



PPX Mining Corp.
(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

For the three and nine months ended June 30, 2022 and 2021

Expressed in Canadian Dollars
(Unaudited – Prepared by Management)

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Management's Report

The accompanying unaudited condensed interim consolidated financial statements of PPX Mining Corp. for the three and nine months ended June 30, 2022 and 2021 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

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

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

/s/ Brian Maher

Brian Maher, Chief Executive Officer
Vancouver, BC Canada
August 29, 2022

/s/ Pompeyo Gallardo

Pompeyo Gallardo, Chief Financial Officer
Vancouver, BC Canada
August 29, 2022

PPX Mining Corp.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Expressed in Canadian Dollars)

<i>As at</i>		June 30, 2022	September 30, 2021
Assets			
<i>Current assets</i>			
Cash		\$4,441,457	\$336,242
Receivables	5	504,913	209,433
Prepays and advances		5,216	590
		4,951,586	546,265
<i>Non-current assets</i>			
Exploration and evaluation assets	6	2,343,156	8,300,247
Property, plant and equipment	6	1,534,538	1,518,110
		\$8,829,280	\$10,364,622
Liabilities			
<i>Current liabilities</i>			
Accounts payable and accrued liabilities	7	\$4,186,811	\$4,752,995
Convertible note	10 b)	1,800,952	1,685,130
Promissory notes	8	1,921,635	1,018,586
Gold stream facility - short term	10 a)	5,877,731	4,507,431
		13,787,129	11,964,142
<i>Non-current liabilities</i>			
Long term debt	10	-	1,459,960
Environmental rehabilitation provision	11	437,397	394,771
		437,397	1,854,731
Shareholders' Deficiency			
Share capital	12	62,280,625	62,082,843
Subscriptions received		-	154,514
Reserves		7,037,146	6,951,343
Deficit		(74,713,017)	(72,642,951)
		(5,395,246)	(3,454,251)
		\$8,829,280	\$10,364,622

Nature of operations and going concern (note 1)

Commitments (note 16)

Subsequent event (note 17)

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

Approved on behalf of the Board:

/s/ Brian J Maher
 Director

/s/ Florian Siegfried
 Director

PPX Mining Corp.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

	<i>Note</i>	Three months ended June 30,	2021	Nine months ended June 30,	2021
		2022		2022	
Operating expenses					
Communication and regulatory		\$109,709	\$62,152	\$192,445	\$101,417
Consulting fees, salaries and benefits	14	81,620	164,870	589,618	598,146
Depreciation	6	50	95	147	293
Foreign exchange loss (gain)		14,123	(118,152)	45,977	(300,197)
Office and miscellaneous		7,199	37,055	107,592	108,888
Premises		1,525	753	4,097	2,111
Professional fees	14	54,947	70,235	236,290	237,537
Travel and promotion		44,335	13,747	101,419	31,956
Loss from operations		(313,508)	(230,755)	(1,277,585)	(780,151)
Finance and other items					
Finance expense and other	4	(325,434)	(253,045)	(792,481)	(772,825)
Loss before income tax		(638,942)	(483,800)	(2,070,066)	(1,552,976)
Income tax expense		-	1,032	-	(35,067)
Net loss		(\$638,942)	(\$482,768)	(\$2,070,066)	(\$1,588,043)
Other comprehensive income (loss)					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		160,908	(65,786)	85,803	(127,061)
Total comprehensive loss		(\$478,034)	(\$548,554)	(\$1,984,263)	(\$1,715,104)
Basic and diluted loss per share		(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Weighted average number of common shares outstanding					
(basic and diluted)		512,452,541	501,415,848	510,384,412	501,415,848

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

PPX Mining Corp.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited – Expressed in Canadian Dollars)

