485**	47
Total current assets		**70,915**	64,283
Non-Current			
Value added taxes	17(c)	**10**	117
Deferred tax asset	17(b)	**18,732**	-
Property, plant and equipment	9	**26,126**	36,440
Total non-current assets		**44,868**	36,557
Total assets		**$ 115,783**	$ 100,840
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	**$ 11,269**	$ 9,041
Debt	12	**10**	37,882
Amounts due to related parties	22	**-**	3,501
Subscription receipt liability	11	**10,000**	-
Total current liabilities		**21,279**	50,424
Non-Current			
Debt	12	**-**	1,109
Decommissioning liability	13	**16,380**	17,630
Other provisions	14	**3,880**	3,819
Total non-current liabilities		**20,260**	22,558
Total liabilities		**41,539**	72,982
EQUITY			
Issued capital	15	**8**	6
Accumulated other comprehensive loss		**522**	97
Retained earnings		**73,714**	27,755
Total equity		**74,244**	27,858
Total liabilities and equity		**$ 115,783**	$ 100,840

Nature of operations (note 1)
Commitments and contingencies (note 20)
Subsequent events (note 23)

Approved on behalf of the Board:

"*Alberto Morales*", Director

"*Peter Gundy*", Director

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

1254688 B.C. Ltd.
Consolidated Statements of Income (Loss)
(In thousands of United States Dollars, except per share amounts)

	Notes		Year Ended December 31, 2020		Year Ended December 31, 2019
Revenues	5	$	**130,672**	$	88,655
Cost of sales	6(a)		**82,697**		76,623
Depreciation and depletion	9		**10,360**		15,176
Income (loss) from mine operations			**37,615**		(3,144)
General and administrative	6(b)		**6,016**		5,306
Exploration and evaluation	9(b) & 21		**1,888**		2,094
Income (loss) from operations			**29,711**		(10,544)
Other income (loss)	6(c)		**235**		(930)
Finance costs	6(d)		**(3,759)**		(2,259)
Foreign exchange gain			**789**		932
Net income (loss) before income taxes			**26,976**		(12,801)
Income taxes					
Deferred tax recovery	17(a)		**18,983**		-
Net income (loss)		$	**45,959**	$	(12,801)
Basic and diluted net income (loss) per share	16	$	**1.50**	$	(12,801)
Weighted average number of common shares outstanding			**30,575,395**		1,000

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

1254688 B.C. Ltd.
Consolidated Statements of Comprehensive Income (Loss)
(In thousands of United States Dollars, except per share amounts)

	Notes	Year Ended December 31, 2020	Year Ended December 31, 2019
Net income (loss) for the year		**$ 45,959**	$ (12,801)
Items that may not be reclassified to profit or loss:			
Actuarial gain (loss) on post-employment benefits, net of tax	14	**425**	(430)
Other comprehensive income (loss)		**425**	(430)
Comprehensive income (loss)		**$ 46,384**	$ (13,231)
Basic and diluted comprehensive income (loss) per share	16	**$ 1.52**	$ (13,231)
Weighted average number of common shares outstanding		**30,575,395**	1,000

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

1254688 B.C. Ltd.
Consolidated Statements of Cash Flows
(in thousands of United States Dollars)

		Year Ended December 31, 2020		Year Ended December 31, 2019
Operating activities				
Income (loss) before income taxes	**$**	**45,959**	$	(12,801)
Items not affecting cash:				
Depreciation and depletion		**10,228**		15,176
Accretion on decommissioning liability		**1,015**		908
Non-cash changes in provisions		**1,005**		(129)
Non-cash inventory write-downs		**-**		1,601
Write-off in prepayments to minerals providers		**-**		1,587
Provision for Santacruz Loan		**308**		188
Change in fair value of NSR payments		**-**		1,389
Interest expense		**1,557**		621
Change in fair value of marketable securities		**(1,730)**		(18)
Deferred tax recovery		**(18,983)**		-
Foreign exchange gain		**(789)**		(932)
		38,570		7,590
Changes in non-cash working capital items:				
Inventories		**(581)**		(2,161)
Other assets		**(158)**		(23)
Prepaid assets		**(1,103)**		1,300
Value added taxes		**(2,261)**		4,482
VAT certificates		**1,009**		906
Accounts payables		**2,228**		(1,169)
Other provisions		**(268)**		157
Net cash from operating activities		**37,436**		11,082
Investing activities				
Expenditures on property, plant and equipment		**(2,179)**		(3,563)
Proceeds from sale of property, plant and equipment		**-**		13
Restricted cash		**33,130**		(33,264)
Shareholder loan		**-**		3
Investment in marketable securities		**(708)**		-
Net cash from (used for) investing activities		**30,243**		(36,811)
Financing activities				
Loans from BISA		**3,775**		1,478
Repayments to BISA		**(5,340)**		(184)
Payments to Coeur		**(5,072)**		(6,434)
Proceeds from Greenteck loan		**-**		33,000
Transactions costs of Greenteck loan		**-**		(908)
Repayments of Greenteck loan principal		**(33,000)**		-
Repayments of Greenteck loan interest		**(1,187)**		(368)
Repayment of related party loans		**(3,523)**		(1,502)
Proceeds from subscription receipts		**10,000**		-
Restricted cash		**(9,648)**		-
Proceeds from issuance of shares		**2**		-
Net cash (used for) from financing activities		**(43,993)**		25,082
Effect of exchange rate changes on cash		**789**		932
Increase in cash		**24,475**		285
Cash, beginning of year		**14,062**		13,777
Cash, end of year	**$**	**38,537**	$	14,062

Supplemental disclosure
Interest paid see Notes 12 and 22.

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

(In thousands of United States Dollars, except per share amounts)

	Number of common shares		Issued capital		Retained earnings		Accumulated other comprehensive loss (income)		Total equity
Balance, December 31, 2018	**1,000**	**$**	**6**	**$**	**40,556**	**$**	**527**	**$**	**41,089**
Actuarial gain on post-employment benefits, net of tax	-		-		-		(430)		(430)
Net loss for the year	-		-		(12,801)		-		(12,801)
Balance, December 31, 2019	**1,000**	**$**	**6**	**$**	**27,755**	**$**	**97**	**$**	**27,858**
Issuance of shares	400		2		-		-		2
Common shares exchanged	119,998,700		-		-		-		-
Actuarial gain on post-employment benefits, net of tax	-		-		-		425		425
Net profit for the year	-		-		45,959		-		45,959
Balance, December 31, 2020	**120,000,100**	**$**	**8**	**$**	**73,714**	**$**	**522**	**$**	**74,244**

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

1. NATURE OF OPERATIONS

1254688 B.C. Ltd. (the "Company") was incorporated on June 25, 2020 under the laws of British Columbia, Canada. The address of the Company's registered office is 777 Hornby Street, Suite 600 Vancouver, BC V6Z 1S4. The Company's ultimate controlling shareholder is PMB Bullion Partners LP, a Canadian partnership. Effective September 30, 2020, the Company entered into an arrangement and exchange agreement (the "Agreement") with Ag-Mining Investments AB ("AG Mining"). AG Mining was incorporated on November 30, 2017 under the laws of Sweden, issuing 1,000 shares for 50,000 SEK ($6). Under the Agreement, the shareholders of AG Mining became shareholders of the Company by exchanging 100% of their outstanding common shares of AG Mining for common shares of the Company, proportionally based on each shareholder's respective interest of AG Mining. Upon the completion of the Agreement, AG Mining became a wholly owned subsidiary of the Company. The transaction was accounted for as a capital transaction using the continuity of interest method. The comparative figures presented are those of AG Mining.

