



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FIRST QUARTER OF FISCAL 2019
THREE MONTHS ENDED DECEMBER 31, 2018 AND 2017
UNAUDITED
(EXPRESSED IN UNITED STATES DOLLARS)

ORVANA MINERALS CORP.**Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss**

Unaudited

(in thousands of United States dollars)

	Three months ended December 31,	
	2018	2017
Revenue (note 4)	\$ 36,318	\$ 34,170
Cost of sales		
Mining costs (note 5)	30,595	28,060
Depreciation and amortization	4,858	5,652
	35,453	33,712
Gross margin	865	458
Expenses		
General and administrative (note 6)	794	1,161
Exploration	652	737
Community relations	113	457
Other expense (income) (note 7)	(393)	(717)
Finance costs (note 8)	612	394
Derivative instruments unrealized loss (note 9)	108	290
	1,886	2,322
Loss before income taxes	(1,021)	(1,864)
Provision for income taxes		
Current income taxes (note 18)	220	2,246
Deferred tax recovery (note 18)	(181)	(731)
	39	1,515
Net loss and comprehensive loss	\$ (1,060)	\$ (3,379)
Net loss per share (note 10)		
Basic and diluted	\$ (0.01)	\$ (0.02)

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

ORVANA MINERALS CORP.
Condensed Interim Consolidated Statements of Cash Flows
Unaudited
(in thousands of United States dollars)

	Three months ended December 31,	
	2018	2017
Operating activities		
Net loss from continuing operations	\$ (1,060)	\$ (3,379)
Adjustments for:		
Depreciation and amortization	4,863	5,656
Loss on disposal of assets	(83)	-
Accretion	276	182
Amortization of deferred financing fees	-	54
Stock-based compensation	22	50
Warrants	-	(5)
Long-term compensation	534	40
Deferred tax recovery	(181)	(731)
Provision for statutory labour obligations	(59)	106
Foreign exchange (gain) loss	(251)	(177)
Derivative instruments unrealized loss (note 9)	108	290
	4,169	2,086
Changes in non-cash working capital		
Concentrate and doré sales receivables	(762)	598
Value added taxes and other receivables and prepaid expenses	(1,605)	(703)
Inventory	203	(1,253)
Accounts payable and accrued liabilities	974	(254)
Income taxes payable	387	1,673
	(803)	61
Cash provided by operating activities	3,366	2,147
Investing activities		
Capital expenditures	(1,763)	(6,207)
Restricted cash	325	(273)
Cash used in investing activities	(1,438)	(6,480)
Financing activities		
Proceeds (repayments) - BISA TSF Loan (note 15)	(709)	3,153
Repayments - BISA Heavy equipment Loan (note 15)	(204)	-
Repayments - Prepayment Facility (note 15)	(3,318)	(1,833)
Orovalle VAT revolver (decrease) (note 15)	(836)	-
Finance leases (note 16)	14	147
Repayment of finance leases (note 16)	(202)	(296)
Cash provided by financing activities	(5,255)	1,171
Change in cash and cash equivalents	(3,327)	(3,162)
Cash and cash equivalents, beginning of the period	11,634	23,811
Effect of exchange rate changes on cash	18	(32)
Cash and cash equivalents, end of the period	\$ 8,325	\$ 20,617

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ORVANA MINERALS CORP.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

Unaudited

(in thousands of United States dollars)