	Nine months ended June 30,	
	2022	2021
Operating Activities		
Net loss	(\$2,070,066)	(\$1,588,043)
Depreciation	147	293
Foreign exchange loss	45,977	(67,332)
Finance expense	792,481	772,825
	(1,231,461)	(882,257)
Change in non-cash operating working capital		
(Increase) decrease in receivables	(379,684)	4,226
Decrease in prepaids	(4,626)	(12,013)
Increase in accounts payable and accrued liabilities	(102,116)	(257,135)
Net cash flow used in operating activities	(1,717,887)	(1,147,178)
Financing Activity		
Subscriptions received, net of financing costs	43,268	133,100
Net cash flow from financing activity	43,268	133,100
Investing Activities		
Additions to exploration and evaluation assets, including changes in working capital	(589,500)	1,698,425
Net profit interest received (Note 6)	6,540,577	-
Net cash flow from investing activities	5,951,077	1,698,425
Impact of foreign exchange on cash balances	(171,243)	-
Increase in cash during the period	4,105,215	684,347
Cash at beginning of period	336,242	28,676
Cash at end of period	\$4,441,457	\$713,023

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

PPX Mining Corp.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
For the Nine Months Ended June 30, 2022 and 2021
(Unaudited – Expressed in Canadian Dollars)

	Share capital		Subscriptions	Warrants	Reserves		Accumulated	Deficit	Total
	Shares	Amount	received		Share based	Other	other		Deficiency
					payments		comprehensive		
							loss		
At September 30, 2020	501,415,848	\$ 61,670,697	\$ 592,967	\$ 1,010,461	\$ 7,105,173	\$ 47,071	\$ (813,063)	\$ (70,257,751)	\$ (644,445)
Subscriptions received	-	-	133,100	-	-	-	-	-	133,100
Net loss	-	-	-	-	-	-	-	(1,588,043)	(1,588,043)
Other comprehensive income	-	-	-	-	-	-	(127,061)	-	(127,061)
At June 30, 2021	501,415,848	\$ 61,670,697	\$ 726,067	\$ 1,010,461	\$ 7,105,173	\$ 47,071	\$ (940,124)	\$ (71,845,794)	\$ (2,226,449)
At September 30, 2021	508,869,541	\$ 62,082,843	\$ 154,514	\$ 1,010,461	\$ 7,105,173	\$ 47,071	\$ (1,211,362)	\$ (72,642,951)	\$ (3,454,251)
Subscriptions received, net of financing costs	3,583,000	197,782	(154,514)	-	-	-	-	-	43,268
Net loss	-	-	-	-	-	-	-	(2,070,066)	(2,070,066)
Other comprehensive income	-	-	-	-	-	-	85,803	-	85,803
At June 30, 2022	512,452,541	\$ 62,280,625	\$ -	\$ 1,010,461	\$ 7,105,173	\$ 47,071	\$ (1,125,559)	\$ (74,713,017)	\$ (5,395,246)

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

PPX Mining Corp.
(An Exploration Stage Company)
Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended June 30, 2022 and 2021
(Unaudited – Expressed in Canadian Dollars)

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

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

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

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

The condensed interim consolidated financial statements (the “Interim Financial Statements”) have been prepared on the basis of accounting principles applicable to a going concern. This assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. The Company has incurred operating losses since inception, including \$2,070,066 for the nine months ended June 30, 2022 and has accumulated a deficit of \$74,713,017 as at June 30, 2022. As at June 30, 2022 the Company has cash of \$4,441,457 and a negative working capital of \$8,835,543; the working capital deficiency includes \$1,800,952 for the non-secured convertible note (note 10(b)).

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

2. BASIS OF PREPARATION

Statement of Compliance

The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”), and follow the same accounting policies and methods of application as the annual consolidated financial statements of the Company for the year ended September 30, 2021, except as noted below under changes in accounting policies. The Interim Financial Statements do not contain all disclosures required by International Financial Reporting Standards (“IFRS”) and accordingly should be read in conjunction with the 2021 annual consolidated financial statements and the notes thereto. The Interim Financial Statements were approved by the Board of Directors of the Company on August 29, 2022.

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The Interim Financial Statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value, as set out in the accounting policies in note 3 of the 2021 annual consolidated financial statements.

The preparation of consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended September 30, 2021.