At December 31, 2020, the Company owned a 100% interest in Empresa Minera Manquiri S.A. ("Manquiri") through direct and indirect interests, which is the operator of the San Bartolomé mine and processing facility, near Potosì, Bolivia. The Company is engaged in the exploration, exploitation, treatment, refining and commercialization of doré containing silver and gold, which it extracts from its own mining rights and purchased third-party ore. The fiscal year-end of the Company is December 31.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. The National Government of Bolivia declared a "National Sanitary Emergency and Quarantine" on March 17, 2020 as a consequence of the spread of COVID-19, issuing a series of provisions to contain its spread, such as exceptional restrictive circulation measures, the drastic reduction of activities and the issuance of economic regulations, among others, which are expected to significantly affect the economic activity of the country and the markets in general. On April 30, 2020, a Multi-Ministerial Supreme Decree was enacted by the Bolivian Government authorizing the return of mining activity on May 2, 2020. As a result, Manquiri ceased its operations during April 2020 and partially through May 2020, returning to normal production levels in June 2020.

The Company also holds a portfolio of earlier-stage mineral properties located in Bolivia. The Company is in the process of exploring these mineral properties and has not yet determined whether they contain mineral reserves where extraction is both technically feasible and commercially viable.

2. BASIS OF PRESENTATION

a) Statement of compliance

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

The policies set out below have been consistently applied to all the years presented. These consolidated financial statements were approved and authorized for issuance by the Company's board of directors (the "Board of Directors") on April 30, 2021.

b) Basis of measurement

The consolidated financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS for each type of asset, liability, income and expense as set out in the accounting policies below.

c) Judgments

The critical judgments made by management of the Company in the application of the accounting policies that are presented in note 3 and have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

i. *Functional currency*

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates. Such determination involves certain judgments to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment.

ii. Impairment of non-financial assets

The Company reviews and evaluates the carrying values of each cash-generating unit ("CGU") at each reporting period end date to determine whether any indication of impairment or reversal of impairment exists. Management of the Company has assessed its single CGU to be its Bolivian operations site (the San Bartolomé project), which is the lowest level for which cash inflows and outflows are expected to be largely independent of those of other assets.

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 of disposal ("FVLCD") or value-in-use. FVLCD is determined as the amount that would be obtained from the sale, less costs of disposal, of the asset in an arm's length transaction between knowledgeable and willing parties. When observable market prices are not available for the asset, value-in-use for mineral properties is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of eventual disposal, using assumptions that are specific to the CGU's circumstances.

Management projected its expected cash flows over the remaining life of mine in respect of the San Bartolomé project using forecasted production (based on reserves and resources and recovery rates) and expected costs, capital expenditures and working capital changes. The key assumptions used in making this assessment at December 31, 2020 included commodity prices, operating costs, capital expenditures and discount rates. Cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

iii. Revenue recognition

a. Determination of performance obligations

The Company applies judgment to determine if a good or service that is promised to a customer is distinct based on whether the customer can benefit from the good or service on its own or together with other readily available resources and whether the good or service is separately identifiable. The silver and gold delivered to a customer's bullion account is determined to be distinct goods that the customer can benefit from on its own or together with other readily available resources and are separately identifiable from other promises in the sales contract. Accordingly, the Company determined the primary performance obligation relating to its sales contract is the delivery of the silver and gold to the customer's bullion account.

Judgment is required to determine when transfer of control occurs relating to the sale of the Company's metals to its customers. Management based its assessment on a number of indicators of control, which include, but are not limited to whether the Company has present right of payment, and whether the physical possession of the goods, significant risks and rewards and legal title have been transferred to the customer. The Company transfers title of the silver and gold when the customer receives possession of the silver and gold in their bullion account, which is also the point at which the Company has right of payment. The Company has determined that it transfers control of the silver and gold at this point.

From time to time, the Company may enter into provisional pricing arrangements with its customers, in which title to the silver and gold may be transferred to the customer prior to the customer receiving possession of the silver and gold in their bullion account. Accordingly, the determination of the primary performance obligation under such an arrangement would be the delivery of the silver and gold to the customer, where title to the silver and gold is also transferred. For the years ended December 31, 2020 and 2019, the Company did not enter into provisional sales arrangements with its customers.

iv. Income taxes

Judgment is required in determining whether deferred 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. As at December 31, 2020, the Company had estimated non-capital losses in Sweden of approximately $7,678 (December 31, 2019 – $5,309). These non-capital losses do not expire. Manquiri had non-capital losses of $38,481 (December 31, 2019 – $83,715) expiring between 2021 and 2024.

d) Significant estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates based on assumptions about future events that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised.

Areas that require significant estimates and assumptions as the basis for determining the stated amounts include, but are not limited to the following:

i. Depreciation and depletion

Plants and other facilities used directly in mining activities are depreciated using the units-of-production ("UOP") method based on recoverable tonnes to be mined from proven and probable reserves and measured and indicated resources.

The calculation of the UOP rate, and therefore the annual depreciation and depletion expense could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves and resources through exploration activities, differences between estimated and actual recovery rates, costs of mining, and differences in silver prices used in the estimation of mineral reserves and resources.

Significant judgment is involved in the estimation of useful life and residual values for the computation of depreciation and depletion and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

ii. Mineral reserve and mineral resource estimates

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects, issued by the Canadian Securities Administrators. This National Instrument lays out the standards of disclosure for mineral projects including rules relating to the determination of mineral reserves and mineral resources. 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 mineral 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. Short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period.

Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of its mineral reserve estimates from time to time or may render the Company's mineral reserves uneconomic to exploit, which may materially and adversely affect the results of operations or financial condition. Mineral reserve data are not indicative of future results of operations.

Evaluation of mineral resources is conducted from time to time and mineral resources may change depending on further geological interpretation, drilling results and metal prices. The Company regularly evaluates its mineral resources and it often determines the merits of increasing the reliability of its overall mineral resources.

Differences between management's assumptions, and actual events including economic assumptions such as metal prices and market conditions, could have a material effect in the future on the Company's financial position and results of operations.