	As at December 31, 2018	As at September 30, 2018
Assets		
Current assets		
Cash and cash equivalents	\$ 8,325	\$ 11,634
Restricted cash (note 11)	62	61
Concentrate and doré sales receivables	2,373	1,611
Value added taxes and other receivables and prepaid expenses	3,971	3,492
Copperwood note (note 3)	1,000	1,000
Inventory (note 12)	19,863	20,250
Income tax receivable	1,196	1,198
Derivative instruments (note 9)	-	108
	36,790	39,354
Non-current assets		
Value-added taxes and other receivables	12,371	11,245
Restricted cash (note 11)	22	349
Reclamation bonds (note 11)	8,994	8,784
Deferred income tax asset (note 18)	628	447
Inventory (note 12)	1,993	1,993
Property, plant and equipment (note 13)	94,167	96,628
	\$ 154,965	\$ 158,800
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 14)	\$ 32,398	\$ 30,410
Income taxes payable (note 18)	467	82
Debt (note 15)	11,397	17,331
Deferred revenue	301	290
Obligations under finance leases (note 16)	728	786
Derivative instruments (note 9)	-	-
	45,291	48,899
Non-current liabilities		
Decommissioning liabilities (note 17)	21,171	21,236
Debt (note 15)	4,663	3,627
Deferred revenue	103	180
Obligations under finance leases (note 16)	92	245
Provision for statutory labour obligations	3,774	3,833
Other liabilities	2,350	2,755
Long-term compensation (note 20 (b))	848	314
	78,292	81,089
Shareholders' equity		
Share capital (note 19)	116,206	116,206
Contributed surplus	3,774	3,752
Accumulated deficit	(43,307)	(42,247)
	76,673	77,711
	\$ 154,965	\$ 158,800

Commitments and contingent liabilities (note 22)

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

ORVANA MINERALS CORP.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

Unaudited

(in thousands of United States dollars)

	Share Capital	Contributed Surplus	Retained Earnings	Total
Balance, October 1, 2018	\$ 116,206	\$ 3,752	\$ (42,247)	\$ 77,711
Stock-based compensation	-	22	-	22
Net loss	-	-	(1,060)	(1,060)
Balance, December 31, 2018	\$ 116,206	\$ 3,774	\$ (43,307)	\$ 76,673

	Share Capital	Contributed Surplus	Retained Earnings	Total
Balance, October 1, 2017	\$ 116,206	\$ 3,554	\$ (31,150)	\$ 88,610
Stock-based compensation	-	50	-	50
Net loss	-	-	(3,379)	(3,379)
Balance, December 31, 2017	\$ 116,206	\$ 3,604	\$ (34,529)	\$ 85,281

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

ORVANA MINERALS CORP.

Notes to the condensed interim consolidated financial statements

Unaudited

(in thousands of United States dollars unless otherwise noted)

Three months ended December 31, 2018 and 2017

1. Nature of operations and corporate information

Orvana Minerals Corp. (the "Company" or "Orvana") is a Canadian mining and exploration company involved in the evaluation, development and mining of precious and base metal deposits. The Company owns and operates the underground gold, copper and silver El Valle Mine ("El Valle Mine") and Carlés Mine in the Rio Narcea Gold Belt in northern Spain (collectively "El Valle"), which is held indirectly through its wholly-owned subsidiary, OroValle Minerals S.L., ("OroValle"). The Company also owns and operates the open pit copper, gold and silver Don Mario Mine ("Don Mario Mine") in south eastern Bolivia which is held indirectly through its wholly-owned subsidiary, Empresa Minera Paititi S.A. ("EMIPA").

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

The Company's head and registered office is 170 University Avenue, Suite 900, Toronto, Ontario, Canada. The Company is incorporated under the laws of Ontario, Canada and its common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol TSX:ORV.

2. Basis of preparation

The Company prepares its condensed interim consolidated financial statements in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") which do not include all of the information required for full annual consolidated financial statements. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed and these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2018.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended September 30, 2018, except as otherwise noted below.

The preparation of these condensed interim consolidated financial statements requires the use of certain significant accounting estimates and judgments by management in applying the Company's accounting policies. The areas involving significant judgments and estimates have been set out in note 4 of the Company's consolidated financial statements for the year ended September 30, 2018. Certain comparative amounts have been reclassified to conform to the current year's presentation.

These consolidated financial statements were approved by the Board of Directors of the Company on February 12, 2018.

IFRS 9, Financial Instruments.

The Company completed the analysis of the impact of IFRS 9 during the fourth quarter of fiscal 2018 and based on the detailed analysis performed, the conclusion is the adoption of IFRS 9 did not result in any material transitional adjustments of the carrying values of any financial asset on the transition date. As a result of the aforementioned, figures have not been restated. The Company did consider the impact of the standard on all financial assets and financial liabilities to which are applicable.