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

Adoption of New Accounting Standards

The Company has not adopted any new standard, along with any consequential amendments, effective October 1, 2021.

Accounting Standards Issued But Not Yet Effective

Amendments to IAS 16 Property, Plant and Equipment

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

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). These amendments are effective for reporting periods beginning on or after January 1, 2022.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023.

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4. FINANCE EXPENSE AND OTHER

	Three months ended June 30,		Nine Months ended June 30,	
	2022	2021	2022	2021
Gold stream facility interest expense <i>note 10(a)</i>	\$230,378	\$183,752	\$568,922	\$568,067
Convertible note interest expense and accretion <i>note 10(b)</i>	31,920	30,705	95,083	94,930
Promissory notes interest expense <i>note 8</i>	44,514	23,136	81,202	71,659
Unwinding of the discount - environmental closure provision <i>note 11</i>	12,887	10,769	37,382	32,304
Bank charges and other	5,735	4,683	9,892	5,865
Finance expenses and other	\$325,434	\$253,045	\$792,481	\$772,825

5. RECEIVABLES

<i>As at</i>	June 30, 2022	September 30, 2021
Accounts receivable	\$464,257	\$84,573
Sales tax and government receivables	35,501	119,763
Loan receivable	5,155	5,097
	\$504,913	\$209,433

Accounts receivable represents the receivable portion of the net profit interest relating to the 2021 fiscal year.

Loan receivable represents non-interest bearing operational loans provided to Proyectos Le Patagonia S.A.C (“Patagonia”), a Peruvian entity, to carry out the bulk-sampling program on the Igor 4 concession (note 6). \$115,324 (US\$90,504) and \$343,189 (US\$274,991), respectively, were advanced during the years ended September 30, 2018 and 2017. The Company received \$nil and \$130,612 (US\$98,079), respectively, during the years ended September 30, 2021 and 2020.

The fair value of receivables approximates their carrying value. None of the amounts included in receivables at June 30, 2022 are past due.

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

<i>Nine months ended June 30, 2022</i>	Exploration and Property, plant Evaluation Assets and equipment	
Cost		
At October 1, 2021	\$8,300,247	\$1,664,308
Additions	589,500	-
Net profit Interest received	(6,540,577)	-
Foreign exchange	(6,014)	18,105
Cost at June 30, 2022	\$2,343,156	\$1,682,413
Accumulated depreciation		
At October 1, 2021	\$ -	\$146,198
Depreciation	-	147
Foreign exchange	-	1,530
Accumulated depreciation at June 30, 2022	\$ -	\$147,875
Carrying value at June 30, 2022	\$2,343,156	\$1,534,538

<i>Year ended September 30, 2021</i>	Exploration and Evaluation Assets	Property, plant and equipment
Cost		
At October 1, 2020	\$11,337,857	\$1,738,975
Additions	455,000	-
Net profit Interest received	(2,448,328)	-
Sale of NSR	(637,000)	-
Foreign exchange	(407,282)	(74,667)
Cost at September 30, 2021	\$8,300,247	\$1,664,308
Accumulated depreciation		
At October 1, 2020	\$-	\$152,092
Depreciation	-	390
Foreign exchange	-	(6,284)
Accumulated depreciation September 30, 2021	\$ -	\$146,198
Carrying value at September 30, 2021	\$8,300,247	\$1,518,110

Exploration and evaluation assets

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

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

During the year ended September 30, 2020, the Peruvian Ministry of Energy and Mines issued a notice that the Company's environmental license at the Igor 1 and 3 exploration projects had expired. During the year ended September 30, 2019, the Company's water use permit had expired. During the year ended September 30, 2021, the exploration license at the Igor 4 exploration project expired, while the exploitation license remains in good standing as the Company has applied for a COVID-19 extension. Management is in the process of having these expired licenses and permits reinstated.