Estimates of the quantities of proven and probable mineral reserves and mineral resources form the basis for the Company's life-of-mine ("LOM") plans, which are used for a number of important business and accounting purposes, including: determination of the useful life of property, plant and equipment and measurement of the depreciation expense, exploration and evaluation of mineral resources and determination of technical feasibility and commercial viability, forecasting the timing of the payments related to the environmental rehabilitation provision and estimating future profitability in determining the recognition of deferred tax assets. In addition, the underlying LOM plans are used in the impairment tests for non- current assets.

iii. Inventories

The measurement of inventory including the determination of its net realizable value, especially as it relates to ore in stockpiles, involves the use of estimates. Estimation is required in determining the tonnage, recoverable silver contained therein, and in determining the remaining costs of completion to bring inventory to its saleable form. Changes in these estimates can result in a change in mine operating costs of future periods and carrying amounts of inventories.

Further, in determining the net realizable value of ore in stockpiles, the Company estimates future metal selling prices, production forecasts, realized grades and recoveries, timing of processing, and future costs to convert the inventories into saleable form. Reductions in metal price forecasts, increases in estimated future costs to convert, reductions in the amount of recoverable ounces, and a delay in timing of processing can result in a write down of the carrying amounts of the Company's work in process and ore in stockpiles inventory.

iv. Decommissioning liability

Decommissioning liabilities are recognized in the period in which they arise and are stated as the present value of estimated future costs taking into account inflation and discounted at a credit-adjusted risk-free rate. These estimates require extensive judgment about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices. In view of uncertainties concerning environmental rehabilitation, the ultimate costs could be materially different from the amounts estimated. It is possible that the Company's estimate of the decommissioning liability could change as a result of change in regulations, the extent of environmental remediation required, the means and technology of reclamation activities or cost estimates. Any such changes could materially impact the estimated provision for site reclamation and closure. Changes in estimates are accounted for prospectively from the period the estimate is revised.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

Basis 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 company
- Ag-Mining Investments AB
- Empresa Minera Manquiri S.A.
- Geoexplorers Bolivia S.A. ("Geoexplorers") (Subsidiary of Manquiri)
- Minera Pukaraju S.A. ("Pukaraju") (Subsidiary of Manquiri)

Non-operating entities
- San Bartolome I LLC
- Manquiri-Potosi LLC

Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

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.

Foreign currency translation

The functional currency of the Company, AG Mining, San Bartolome I LLC, Geoexplorers, Pukaraju, Manquiri-Potosi LLC and Manquiri is the United States ("US") dollar as determined by management. All amounts in these consolidated financial statements are presented in US dollars. Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

(a) assets and liabilities at each statement of financial position date presented are translated at the closing rate at the date of that statement of financial position;

(b) income and expenses are translated using the rate that approximates the exchange rates at the date of the transactions (the average rate for the period); and

(c) all resulting exchange differences are recognized in other comprehensive income (loss).

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.

Financial Instruments

(a) Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write off of a financial asset (or a portion thereof) constitutes a derecognition event. Write off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

(b) Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting date. All other financial assets are measured at their fair values at each subsequent reporting date, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

(In thousands of United States Dollars, except where noted)

The Company's financial instruments are classified and measured as follows:

	Classification
Financial assets	
Cash and cash equivalents	Amortized cost
Restricted cash	Amortized cost
Marketable securities	FVTPL
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Subscription receipt liabilities	Amortized cost
Due to related parties	Amortized cost
NSR payments	FVTPL
Debt	Amortized cost

(c) Impairment model – Expected credit loss

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in the consolidated statements of income (loss), the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized. As at December 31, 2020, the Company recognized cumulative lifetime expected credit losses of $3,111 (December 31, 2019 – $2,803) related to principal and interest outstanding on the Santacruz Loan (refer to Note 8).

For the Company's trade receivables, the simplified approach for determining expected credit losses is used under IFRS 9, which requires the Company to determine the lifetime expected losses for all its trade receivables. The expected lifetime credit loss provision for its trade receivables is based on historical default rates and other relevant forward-looking information. For the years ended December 31, 2020 and 2019, the Company only had one customer. This customer was considered to have low default risk and has had no historical defaults. As at December 31, 2020 and 2019, the outstanding trade receivable balance for this customer was $nil and $nil, respectively.

Marketable securities

Marketable securities consist of common shares and warrants to purchase common shares of a publicly traded company, which has been designated as FVTPL and is recorded in the consolidated statements of financial position at fair value. For common shares, fair value is determined by reference to the quoted market closing prices in active markets. For warrants, fair value is determined by using the Black-Scholes pricing model by reference to the quoted market closing prices in active markets.

Inventories

Inventory, which consists of ore in stockpiles, in-process inventory, doré, and metal at third-party refineries are stated at the lower of cost and net realizable value. Net realizable value is the amount estimated to be obtained from sale of the inventory in the normal course of business, less any anticipated costs to be incurred prior to its sale. The production cost of inventories is determined on a weighted average basis and includes direct consumables, direct labour, minesite overhead and depreciation and depletion of mine properties and plant and equipment. Joint-product costing is applied as both silver and gold content contribute to the profitability of the operation. Joint costing allocates total production costs based on the relative values of the products.

Supplies and spare parts inventory consist of consumables used in operations, such as fuel, chemicals, reagents and spare parts, which are valued at the lower of average cost and net realizable value and, where appropriate, less a provision for obsolescence. Costs include acquisition, freight and other directly attributable costs. Net realizable value is estimated based on replacement costs.

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 income (loss) during the period in which they occur.

Effective from the point that they are ready for their intended use, plant and equipment; furniture and equipment; equipment under finance leases; corporate equipment and mineral properties 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 operation 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.

Exploration and evaluation

Exploration activities involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration expenditures, which include costs associated with researching and analyzing historical data, gathering data, exploration drilling and sampling, determining infrastructural requirements and preparing financial viability studies, are expensed until the Company concludes that it is more likely than not that economically recoverable mineral resources exist.

Exploration and evaluation costs of mineral properties, including the cost of acquiring mining rights and expenses directly related to the exploration and evaluation of the mining properties are expensed in the year they are incurred.

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, which are re-measured at the end of each reporting period.

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. To measure 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 income (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 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.

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.

Revenue recognition

The Company's primary source of revenue is from the sale of refined silver and gold metal content in doré bars produced from the San Bartolomé project under contracts with third party refiners, who refine the doré bars on the Company's behalf. A doré bar is a semi-pure alloy of silver and gold. Delivery of doré to the refiners is completed at the mine site.

Control over the refined silver and gold produced from doré are transferred to the customer upon delivery to the customer's bullion account. Refined metals are sold at spot prices and revenue is recognized on the trade settlement date.

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue from the sale of goods is recognized when control has transferred, which is generally considered to occur when title passes to the customer. Once the title has passed to the customer, the significant risks and rewards of ownership have been transferred and the customer is able to direct the use of and obtain substantially all of the remaining benefits from the goods. As at December 31, 2020 and 2019, there were no doré sales outstanding.

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 delivering refined metal content to the point of sale; refining and treatment costs; an allocation of site general and administrative costs; costs related to royalty expenses for the period; and depreciation and depletion. All costs include any impairment to reduce inventory to net realizable value.