The Company has revised its accounting policy and disclosure for financial instruments retrospectively, except where described below. The main areas of change and corresponding transitional adjustments applied on October 1, 2018 are the following:

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Notes to the condensed interim consolidated financial statements

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- Financial Assets:

The following table has been included to illustrate the revised classification of financial assets under the previous standard (IAS 39) and the new revised accounting under IFRS 9:

Type of instrument	LY Classification	CY Classification
Long-term Deposits	Loans and receivables	Amortized Cost
Reclamation Bonds	Loans and receivables	Amortized Cost
Cash and cash equivalents	Loans and receivables	Amortized Cost
Concentrate and doré sales receivables	Loans and receivables	Fair Value through profit and loss
Other accounts receivables	Loans and receivables	Amortized Cost
Gold Forwards	Financial assets through profit or loss	Fair Value through profit and loss

The changes in these classifications did not impact the measurement of corresponding cash and cash equivalents.

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

- Financial Liabilities:

The Company recognized initially its financial liabilities at fair value and in the case of financial liabilities not subsequently measured at fair value, net of directly attributable financing costs. Financial liabilities are derecognized when the obligation specified in the contract is discharged, canceled, or expired. For financial liabilities, IFRS 9 maintains most of the IAS 39 requirements. Since the Company does not have any financial liabilities designated at fair value, the adoption of IFRS 9 did not have any impact to the Company's accounting policies. The Company's financial liabilities are subsequently measured at amortized cost.

- Impairment model – Expected credit loss:

The new impairment model introduced in IFRS 9 is based on expected credit loss, which means a difference from the model defined in IAS 39 (based on an incurred loss model instead of a forward looking model). After an analysis of the business model and taking into consideration the background of how the Company received the cash flows from its financial assets, this did not result in a significant impact and therefore no transitional adjustment.

IFRS 15, Revenue from contracts with customers.

The Company has adopted IFRS 15 effective October 1st, 2018 on a modified retrospective basis in accordance with the transitional provisions of IFRS 15. Results for those periods beginning after October 1st, 2018 are reported under IFRS 15, while prior reporting periods are reported under IAS 18.

Based on a formal analysis performed, the Company concluded that there is no significant differences between the point of transfer of risks and rewards for its metals under IAS 18 and the point of transfer of control under IFRS 15. Subsequently no adjustment has been recorded to the opening balance at October 1st, 2018.

The type and nature of sale contracts is described below:

- Precious metals sales – Gold-copper concentrates

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

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

- Precious metals sales – Doré

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

Revenue from gold doré is recognized upon notification of payment from the buyer, which is the point in time when the legal title is transferred. Upon payment the customer is able to direct the use of and obtain substantially all of the benefits from the doré. Revenues are recorded provisionally based on market prices and provisional weights and assays. A receivable is recognized for this amount and subsequently measured at fair value to reflect variability associated with the embedded derivative for changes in the market metal prices and variations to weights and assays. These changes in the fair value of the receivable are recognized in revenue each period end and in the period of final settlement. Treatment charges are netted against revenues from doré sales.

3. Divestiture of Copperwood

In June 2014, the Company sold its Copperwood Project to Highland Copper Company Inc. (“Highland”) through a sale of its formerly wholly-owned subsidiary, Orvana Resources US Corp. The Company received a cash payment of \$13,000 and a secured promissory note in the amount of \$7,000 (the “Copperwood Note”), which was paid in full in December 2014.

Additional consideration of up to \$5,000 is due from Highland in cash or shares of Highland, at Orvana’s option, upon the occurrence of certain events. On June 17, 2017, the Company received a cash payment of \$1,250 of this additional consideration. A further cash payment of \$250 was received on June 15, 2018. In 2018, the Company entered into an agreement with Highland to extend the timing of payment on the remaining \$1,000 and, in return, will charge interest at a rate of 12% per annum if the payment is made no later than November 2018 or an interest rate of 15% per annum and a penalty for any unpaid amount after this date. The Company expects to collect the remaining \$1,000 in the first half of fiscal year 2019.