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The Company's spending in the Igor concession for the nine months ended June 30, 2022 and 2021 is as follows:

	Three months ended June 30,		Nine Months ended June 30,	
	2022	2021	2022	2021
Drilling, road and site preparation	\$55,236	\$41,092	\$162,257	\$138,684
Salaries, claims maintenance and staking	23,389	19,049	26,809	31,954
Social development	89,729	59,529	360,003	159,036
Environmental	13,773	11,177	40,430	34,924
Total additions	\$182,127	\$130,847	\$589,500	\$364,598

The Company received net profit interest income of \$6,540,577 (2021 – \$2,063,023) on the Igor 4 concession during the nine months ended June 30, 2022.

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

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

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

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

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

The assignment agreement represents a joint operation as defined in IFRS 11, *Joint Arrangements*, and as such the Company recognizes its assets, liabilities, and its share of revenues and expenses from the operation. As the Company's Igor 4 project remains in exploration stage, the net profit interest income received during the nine months ended June 30, 2022 and 2021 have been recorded to reduce the Company's Igor 4 exploration and evaluation assets.

b) Community Agreements

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

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

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Property, Plant and Equipment

Property, plant and equipment at June 30, 2022 includes \$1,159,427 (September 30, 2021 - \$1,147,074) for construction in progress related to the heap leach facility being built by the Company on the Igor 4 concession, including spending for permits, design and engineering work. In August 2018, the Company contracted the services of Big Rock Consulting Inc. ("BRC"), a Canadian entity, for the manufacturing of certain equipment for the Company's heap leach plant at Mina Callanquitas for a total of US\$1,913,250. The full contracted amount will be paid in various instalments with the final payments due once the equipment is delivered. An impairment charge of \$629,190 (US\$467,572) was recorded for the year ended September 30, 2020, as certain equipment paid for in advance are no longer available to the Company. During the year ended September 30, 2021, the remaining advance of \$343,532 (US\$271,739) was also written off.

Property, plant and equipment at June 30, 2022 include \$374,862, for land where \$47,071 is for land donated by a third party being used as the site for the Company's heap leach plant.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

<i>As at</i>	June 30, 2022	September 30, 2021
Trade payables	\$1,043,862	\$2,721,229
Due to RIVI Opportunity Fund LP - accrued interest <i>note 10(a)</i>	2,263,904	1,659,488
Acquisition of surface rights	181,318	179,278
RIVI NSR accrual	540,154	193,000
	\$4,029,238	\$4,752,995

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

8. PROMISSORY NOTES

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

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

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

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

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

On March 31, 2022, the Company entered into unsecured promissory note agreement to repay amounts owing to the former employee of the Company for total of \$800,386 (US\$621,129). The promissory notes bear interest at 10% per annum.

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<i>As at</i>	June 30, 2022	September 30, 2021
Balance at beginning of period / year	\$1,018,586	\$959,010
Severance accrued	154,521	-
Transferred from accounts payable	621,641	-
Accrued interest	81,202	96,146
Foreign exchange	45,685	(36,570)
Balance at end of the period / year	\$1,921,635	\$1,018,586

9. DEFERRED REVENUE

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

As at September 30, 2020, the Company had received \$271,220 in advance of shipments. During the year ended September 30, 2021, the OPA was terminated and the Company refunded the \$271,220 advance back to Inca One.

10. LONG TERM DEBT

<i>As at</i>	June 30, 2022	September 30, 2021
Gold stream facility 10(a)	6,035,304	\$5,967,391
Convertible note 10(b)	1,800,952	1,685,130
	7,836,256	7,652,521
Current portion 10(a)(b)	7,836,256	(6,192,561)
Long term debt	-	\$1,459,960

a) Gold Stream Facility

	June 30, 2022	September 30, 2021
Balance at beginning of period/year	5,967,391	\$6,247,471
Foreign exchange	67,913	(280,080)
Balance at end of the period/year	6,035,304	5,967,391
Accrued principal repayments	(6,035,304)	(4,507,431)
Gold stream facility (long term)	-	\$1,459,960

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

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The Company received the first tranche of US\$2.5 million on October 11, 2016 and the second tranche on December 13, 2017 (total net proceeds of US\$4.550 million (\$5,907,855), net of US\$225,000 finder and restructuring fees for each tranche). The Company incurred total transaction costs of \$875,940 in relation to the gold stream facility, including \$584,833 (US\$450,000) for the finder and restructuring fees; \$288,113 and \$587,827 of the transaction costs were incurred respectively, during the years ended September 30, 2018 and 2017.