Provision for statutory labour obligations

Certain long-term employee benefits are specifically payable when employment is terminated. The expected costs of these benefits are accrued in the period of employment. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income (loss) in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

Earnings per share

The Company calculates basic earnings (loss) per share by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting profit or loss attributable to common shareholders and the weighted average number of common shares outstanding.

Income taxes

The income tax expense or benefit for the period consists of two components: current and deferred.

Current income tax is the expected tax payable on the taxable profit for the year. The tax is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date in each of the jurisdictions and includes any adjustments for taxes payable or recovery in respect of prior periods.

Deferred income tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities in the consolidated statements of financial position and the corresponding tax basis used in the computation of taxable profit. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted by the statements of financial position date and are expected to apply when the related future income tax asset is realized or the future income tax liability is settled.

(In thousands of United States Dollars, except where noted)

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses to the extent it is probable future taxable profits will be available against which they can be utilized. The carrying amount of deferred tax assets is reviewed at each statements of financial position date and reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. Income tax expense is recognized in the consolidated statements of loss and comprehensive income (loss) except to the extent it relates to a business combination or other items recognized directly in equity.

Deferred tax assets and/or liabilities are not recognized on temporary differences that arise in the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and with respect to taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Recent accounting pronouncements

Certain pronouncements were issued by the International Accounting Standards Board ("IASB") or the IFRS Interpretations Committee ("IFRIC") that are mandatory for accounting periods after December 31, 2020. Pronouncements that are not applicable to the Company have been excluded from this note.

Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use

On May 14, 2020, the IASB issued amendments to IAS 16 Property, Plant and Equipment. The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments to IAS 16 are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted. The amendments apply retrospectively only to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the Company first applies the amendments. The Company is assessing the impact of the amendments on the consolidated financial statements and will not be adopting the amendments early.

4. RESTRICTED CASH

Restricted cash consists of the following:

(a) As at December 31, 2020, $351 was held in respect of deposits for appeals in Bolivian labour courts (December 31, 2019 - $351).

(b) As at December 31, 2020, $9,648 was held in escrow associated with a private placement that closed on August 24, 2020 (note 11).

(c) As at December 31, 2019, $33,130 was deposited in respect of an Administration Trust Agreement signed on September 26, 2019, between Manquiri and Cibanco, Sociedad Anónima, Institución de Banca Múltiple (the "Trustee"), to manage an investment account in the form of a non-redeemable short-term Guaranteed Investment Certificate ("GIC") issued by the Bank of Nova Scotia, with a maturity of 180 days at an interest rate of 1.73% effective from October 10, 2019 to April 7, 2020. The GIC managed by the Trustee was pledged in favor of the Bank of Nova Scotia to secure the Greenteck loan payable by Ag-Mining Investments AB. See Note 12.

5. REVENUES

During the year ended December 31, 2020 and 2019, the Company had sales to one customer. The breakdown of sales by product type is as follows:

Years ended December 31,		**2020**		2019
Silver	**$**	**119,996**	$	84,680
Gold		**10,676**		3,975
Total revenues	**$**	**130,672**	$	88,655

(In thousands of United States Dollars, except where noted)

6. EXPENSES

a) Cost of sales

Years ended December 31,		**2020**		2019
Direct mining costs	**$**	**71,666**	$	69,885
Mining royalty taxes (1)		**11,031**		6,738
Total cost of sales	**$**	**82,697**	$	76,623

(1) Mining royalty taxes refers to amounts payable to government authorities in respect of the San Bartolomé project.

b) General and administrative

Years ended December 31,		**2020**		2019
Salaries and office administration	**$**	**3,871**	$	3,487
Management fee (note 22(b))		**1,771**		1,408
Community relations		**374**		411
Total general and administrative expenses	**$**	**6,016**	$	5,306

c) Other income (loss)

Years ended December 31,		**2020**		2019
Uncollected VAT and VAT adjustments	**$**	**(77)**	$	(495)
Severance indemnities provision		**-**		263
Provision for Santacruz Loan		**(308)**		(188)
Change in fair value of marketable securities		**1,731**		18
Change in fair value of NSR payments		**-**		(1,389)
Interest income		**672**		475
Other income (loss)(1)		**(1,783)**		386
Total other income (loss)	**$**	**235**	$	(930)

(1) During the year ended December 31, 2020, the Company recognized $1,722 (December 31, 2019 – nil) of operational costs not capitalized to inventory in respect of a temporary shutdown of operations due to COVID-19.

d) Finance costs

Years ended December 31,		**2020**		2019
Accretion on decommissioning liability	**$**	**1,015**	$	908
Interest and banking expenses		**2,744**		1,351
Total finance costs	**$**	**3,759**	$	2,259

7. INVENTORIES

Years ended December 31,		**2020**		2019
Ore in stockpiles	**$**	**2,304**	$	850
In-process inventory		**1,078**		655
Metal at third-party refinery		**536**		2,398
Doré		**1,065**		628
Material and supplies		**5,636**		5,507
Total inventories	**$**	**10,619**	$	10,038

During the year ended December 31, 2020, the Company did not have any non-cash inventory write-downs (December 31, 2019 -$1,601) included in cost of sales.

8. MARKETABLE SECURITIES

On March 6, 2018 the Company entered into a $2,300 loan agreement (the "Santacruz Loan") with Santacruz Silver Mining Ltd. ("Santacruz"). The Santacruz Loan bore interest at 9% per annum and was repayable by July 1, 2018. In connection with the Santacruz Loan, Santacruz issued 2,000,000 warrants to purchase common shares of Santacruz (the “Warrants”) exercisable at CAD$0.16 per share until March 6, 2019, with a fair value of $109.

(In thousands of United States Dollars, except where noted)

On July 2, 2018, the Company reached an agreement with Santacruz to extend the repayment date of the loan to October 1, 2018. As consideration for the extension, the interest rate under the Santacruz Loan was increased to 12% per annum effective July 1, 2018. In addition, Santacruz agreed to increase the number of Warrants to 2,500,000 at an exercise price of $0.16 per share, and to extend the expiry date to March 6, 2020. On October 2, 2018, the repayment date of the loan was extended to January 31, 2020.

On October 5, 2020, the Company renegotiated with Santacruz to extend the repayment date of the Santacruz Loan to March 31, 2021. As part of this extension, 2,300,000 stock options to purchase common shares of Santacruz were issued by Santacruz, expiring on October 31, 2020 and exercisable at $0.163 per share. These stock options were exercised in October 2020 and 2,300,000 common shares of Santacruz were purchased for C$375,000 ($288).

During the year ended December 31, 2020, the Company took a provision against the Santacruz Loan for $308 (December 31, 2019 – $188). As at December 31, 2020, principal and interest outstanding on the Santacruz loan totaled $3,111 (December 31, 2019 - $2,803).