Of the remaining additional consideration, \$1,250 may be received if the average copper price for any 60 calendar day period following the first anniversary and preceding the second anniversary of commencement of commercial production is greater than \$4.25/lb. A final \$1,250 will be paid if the average copper price for any 60 calendar day period following the second anniversary and preceding the third anniversary of the commencement of commercial production is greater than \$4.50/lb. The company’s estimated fair value of this additional part has been a fair value of \$0.

4. Revenue

For the three months ended December 31,		2018
Gold-copper concentrate	\$	12,444
Doré		23,955
Subtotal	\$	36,399
Provisional invoicing adjustments		(118)
Realized gain (loss) on cash settlements of derivative instruments (note 9)		37
Total revenue	\$	36,318

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Notes to the condensed interim consolidated financial statements

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5. Mining costs

Mining costs include mine production costs, transport costs, royalty expenses, site administration costs, applicable stripping costs and other related costs, but not the primary mine development costs, incurred at El Valle, which are capitalized and depreciated over the specific useful life or reserves related to that development and are included in depreciation and amortization. The mining costs for the three months ended December 31, 2018 and 2017 relate to El Valle and Don Mario.

For the three months ended December 31,	2018	2017
Direct mining costs	\$ 28,429	\$ 25,734
Royalties and mining rights ⁽¹⁾	1,190	974
Mining royalty taxes ⁽²⁾	976	1,352
Total mining costs	\$ 30,595	\$ 28,060

(1) Royalties and mining rights refer to royalties payable to third parties in respect of El Valle and Don Mario.

(2) Mining royalty taxes refers to amounts payable to government authorities in respect of Don Mario Mine.

6. General and administrative expenses

For the three months ended December 31,	2018	2017
Salaries, directors fees and office administration	\$ 873	\$ 1,247
Depreciation	4	4
Stock-based compensation expense	23	50
Warrants	-	(5)
Long-term compensation	534	147
Foreign exchange (gain) loss	(640)	(282)
Total general and administrative expenses	\$ 794	\$ 1,161

7. Other (income) expense

For the three months ended December 31,	2018	2017
Provision for uncollectible VAT – EMIPA ⁽¹⁾	\$ (380)	\$ 278
Insurance proceeds – EMIPA	-	(806)
Miscellaneous other income	(13)	(189)
Total other (income) expense	\$ (393)	\$ (717)

(1) Based on the results of completed audits conducted by the Bolivian National Tax Service with respect to VAT claims, the Company had a provision of \$3,065 as at December 31, 2017 for certain VAT amounts received or receivable that have not been audited by the Bolivian National Tax Service (September 30, 2017 – \$2,787). That provision as at September 30, 2018 was \$3,954, being reduced up to \$3,574 at December 31, 2018.

8. Finance costs

For the three months ended December 31,	2018	2017
Interest on credit facilities	\$ 116	\$ 8
Effective interest on Prepayment Facility	405	259
Other interest (income) expense	-	(7)
Amortization of financing fees	-	53
Accretion expense on decommissioning obligations	106	106
Accretion gains and interest on Copperwood receivable	(36)	(25)
Finance fees	21	-
Total finance costs	\$ 612	\$ 394

ORVANA MINERALS CORP.

Notes to the condensed interim consolidated financial statements

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(in thousands of United States dollars unless otherwise noted)

Three months ended December 31, 2018 and 2017

9. Derivative instruments

The Company had no outstanding derivative instruments at December 31, 2018.

For the three months ended December 31, 2018, the Company paid net cash of \$37 (three months ended December 31, 2017 – paid net cash of \$760), in settlement of the derivative instruments that matured in the period.

Changes in the fair value of the Company's outstanding derivative instruments are recognized through the Company's income statement as non-cash derivative instrument unrealized gains or losses. At maturity of each contract, a cash settlement takes place resulting in a corresponding reduction in the carrying value of the derivative instruments. The mark-to-market fair value of the Company's outstanding derivative instruments is based on independently provided market rates and determined using standard valuation techniques, including the impact of counterparty credit risk.