During the nine months ended June 30, 2022, the Company paid to RIVI \$nil of interest related to the Facility (2021 – \$nil). Accounts payable and accrued liabilities at June 30, 2022 and September 30, 2021 include accrued interest related to the Facility of \$2,900,904 (US\$2,250,835) and \$1,659,488 (US\$1,302,439), respectively.

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

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

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

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

The principal balance of US\$5 million is reduced as the GEOs are delivered to RIVI. The amount of reduction for each period is determined based on the GEOs from the Igor 4 pre-production, multiplied by the difference between the market price of gold and the lesser of US\$400 or 80% the market price of gold. The face value of the gold stream facility at June 30, 2022 and September 30, 2021 was US\$4,683,613. Upon expiry of the term which is the earlier of 40 years and depletion of the mine, any balance remaining unpaid shall be refunded to RIVI.

During the nine months ended June 30, 2022, the Company paid to RIVI \$nil related to GEOs produced (September 30, 2021 – \$nil). Short term portion of the stream facility at June 30, 2022 and September 30, 2021 of \$6,035,304 (US\$4,683,613) and \$4,507,431 (US\$3,537,737), respectively, relates to amounts due to RIVI for GEOs produced and not yet paid until that respective date.

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

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

On April 30, 2021, the Company signed a Net Smelter Royalty Agreement with RIVI, whereby RIVI is granted an option to acquire a royalty equal to 2% of Net Smelter Returns (“NSR”) over the Igor, Igor 3 and Igor 4 concessions, in exchange for reducing US\$500,000 of the amounts owed to RIVI by the Company. The US\$500,000 reduction in the amounts owed to RIVI by the Company has been recorded to reduce the Company’s exploration and evaluation assets and to reduce the accrued interest.

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b) *Convertible note*

	Nine Months Ended June 30, 2022	Year Ended September 30, 2021
Opening balance	\$1,685,130	\$1,630,831
Accrued interest	95,083	126,430
Foreign exchange	20,739	(72,131)
Balance at end of the period / year	\$1,800,952	\$1,685,130

On August 9, 2018 the Company signed a subscription agreement with an investor for a US\$1.0 million non-secured convertible note (the “note”). The note bears annual interest at 10% payable at maturity, matures 18 months from issuance and is convertible into common shares of the Company, at the option of the holder, at a price of US\$0.11 per common share. The Company received the note proceeds of \$1,303,600 (US\$1,000,000) on August 24, 2018 and incurred transaction costs of \$6,837. At June 30, 2022, the convertible note was classified as short term, as the note matured in February 2020.

During the nine months ended June 30, 2022 and 2021, the Company incurred \$95,083 (US\$75,000) of interest expense (2021 – \$94,930 (US\$75,000)), including interest accretion of \$nil (2021 – \$nil).

The conversion feature of the note met the definition of a derivative liability and was recorded as such revalued on each subsequent reporting date with the changes in the fair value recorded in profit and loss. The fair value of the derivative liability was measured using the Black Scholes option pricing model.

During the year ended September 30, 2020, the conversion feature of the note expired upon the maturity of the convertible note.

11. ENVIRONMENTAL REHABILITATION PROVISION

Environmental rehabilitation provision represents the discounted values of the estimated cost for site reclamation and remediation for the Company’s Igor properties. The environmental rehabilitation provision as at June 30, 2022 and September 30, 2021 is as follows:

<i>As at</i>	June 30, 2022	September 30, 2021
Balance at beginning of period / year	\$394,771	\$367,211
Accretion	37,382	43,680
Foreign Exchange	5,244	(16,120)
Balance at end of the period / year	\$437,397	\$394,771

The environmental rehabilitation provision is calculated using a risk adjusted rate of 12% with the rehabilitation and remediation spending expected to incur starting 2024. The total undiscounted estimated rehabilitation provision at June 30, 2022 is \$505,775 (US\$ 392,500) (September 30, 2021 - \$500,084 (US\$392,500)).