The Company participated in a private placement of Santacruz on October 5, 2020, purchasing 2,481,818 units of Santacruz for C$0.22 per unit totaling C$545,999 (approximately $420). Each unit consisted of 1 common share of Santacruz and 1 warrant to purchase a common share of Santacruz, exercisable at C$0.30 per warrant. As at December 31, 2020, the Company held 4,781,818 common shares of Santacruz with a fair value of $1,765 and 2,481,818 warrants of Santacruz with a fair value of $720. Assumptions used to value the warrants at December 31, 2020 were as follows: i) Risk-free interest rate of 0.25%; ii) Exercise price of C$0.30; iii) Expected life of 2.79 years; iv) Volatility of 131%; and v) USD:CAD exchange rate of 0.7854.

9. PROPERTY, PLANT AND EQUIPMENT

		Computer equipment and vehicles		Construction in progress		Plant and mineral properties in production		Total
Net book value, December 31, 2018	**$**	**173**	**$**	**2,058**	**$**	**44,588**	**$**	**46,819**
Additions		-		3,563		-		3,563
Transfers		1,148		(3,886)		2,738		-
Disposals		(1)		-		(12)		(13)
Change in decommissioning liability		-		-		1,247		1,247
Depreciation and depletion		(320)		-		(14,856)		(15,176)
Net book value, December 31, 2019	**$**	**1,000**	**$**	**1,735**	**$**	**33,705**	**$**	**36,440**
Additions		-		2,146		33		2,179
Transfers		326		(2,034)		1,708		-
Disposals		-		-		-		-
Change in decommissioning liability		-		-		(2,265)		(2,265)
Depreciation and depletion		(333)		-		(9,895)		(10,228)
Net book value, December 31, 2020	**$**	**993**	**$**	**1,847**	**$**	**23,286**	**$**	**26,126**

Summary		Computer equipment and vehicles		Construction in progress		Plant and mineral properties in production		Total
Net book value, December 31, 2018	**$**	**173**	**$**	**2,058**	**$**	**44,588**	**$**	**46,819**
Total cost		1,360		1,735		61,186		64,281
Accumulated depreciation and depletion		(360)		-		(27,481)		(27,841)
Net book value, December 31, 2019	**$**	**1,000**	**$**	**1,735**	**$**	**33,705**	**$**	**36,440**
Total cost		1,686		1,847		60,662		64,195
Accumulated depreciation and depletion		(693)		-		(37,376)		(38,069)
Net book value, December 31, 2020	**$**	**993**	**$**	**1,847**	**$**	**23,286**	**$**	**26,126**

a) Mineral properties

The San Bartolomé project is located near Potosì, Bolivia. Commercial production began at San Bartolomé in June 2008, under previous ownership. As at December 31, 2020, the Company had mining rights to the San Bartolomé, Antuco, El Asiento, Tatasi-Portugalete and Monserrat properties.

(In thousands of United States Dollars, except where noted)

b) **Exploration and evaluation**

On March 25, 2019, Manquiri entered into a share purchase agreement to acquire 100% of the outstanding shares of Geoexplorers. The amount to be paid to former shareholders of Geoexplorers was agreed to as follows: (i) $73; (ii) a 4% NSR on the processing and sale of minerals extracted from a waste stockpile on the Turko Ckoya project; and (iii) a 2.5% NSR on the processing and sale of minerals extracted from the Turko Ckoya project. The decision to process is at management's discretion.

At the acquisition date, management determined that a business was not acquired in this transaction and has recognized the transaction as a purchase of exploration and evaluation assets. At the time of acquisition, the Company did not conclude that it was more likely than not that economically recoverable mineral resources existed at the Turko Ckoya project and recognized the cost of the acquisition as exploration expenses on the consolidated statement of income (loss).

On January 23, 2020, Manquiri entered into a share purchase agreement to acquire 100% of the outstanding shares of Minera Pukaraju, S.A., which holds rights to the San Pablo property in Bolivia. The amount to be paid to former shareholders was agreed as follows: (i) an initial payment of $400, and (ii) after 18 months of the execution date, to the exclusive option of Manquiri, either: (i) a payment of $1,100 or (ii) a 2% NSR on the processing and sale of minerals extracted from mineral properties held by Pukaraju. In January 2021, an amendment was signed agreeing to the payment of $1,100 in July 2022.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at December 31,		**2020**		2019
Accounts payable	**$**	**7,615**	$	6,236
Accrued liabilities		**3,654**		2,805
	$	**11,269**	$	9,041

11. SUBSCRIPTION RECEIPTS PAYABLE

On August 24, 2020, the Company closed a private placement for 19,854,738 Subscription Receipts at a price of US$0.50366 per Subscription receipt for total proceeds of $10,000 which are held in escrow. On satisfaction of certain conditions contained in the Subscription Receipt agreement, including the Proposed Transaction, each subscription receipt shall convert and entitle the holder thereof to receive one common share of the Company. Transaction costs, consisting of legal fees and 50% of a 6% finder's fee contemplated in the Subscription Receipt agreement were deducted from the proceeds held in escrow and totaled $352. These finance costs have been recognized as deferred finance costs and included in other assets.

12. DEBT

		BISA Leasing		Banco BISA SA[(a)]		Coeur promissory notes		Coeur NSR[(b)]		Shareholder loans		Greenteck[(c)]		Total
December 31, 2018	**$**	**82**	**$**	**-**	**$**	**6,000**	**$**	**4,117**	**$**	**7**	**$**	**-**	**$**	**10,206**
Additions, net of transaction costs		-		1,478		-		-		3		32,092		33,573
Interest accrued		-		34		-		-		-		775		809
Change in fair value		-		-		-		1,389		-		-		1,389
Repayments		(82)		(102)		(6,000)		(434)		-		(368)		(6,986)
December 31, 2019	**$**	**-**	**$**	**1,410**	**$**	**-**	**$**	**5,072**	**$**	**10**	**$**	**32,499**	**$**	**38,991**
Additions, net of transaction costs		**-**		**3,775**		**-**		**-**		**-**		**-**		**3,775**
Interest accrued		**-**		**155**		**-**		**-**		**-**		**1,688**		**1,843**
Change in fair value		**-**		**-**		**-**		**-**		**-**		**-**		**-**
Repayments		**-**		**(5,340)**		**-**		**(5,072)**		**-**		**(34,187)**		**(44,599)**
December 31, 2020	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**10**	**$**	**-**	**$**	**10**

		BISA Leasing		Banco BISA SA[(a)]		Coeur promissory notes		Coeur NSR[(b)]		Shareholder loans		Greenteck[(c)]		Total
Current	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**10**	**$**	**-**	**$**	**10**
Non-current		**-**		**-**		**-**		**-**		**-**		**-**		**-**
Total debt	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**10**	**$**	**-**	**$**	**10**

(In thousands of United States Dollars, except where noted)

Notes to debt

(a) In May 2019, Manquiri entered into a Bs34,300,000 (approximately $5,000) working capital facility with BISA Bank in Bolivia (the "BISA Loan"). The BISA Loan bore an interest rate of 5.5% per annum, with amounts to be drawn down as required by the Company. Security for the BISA Loan included a Standby Letter of credit guaranteeing the outstanding principal amount of the BISA Loan. The BISA Loan was fully repaid in August 2020.