The Company recorded fair value adjustments on its outstanding derivative instruments as follows:

For the three months ended December 31,	2018	2017
Change in unrealized fair value	\$ (108)	\$ (290)
Realized gain (loss) on cash settlements of derivative instruments ⁽¹⁾	37	(760)
Derivative instruments gain (loss)	\$ (71)	\$ (1,050)

(1) Realized gains and losses on settlement of derivative instruments are recorded in revenue.

10. Net loss per share

For the three months ended December 31,	2018	2017
Net loss	\$ (1,060)	\$ (3,379)
Weighted average number of common shares outstanding – basic and diluted	136,623,171	136,623,171
Net loss per share – basic and diluted	\$ (0.01)	\$ (0.02)

11. Restricted cash and reclamation bonds

Restricted cash

Restricted cash as at December 31, 2018 was \$62 and consists on warranties in front of government required for appealing in labour courts (at September 30, 2018 this amount was \$61).

Long-term restricted cash as at December 31, 2018 was \$22 and corresponds integrally to Orovalle and was related to a deposit with local bank linked to a leasing contract (September 30, 2018 - \$349).

Reclamation bonds

At December 31, 2018, cash backed reclamation bonds held in a Spanish financial institution were \$8,994 (September 30, 2018 – \$8,784) and are expected to be released after all reclamation work at El Valle has been completed. Prior to its acquisition by OroValle, El Valle had been shut down by the owner thereof and remediation measures required were completed. On OroValle's acquisition of El Valle a reclamation bond of €894,684 was deposited, as required by Spanish mining regulations. In fiscal 2010 and 2011, additional reclamation bonds in the amounts of €1,521,960 and €5,000,000, respectively were deposited by OroValle relating to its tailings facility.

Spanish regulatory authorities have requested an additional reclamation bond totaling €5,000,000 (approximately \$5,725) be deposited in their favour to satisfy additional reclamation bond commitments in respect of the tailings impoundment area, the assessment of which the Company has filed an appeal with Spanish regulatory authorities. Through the administrative appeal process, the Company is working with Spanish regulatory authorities to seek alternatives, which includes, without limitation, relief from posting the additional reclamation bond.

ORVANA MINERALS CORP.**Notes to the condensed interim consolidated financial statements****Unaudited****(in thousands of United States dollars unless otherwise noted)****Three months ended December 31, 2018 and 2017****12. Inventory**

	December 31, 2018	September 30, 2018
Ore in stockpiles	\$ 834	\$ 962
Ore in-process	1,561	1,356
Gold doré	50	378
Copper concentrates	5,167	5,518
Materials and supplies	12,251	12,036
Current Assets - Inventory	\$ 19,863	\$ 20,250
Long-term ore in stockpiles	\$ 1,993	\$ 1,993
Total Inventory	\$ 21,856	\$ 22,243

The Company recognized \$33,021 of inventory in cost of sales for the three months ended December 31, 2018 (three months ended December 31, 2017 - \$30,875).

13. Property, plant and equipment

	Land	Plant and equipment	Furniture and equipment	Mineral properties in production	Total
Net book value, September 30, 2018	\$2,442	\$51,849	\$542	\$41,795	\$96,628
Additions	526	119	79	1,576	2,300
Disposals	-	(12)	-	-	(12)
Change in decommissioning assets	-	(157)	-	-	(157)
Transfers	(317)	(930)	(8)	1,255	-
Depreciation ⁽¹⁾	-	(2,887)	(28)	(1,677)	(4,592)
Net book value, December 31, 2018	\$2,651	\$47,982	\$585	\$42,949	\$94,167
Total cost	2,651	50,869	613	44,626	98,759
Total accumulated depreciation	-	(2,887)	(28)	(1,677)	(4,592)
Net book value, December 31, 2018	\$2,651	\$47,982	\$585	\$42,949	\$94,167

(1) Depreciation includes amounts recorded in inventory.