12. SHARE CAPITAL

a) **Authorized**

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

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b) Issued

On March 7, 2022 the Company completed a non-brokered private placement pursuant to which the Company issued 3,583,000 common shares of the Company at a price of \$0.06 per share for gross proceeds of \$214,980. In connection with the private placement, the Company paid aggregate finder's fees of \$17,198 to arm's length finders.

On July 16, 2021, the Company closed a non-brokered private placement for 7,307,542 common shares of the Company at a price of \$0.06 per share for gross proceeds of \$438,453. In consideration for introducing certain subscribers to the private placement, the Company paid cash finders' fees of \$26,307, representing 8% of the total funds raised from subscribers introduced to the Company by such finders and issued 146,151 finders' shares valued at \$8,769.

c) Reserves

Share purchase options

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

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

Movements in the Company's share options for the nine months ended June 30, 2022 and the year ended September 30, 2021 are as follows:

	Nine months ended June 30, 2022		Year ended September 30, 2021	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
Outstanding, beginning of period / year	17,086,000	\$0.10	22,836,000	\$0.10
Expired	(14,286,000)	\$0.09	(5,750,000)	\$0.10
Outstanding, end of period / year	2,800,000	\$0.10	17,086,000	\$0.10
Exercisable, end of period / year	2,800,000	\$0.10	17,086,000	\$0.10

Share based payment expense recorded during the the nine months ended June 30, 2022 and the year ended September 30, 2021 was \$nil.

The summary of the Company's options outstanding and exercisable as at June 30, 2022 is as below:

Expiry dates	Exercise price	Options outstanding	Options exercisable	Remaining contractual life (years)
August 30, 2022	\$0.07	1,800,000	1,800,000	0.17
November 20, 2022	\$0.09	1,000,000	1,000,000	0.39
		2,800,000	2,800,000	

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Warrants

Movements in the Company warrants for the nine months ended June 30, 2022 and the year ended September 30, 2021 are as follows:

	Nine months ended June 30, 2022		Year ended September 30, 2021	
	Number of warrants	Weighted-average exercise price	Number of warrants	Weighted-average exercise price
Outstanding, beginning of period/ year	-	-	12,123,499	\$0.09
Expired	-	-	(12,123,499)	0.09
Outstanding, end of period / year	-	-	-	-

The Company had no warrants outstanding as at June 30, 2022 and September 30, 2021.

13. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being mineral exploration. Geographic segment information of the Company as at and for the nine months ended June 30, 2022 and the year ended September 30, 2021 is as follows:

	As at June 30, 2022			As at September 30, 2021		
	Canada	Peru	Total Company	Canada	Peru	Total Company
Total assets	\$455,358	\$8,373,922	\$8,829,280	\$180,871	\$10,183,751	\$10,364,622
Total non-current assets	\$-	\$3,877,694	\$3,877,694	\$-	\$9,818,357	\$9,818,357
Total liabilities	\$13,789,951	\$434,575	\$14,224,526	\$13,457,670	\$361,203	\$13,818,873

	Nine months ended June 30, 2022			Nine months ended June 30, 2021		
	Canada	Peru	Total Company	Canada	Peru	Total Company
Net loss	(\$2,020,755)	(\$49,311)	(\$2,070,066)	(\$1,266,178)	(\$321,865)	(\$1,588,043)

14. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

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

Compensation includes salaries and professional fees paid to the President and Chief Executive Officer, a company in which the former CFO is an owner, and amounts paid to directors.