In May 2020, Manquiri obtained a Bs2,266,296 (approximately $326) loan with BISA Bank for the payment of payrolls and wages of workers within the scope of the regulations issued by the Bolivian government as part of the support to companies for the emergency of COVID-19. The maturity date of this loan is November 2021 and bears an interest rate of 3.73% per annum.

For the year ended December 31, 2020, the Company paid $181 (December 31, 2019 - $23) in interest under these loans.

(b) On February 28, 2018, the Company acquired its wholly-owned subsidiary Manquiri. As part of the consideration paid, the Company agreed to a 2.0% net smelter royalty ("Coeur NSR") payable to Coeur on minerals processed through the San Bartolome project. On January 29, 2020, the Company repurchased the Company's obligation to pay the Coeur NSR, by making a payment to Coeur of $4,500, which was paid, together with a payment corresponding to the January 2020 payment required under the Coeur NSR.

(c) On September 30, 2019, Greenteck Holdings Ltd ("Greenteck") as the Lender and the Company as the Borrower entered into a Master Credit Facility Agreement (the "Agreement") by which Greenteck granted to the Company a credit facility in an amount of up to $33,000 (the "Commitment Amount") to settle intercompany loans to meet Bolivian statutory requirements. An initial commitment fee of 2.75% of the Commitment Amount was required to be paid on closing, totaling $908.

The Company drew down the full Commitment Amount from the credit facility on October 10, 2019, accruing interest of 4.90% per annum for the six month period to April 10, 2020. Interest was calculated daily and payable monthly in arrears based on a 360 day calendar year. The Commitment Amount was renewed on April 10, 2020, incurring a renewal fee of 0.35%, and the Commitment Amount was subject to an interest rate of 3.90% per annum for a six month period. As part of this financial commitment, 1,050 common shares of the Company, representing 75% of the issued and outstanding common shares, were transferred to Greenteck in respect of additional security on the Commitment Amount. Voting rights associated with the shares and control over the Company were not transferred under this arrangement. On September 21, 2020, as part of the repayment of the Commitment Amount, the shares were transferred back to the ultimate controlling party described in Note 1. On September 30, 2020, the Commitment Amount was fully repaid subject to an early breakage fee of $398. During the year ended December 31, 2020, the Company paid $1,187 (December 31, 2019 - $368) in interest on the Greenteck loan.

13. DECOMMISSIONING LIABILITY

December 31,		**2020**		2019
Balance, beginning of period	**$**	17,630	$	15,475
Accretion		1,015		908
Remeasurement		(2,265)		1,247
Balance, end of period	**$**	**16,380**	$	17,630

Current	$	-	$	-
Non-current		16,380		17,630
	$	16,380	$	17,630

At December 31, 2020, the undiscounted cash flows and discount rate used to calculate the decommissioning liability are as follows:

	Inflation rate		**Undiscounted cash flows required to settle decommissioning liabilities**	**Discount rate[(a)]**		**Discounted cash flows required to settle decommissioning liabilities**
San Bartolomé						
December 31, 2020	0.67%	$	21,720	5.59%	$	16,380
December 31, 2019	1.82%	$	21,196	5.75%	$	17,630

(a) The discount rate used to measure decommissioning liabilities under IFRS is based on current borrowing rates, approximating a credit-adjusted risk free rate of the applicable country and of term that matches the time period to the commencement of the decommissioning liability being incurred.

(In thousands of United States Dollars, except where noted)

14. OTHER PROVISIONS

	Long-term employee benefits(1)	Provision for contingencies	Total
December 31, 2018	$ 2,786	$ 575	$ 3,361
Periodic service and finance cost	100	-	100
Actuarial changes	430	-	430
Payments	(721)	-	(721)
Change in provision for the year	778	(129)	649
December 31, 2019	$ 3,373	$ 446	$ 3,819
Periodic service and finance cost	81	-	81
Actuarial changes	(676)	-	(676)
Payments	(268)	-	(268)
Change in provision for the year	906	18	924
December 31, 2020	**$ 3,416**	**$ 464**	**$ 3,880**
Current	**$ -**	**$ -**	**$ -**
Non-current	**3,416**	**464**	**3,880**
December 31, 2020	**$ 3,416**	**$ 464**	**$ 3,880**

(1) Long-term employee benefit liabilities reflect legal requirements in Bolivia pursuant to which Manquiri is obligated to pay severance payments based on the years of service provided by an employee without regard to the cause of termination.

The most recent actuarial valuation for the long-term employee benefits liability for Manquiri was performed at December 31, 2020. The principal assumptions used for the purpose of the actuarial valuation were as follows:

December 31,	**2020**	2019
Discount rates	**4.37**	3.24
Salary increase rate	**4.56**	4.38
Long term inflation	**0.67**	1.47

15. ISSUED CAPITAL

Authorized share capital

Unlimited number of common shares without par value. The Company does not currently pay dividends and entitlement will only arise upon declaration.

As at December 31, 2020, there were 120,000,100 issued and outstanding shares (December 31, 2019 - 1,000).

Common shares issued

On March 23, 2020, AG Mining issued 400 common shares for gross proceeds of $2 (20,000 SEK).

Upon incorporation of the Company on June 25, 2020, 1254688 BC Ltd., issued 100 common shares.

On September 30, 2020, the Company entered into an arrangement and Agreement with AG Mining. Under the Agreement, the shareholders of AG Mining became shareholders of the Company by exchanging 100% of their outstanding common shares of AG Mining for common shares of the Company, proportionally based on each shareholder's respective interest of AG Mining. The Company issued an additional 120,000,000 common shares at no additional cost as part of the Agreement. Upon the completion of the Agreement, AG Mining became a wholly owned subsidiary of the Company. The Agreement was approved by the shareholders of AG Mining on September 30, 2020. The transaction was accounted for as a capital transaction using the continuity of interest method.

(In thousands of United States Dollars, except where noted)

16. NET INCOME (LOSS) PER SHARE

For the year ended December 31, 2020, basic and diluted net income per share has been calculated based on the income attributable to common shareholders of $45,959 (December 31, 2019 – loss of $12,801), and basic and diluted comprehensive income per share has been calculated based on the income attributable to common shareholders of $46,384 (December 31, 2019 – loss per share of $13,231). The weighted average number of common shares outstanding was 30,575,395 (December 31, 2019 - 1,000). The Company had no stock options or warrants outstanding.

For the years ended December 31,		**2020**		2019
Net Income (loss)	**$**	**45,959**	$	(12,801)
Weighted average number of common shares outstanding – basic and diluted		**30,575,395**		1,000
Net income per share – basic and diluted	**$**	**1.50**	$	(12,801)

17. TAXES

a) 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 may be dependent upon many factors, including, but not limited to, 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 basis 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.

The income tax rate in Bolivia remains unchanged from the prior year at 32.5%.