On the consolidated statement of cash flow for the three months ended December 31, 2018, capital expenditures exclude approximately \$2,041 of capital expenditures incurred but unpaid as at December 31, 2018 (December 31, 2017 - \$3,040) and include \$2,116 of capital expenditures incurred in fiscal 2018 but unpaid as at September 30, 2018 (September 30, 2017 - \$3,318).

14. Accounts payable and accrued liabilities

	December 31, 2018	September 30, 2018
Accounts payable	\$ 25,393	\$ 23,870
Accrued liabilities	7,005	6,540
Total accounts payable and accrued liabilities	\$ 32,398	\$ 30,410

ORVANA MINERALS CORP.

Notes to the condensed interim consolidated financial statements

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(in thousands of United States dollars unless otherwise noted)

Three months ended December 31, 2018 and 2017

15. Debt

	December 31, 2018	September 30, 2018
Revolving facilities	\$ 2,057	\$ 2,894
BISA TSF Loan	6,377	7,085
BISA Heavy Equipment	1,911	2,114
Prepayment Facility	5,715	8,865
	16,060	20,958
Less: current portion	(11,397)	(17,331)
	\$ 4,663	\$ 3,627

Revolving facilities

In June 2017, as part of the closing of the BISA TSF Loan (hereinafter defined), EMIPA entered into a revolving working capital facility with Banco BISA S.A. (“BISA”) of up to Bs.20,580,000 (approximately \$2,956). The proceeds can be drawn down in the form of cash of up to Bs.13,720,000 (approximately \$1,971), bank guarantees of Bs.20,580,000 (approximately \$2,956) or a combination of the two up to the limit of Bs.20,580,000. The revolving working capital facility is renewable every six months until November 2020 and interest will be determined at the date of drawdown and is dependent on the form of the drawdown. As at December 31, 2018, no amounts were drawn down from this facility (September 30, 2018 - \$nil).

In October 2018, OroValle renewed a revolving credit facility with Bankinter S.A. (“Bankinter”) for an increased amount of €1,000,000 for a three month renewable term and bearing no interest. An administration fee is charged for each renewal. Under the terms of the agreement, all or part of the financing received must be used for the remittance of payroll tax, VAT and corporate taxes to the Spanish tax agency with payment being processed through the Bankinter account. No security is required to be posted for this facility. As at December 31, 2018, the full amount of the facility was drawn (approximately \$1,145). (September 30, 2018 \$1,158).

In July 2018, OroValle renewed a revolving credit facility with Banco Santander S.A. for an increased amount of €1,500,000 for a one year term bearing an annual rate of Euribor plus 2.25%. The credit facility is secured by OroValle’s VAT receivable from the Spanish government. As at December 31, 2018, the amount of \$912 was drawn (September 30, 2018 \$1,717).

For the three month ended December 31, 2018, the Company paid \$37 in interest on the short-term credit facilities (December 31, 2017 – \$8).

BISA TSF Loan

In June 2017, EMIPA entered into a Bs.58,017,483 (approximately \$8,336) term facility with BISA in Bolivia, the proceeds of which are being used to fund a major tailings storage facility expansion project that will add sufficient capacity to support future operations (“BISA TSF Loan”). The BISA TSF Loan bears an interest rate of 5.3% per annum, with seven disbursements of specified amounts to be drawn down as expenditures are incurred on the tailings storage facility expansion. The BISA TSF Loan matures in January 2021 and will be repaid in twelve equal repayments beginning in April 2018. Security for the BISA TSF Loan and the revolving working capital facility described above, includes certain assets at Don Mario.

The BISA TSF Loan contains covenants that, among other things, restrict EMIPA’s ability to make cash disbursements to Orvana in certain circumstances.

As at December 31, 2018, EMIPA had received seven disbursements in the amount of \$8,336 (September 30, 2018 – \$8,336) and principal repayments of \$1,959 were made against the BISA TSF Loan, such that the principal outstanding at December 31, 2018 was \$6,377 (September 30, 2018 - \$7,085).