	Three months ended June 30,		Nine months ended June 30,	
	2022	2021	2022	2021
Consulting fees, salaries and benefits	\$87,922	\$80,226	\$255,758	\$257,316
Professional fees	24,550	12,596	84,189	48,746
	\$112,472	\$92,822	\$339,947	\$306,062

Accounts payable and accrued liabilities as of June 30, 2022 includes \$65,927 (September 30, 2021 - \$688,151) due to the CEO of the Company, and a company in which the former CFO is an owner. The balances owing are non-interest bearing, payable on demand, and have no fixed repayment terms. Related party transactions are conducted in the normal

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course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

15. FINANCIAL INSTRUMENTS

Carrying values of financial instruments

The carrying values of the financial assets and liabilities at June 30, 2022 and September 30, 2021 are as follows:

<i>As at</i>	June 30, 2022	September 30, 2021
Financial Assets		
<i>At fair value through profit or loss</i>		
Cash	\$4,441,457	\$336,242
<i>At amortized cost</i>		
Accounts receivables	464,257	84,573
Loan receivable	5,155	5,097
	\$4,910,869	\$425,912
Financial Liabilities		
<i>At fair value through profit or loss</i>		
Gold stream facility <i>note 10(a)</i>	\$6,035,304	\$5,967,391
<i>At amortized cost</i>		
Accounts payable and accrued liabilities	4,029,238	4,752,995
Convertible note <i>note 10(b)</i>	1,800,952	1,685,130
Promissory notes	1,921,635	1,018,586
	\$13,787,129	\$13,424,102

Fair values of financial instruments

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

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

<i>As at</i>	June 30, 2022	September 30, 2021
	Level 1	Level 1
Cash	\$ 4,441,457	\$ 336,242
	Level 3	Level 3
Gold stream facility <i>note 10(a)</i>	\$ 6,035,304	\$ 5,967,391

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

The fair value of the Gold stream facility is measured at fair value through profit and loss, with derivative valued at nominal value due to the uncertainty of the total expected ounces to be delivered and the timing of cash flows.

16. COMMITMENTS AND CONTINGENCIES

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

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

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

The Company has contracted the services of Big Rock Consulting Inc. ("BRC") for the manufacturing of certain equipment for the Company's heap leach plant for US\$1,913,250. At June 30, 2022, the Company has advanced \$986,167 (US\$739,311) to BRC with the rest of the contracted amount to be paid by the time the equipment is delivered. An impairment charge of \$629,190 (US\$467,572) was recorded for the year ended September 30, 2020, as certain equipment paid for in advance are no longer available to the Company. During the year ended September 30, 2021, the remaining advance of \$343,532 (US\$271,739) was also written off.

In addition, the Company had undiscounted environmental closure obligations (note 11) for remediation and rehabilitation work on the Company's Igor properties with estimated total obligations at June 30, 2022 of \$505,775 (US\$392,500).

During the year ended September 30, 2020, the Company was notified of a claim filed by AMM against the Company, for early termination fees associated with the construction of the Company's mineral processing plant in the amount of US\$13.5 million. A second claim by AMM was filed against the Company in the amount of US\$1.12 million for fees allegedly payable for construction of the processing plant. As AMM had not presented significant progress in the construction of the plant to the Company, management believes PPX Mining has valid arguments to defend against the claims and as a result no amounts have been recorded for these claims as at June 30, 2022. Subsequently, these claims have been concluded without a ruling on the grounds.

During the year ended September 30, 2021, the Company was notified of a claim filed by Patagonia against the Company, for damages as a result of incomplete construction of the processing plant. Management has performed its own analysis and has concluded that no significant damages has occurred as a consequence of the plant not having been built. Therefore, management believes PPX Mining has valid arguments to defend against the claim and as a result no amounts have been recorded for this claim as at June 30, 2022 and September 30, 2021.

17. SUBSEQUENT EVENT

Following the financial closing of the current fiscal quarter, management initiated a comprehensive review of the gold stream agreement between the Company and RIVI Opportunity Fund LP ("RIVI Capital"), as amended (the "Purchase Agreement") with the purpose of adapting the Purchase Agreement to the current status of the project, and to clarify certain terms of the Purchase Agreement that could be subject to differing interpretations. The Company and RIVI have initiated discussions and intend to complete the review in a timely manner.