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:

Years ended December 31,		**2020**		2019
Earnings (loss) before taxes at statutory rates	**$**	**26,976**	$	(12,801)
Tax rate		**26.5%**		26.5%
Tax expense (recovery) at statutory rates	**$**	**7,149**	$	(3,392)
Items that cause an increase (decrease):				
Impact of foreign tax rates		**1,947**		(262)
Non-deductible expenses		**6,123**		8,042
Tax deductions recognized		**(34,202)**		(4,388)
Income tax recovery	**$**	**(18,983)**	$	-

(In thousands of United States Dollars, except where noted)

b) Deferred tax assets and liabilities

The Company's net deferred tax asset arises from the following items:

Years ended December 31,		2020		2019
Property, plant & equipment	$	6,465	$	-
Net operating losses – Bolivia		12,507		1,616
Provisions & other		(240)		(1,616)
Net deferred tax assets	$	18,732	$	-

The movement in deferred tax assets or the year is as follows:

Years ended December 31,		2020		2019
Opening net deferred tax assets	$	-	$	-
Deferred tax recovery recorded in the statement of income		18,983		-
Deferred tax expense recorded in other comprehensive income		(251)		-
Ending net deferred tax assets	$	18,732	$	-

As at December 31, deferred income taxes have not been recognized in respect of the following tax losses and deductible temporary differences, as management does not yet consider their utilization to be probable in the foreseeable future:

December 31,		2020		2019
Bolivian tax losses	$	-	$	78,742
Canadian tax losses (expiring 2040)		249		-
Swedish tax losses		7,678		5,309
Property, plant & equipment		-		902
Accounts receivable and other		-		8,379
Deferred tax assets	$	7,927	$	93,332

The Company has not recognized deferred taxes in respect of temporary differences of $69,691 in 2020 (December 31, 2019 – $39,716) related to its investment in subsidiaries, as this is not expected to reverse in the foreseeable future.

c) Value added taxes

As at December 31, 2020, the VAT receivable balances at Manquiri (VAT) amounted to $5,614 (December 31, 2019 - $3,363).

The following table summarizes the changes in VAT assets:

December 31,		2020		2019
Balance, beginning of the year	$	3,363	$	7,845
Additions		5,323		4,626
Recoveries		(3,062)		(9,108)
Balance, end of the year	$	5,624	$	3,363
Current	$	5,614	$	3,246
Non-current		10		117
	$	5,624	$	3,363

As VAT is recovered, the Company receives VAT Certificates from the Bolivian taxation authorities. Such VAT Certificates can be used to repay taxes or can be sold for cash at a small discount. As at December 31, 2020, the Company had $711 of VAT Certificates on hand (December 31, 2019 - $1,720).

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value measurement of financial assets and liabilities

The Company has established a fair value hierarchy that reflects the significance of inputs of valuation techniques used in making fair value measurements as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and,

Level 3 - inputs for the asset or liability that are not based upon observable market data.

The carrying values of cash, restricted cash, trade payables and accrued liabilities, debt, subscription receipt liability and amounts due to related parties approximate their fair value due to their short-term nature and are classified at amortized cost.

Marketable securities are classified as financial assets at FVTPL, the carrying value of common shares and warrants to purchase common shares are based on observable inputs and therefore considered to be Level 1.

NSR payments were classified as financial assets at FVTPL, the carrying value of NSR payments was not based on observable inputs and was therefore considered to be Level 3. Inputs used in determining the fair value of NSR payments included estimates of the Company's future cash flows and discount rates.

As at December 31, 2020 and 2019, there were no financial assets or liabilities measured and recognized in the statements of financial position at fair value that would be categorized as Level 2 in the fair value hierarchy above.

There were no transfers between Level 1 and Level 2 or Level 3 during the years ended December 31, 2020 or 2019.

Risk management

The Company's primary business activities consist of the acquisition, exploration, development and operation of mineral resource properties in Bolivia. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, commodity price risk, currency risk, liquidity risk, and interest rate risk. The Company's risk management program strives to evaluate the unpredictability of financial and commodity markets and its objective is to minimize the potential adverse effects of such risks on the Company's financial performance, where financially feasible to do so. When deemed material, these risks may be monitored by the Company's corporate finance group and they are regularly discussed with the Board of Directors or one of its committees.

i. Credit risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the consolidated financial statements.

The Company's credit risk is predominantly limited to cash and cash equivalent balances held in financial institutions, restricted cash, any silver and gold sales and related receivables and other receivables. The maximum exposure to credit risk is equal to the carrying value of such financial assets. As at December 31, 2020 and 2019, the Company expects to recover the full amount of such assets, except for the Santacruz Loan. As of December 31, 2020, the Company recognized a cumulative expected credit loss of $3,111 related to principal and interest outstanding on the Santacruz Loan (refer to Note 8).

The objective of managing counterparty credit risk is to minimize potential losses in financial assets. The Company assesses the quality of its counterparties, considering their credit worthiness and reputation, past performance and other factors.

The Company's cash is only deposited with or held by highly rated financial institutions. To manage credit and liquidity risk, the Company invests only in highly rated investment grade instruments that have maturities of one year or less. Limits are also established based on the type of investment, the counterparty and the credit rating.

Silver and gold sales are made to one international organization specializing in the precious metals markets. The Company believes the international organization to be of sound credit worthiness, and to date, all receivables have been settled in accordance with agreed upon terms and conditions.

ii. Commodity price risk

The Company is exposed to price risk associated with the volatility of the market price of commodities, in particular silver and gold, and also to many consumables that are used in the production of silver and gold.

(In thousands of United States Dollars, except where noted)

The prices of most commodities are determined in international markets and as such the Company has limited or no ability to control or predict the future level of most commodity prices. In some instances, the Company may have the ability to enter into derivative financial instruments to manage the Company's exposure to changes in the price of commodities such as gold, silver, oil and electricity.

iii. *Currency risk*

The Company's functional currency is the US Dollar. The Company is exposed to currency risk associated with the volatility of the currencies of the countries it operates in, relative to the US Dollar, primarily with respect to the Bolivian Boliviano.

The Bolivian Boliviano has been fixed against the US Dollar at a rate of 6.96 Bolivian Bolivianos to US Dollars since 2008. There can be no guarantees that the Boliviano will continue to be fixed to the US Dollar.

iv. *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements and its exploration and production plans.

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments. The Company has no concentrations of liquidity risk.

The Company's maturity analysis of financial liabilities is as follows:

	Note	**Total**	Less than 1 year	1-2 years	3-5 years	Greater than 5 years
Accounts payable and accrued liabilities	10	**$ 11,269**	$ 11,269	$ -	$ -	$ -
Debt	12	**10**	10	-	-	-
		$ 11,279	$ 11,279	$ -	$ -	$ -

v. *Interest rate risk*

The interest rate risk for the Company arose primarily from long-term debt. Debt at variable rates expose the Company to interest rate risk on its cash flows and debt at fixed rates expose the Company to fair value risk of financial liabilities. As at December 31, 2020, the Company did not have any debt on its balance sheet.

The Company does not enter into derivative contracts, interest rate swaps or other instruments to actively manage these risks.

19. CAPITAL MANAGEMENT

As at December 31, 2020, the Company had cash and cash equivalents of $38,537 (December 31, 2019 - $14,062) and restricted cash of $9,999 (December 31, 2019 - $33,481); and total debt of $10 (December 31, 2019 - $38,991). The Company considers its capital employed to consist of equity (including share capital, contributed surplus and retained earnings), total debt, net of cash and cash equivalents as follows:

	Note	**2020**	2019
Equity		**$ 74,244**	$ 27,858
Debt	12	**10**	38,991
Less: cash and cash equivalents		**(38,537)**	(14,062)
		$ 35,717	$ 52,787

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 and benefits for other stakeholders. 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 make 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 on a regular basis to ensure the best mix of capital resources to meet the Company's needs.

(In thousands of United States Dollars, except where noted)

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 of the San Bartolome Project and such information is regularly provided to the Board of Directors.

20. COMMITMENTS & CONTINGENCIES

In the normal course of business, the Company and its subsidiaries may become defendants in certain employment claims and other litigation. The Company records a liability when it is probable that a loss has been incurred and the amount is reasonably estimable. The Company is not involved in any legal proceedings other than routine litigation arising in the normal course of business, none of which the Company believes will have a material adverse effect on the Company's business, financial condition or results of operations.

A summary of undiscounted liabilities and future operating commitments at December 31, 2020, are as follows:

Commitments	**Total**	Less than 1 year	1-2 years	3-5 years	Greater than 5 years
Decommissioning liability	$ **21,720**	$ -	$ 363	$ 14,124	$ 7,233
Other provisions	**7,260**	464	1,328	2,088	3,380
	$ **28,980**	$ 464	$ 1,691	$ 16,212	$ 10,613

21. SEGMENTED INFORMATION

The Company primarily operates in the silver and gold mining industry and its major products are silver and gold dore. The Company's primary mining operation is the San Bartolomé mine, which operates in Bolivia.

The reported segments are those operations whose operating results are reviewed by the Chief Executive Officer and that pass certain quantitative measures. Operations whose revenue, earnings or losses or assets exceed 10% of the total consolidated revenues, earnings or losses, or assets are reportable segments. The Company has administrative offices in Stockholm, Sweden.

The following tables set forth the information by segment:

December 31, 2020	**San Bartolomé**	**Corporate**	**Total**
Total assets	$ 104,085	$ 11,698	**$ 115,783**
Total liabilities	30,881	10,658	**41,539**
Net assets	$ 73,204	$ 1,040	**$ 74,244**
Other information			
Inventories	$ 10,619	$ -	**$ 10,619**
Property, plant and equipment	26,126	-	**26,126**
Revenues	130,672	-	**130,672**
Cost of sales	(82,697)	-	**(82,697)**
Depreciation and depletion	(10,360)	-	**(10,360)**
General and administrative	(4,512)	(1,504)	**(6,016)**
Exploration and evaluation	(1,888)	-	**(1,888)**
Other income (loss)	235	-	**235**
Finance costs	(1,505)	(2,254)	**(3,759)**
Foreign exchange gain	788	1	**789**
Net income (loss)	$ 30,733	$ (3,757)	**$ 26,976**

(In thousands of United States Dollars, except where noted)

December 31,2019		San Bartolomé		Corporate		Total
Total assets	$	100,775	$	65	**$**	**100,840**
Total liabilities		35,401		37,581		**72,982**
Net assets	$	65,374	$	(37,516)	**$**	**27,858**
Other information						
Inventories	$	10,038	$	-	**$**	**10,038**
Property, plant and equipment		36,440		-		**36,440**
Revenues		88,655		-		**88,655**
Cost of sales		(76,623)		-		**(76,623)**
Depreciation and depletion		(15,176)		-		**(15,176)**
General and administrative		(4,023)		(1,283)		**(5,306)**
Exploration and evaluation		(494)		(1,600)		**(2,094)**
Other income (loss)		459		(1,389)		**(930)**
Finance costs		(1,490)		(769)		**(2,259)**
Foreign exchange gain		932		-		**932**
Net loss	$	(7,760)	$	(5,041)	**$**	**(12,801)**

22. RELATED PARTY TRANSACTIONS

(a) On December 26, 2018, Centrum Metals Company Inc. ("Centrum") and Manquiri entered into a loan agreement for a principal balance of $5,000. Centrum is controlled by a Director of the Company. The loan originally matured on December 20, 2019 and is subject to an interest rate of the Wall Street Journal Prime Rate less 0.5% per annum. The loan is also subject to a monthly credit acquisition fee payable quarterly. On December 20, 2019, the loan was amended to extend the maturity date to March 20, 2020 and the Centrum loan was fully repaid.

As of December 31, 2020, the principal balance outstanding was $nil (December 31, 2019 - $3,501). During the year ended December 31, 2020, the Company paid interest of $22 (December 31, 2019 - $301) to Centrum.

(b) Key Management includes the directors and officers of the Company and its subsidiaries. Management fees are payable to a company controlled by a director of the Company and include salaries and benefits of key management included in cost of sales and general and administrative expenses. The total compensation paid or payable to key management, amounted to:

Years ended December 31,		2020		2019
Management fees	**$**	**2,850**	$	2,428
Salaries and benefits		**512**		512
Total	**$**	**3,362**	$	2,940

23. SUBSEQUENT EVENTS

On January 12, 2021, the Company issued 1,025,000 common shares to a director of the Company in respect of accrued consulting fees totaling $600.

On March 19, 2021, the Company completed its amalgamation with 1271860 B.C. Ltd., a wholly-owned subsidiary of Buckhaven Capital Corp ("Buckhaven"). The Company acquired Buckhaven by way of reverse takeover in accordance with the policies of the TSX Venture Exchange and will continue to carry on business of the Company. In connection with the reverse takeover, the Company completed (i) a non-brokered private placement offering in August 2020 pursuant to which it issued 19,854,738 subscription receipts raising gross proceeds of $10,000 at a price of US$0.50366 per subscription receipt; and (ii) a brokered private placement offering in February 2021 pursuant to which it issued 13,657,000 subscription receipt raising gross proceeds of C$13,657,000 ($10,505) at a price of C$1.00 per subscription receipt. The subscription receipts issued in August 2020 and February 2021 were each converted to one common share of Buckhaven on the closing of the amalgamation. As part of the transaction, 2,327,826 options were issued to certain executives and consultants of the Company.

On April 24, 2021, the Company entered into an agreement with Santacruz to amend the terms of the Santacruz Loan, extending the due date of its loan up to July 21, 2021. The Santacruz Loan will continue to accrue interest at a rate of 12%, and the loan principal and interest is expected to be repaid through an issuance of common shares of Santacruz, subject to obtaining TSX-V approval.