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For the three month ended December 31, 2018, the Company paid \$93 in interest on the BISA TSF Loan (December 31, 2017 –\$nil).

BISA Heavy Equipment Loan

In May 2018, EMIPA entered into a Bs.16,514,688 (approximately \$2,373) term facility with BISA in Bolivia, the proceeds of which are being used to purchase heavy equipment required to support mining activities at Cerro Felix ("BISA Heavy Equipment Loan"). The BISA Heavy Equipment Loan bears an interest rate of 5.5% per annum and matures in April 2021 with repayments beginning in June 2018. Security for the BISA Heavy Equipment Loan are tied to the equipment purchased.

The BISA Heavy Equipment Loan contains covenants that restrict EMIPA's ability to make cash disbursements to Orvana's subsidiaries in certain circumstances.

As at December 31, 2018, the full amount of the loan was drawn and principal repayments of \$463 were made against the BISA Heavy Equipment Loan, such that the principal outstanding was \$1,911 (September 30, 2018 - \$2,114).

For the three month ended December 31, 2018, the Company paid \$28 in interest on the BISA Heavy Equipment Loan (December 30, 2017 – nil\$).

Prepayment Facility

In August 2016, the Company entered into a \$12,500 copper concentrates and gold doré Prepayment Facility with Samsung C&T U.K. Limited ("Samsung C&T"), the proceeds of which were used at El Valle for mine development activities and infrastructure upgrades.

Under the terms of the Prepayment Facility, Orvana is selling gold doré from its El Valle and Carlés Mines in Spain and copper concentrate from its Don Mario Mine in Bolivia to Samsung C&T, on an exclusive basis for a period of thirty months. In exchange, Orvana received \$12,500 in prepayment financing from Samsung C&T.

The first instalment of \$8,000 was drawn on closing and repayments began in September 2017. The second instalment of \$4,500 was drawn down in February 2017. According to the original terms, the Prepayment Facility bore interest at USD 3M LIBOR plus 4.5% per annum.

In March 2018, the Company closed an amendment to the Prepayment Facility to reschedule and extend the principal repayment terms by two months to April 2019 such that: i) principal repayments due between February 2018 and October 2018 are reduced to \$20 per month; ii) principal repayments due from November 2018 to February 2019 are increased to \$1,650 per month; and iii) remaining principal repayments, now due in March and April 2019, are paid in equal instalments of \$1,250. The deferred amount of the principal to be repaid, totalling, \$7,320, bears interest at USD 3M LIBOR plus 7.5% per annum, while the remaining principal bears interest at the original rate. Interest payments and principal repayments will continue to be made against Orvana's future shipments of gold doré and/or copper concentrates during the extended Prepayment Facility term. Amongst certain other terms, the Company also agreed to extend gold doré shipments to Samsung C&T to April 2020 as a result of the amendment. Financing fees paid in respect of the amendment totaled \$73. The Company recognized a loss of \$19 in the second quarter of fiscal 2018 on the amendment of the Prepayment Facility from the difference in terms between the original and amended financial liabilities.

Interest payments and principal repayments under the terms of the Prepayment Facility are deducted from Orvana's on-going shipments of copper concentrates and/or gold doré.

Principal repayments of \$3,318 were made during the first quarter of fiscal 2019, such that the principal outstanding as at December 31, 2018 was \$5,799 (September 30, 2018 - \$9,118). Samsung C&T has agreed to pay for copper concentrates and gold doré at a price based on the prevailing metal prices for the gold, silver and copper content

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around time of shipment, less customary treatment, refining and shipping charges, and pursuant to the terms of the Prepayment Facility.

The Company's obligations under the Prepayment Facility were secured by the pledge to Samsung C&T of all of Orvana's shares of OroValle, which owns the El Valle and Carlés Mines in Spain.

Subsequent to December 31, 2018, the Company closed a syndicated credit facility and, concurrent with the closing, Orvana repaid the full Prepayment Facility (see note 25).

16. Obligations under finance leases

During fiscal 2016, El Valle entered into several lease agreements with lease terms between two to three years to purchase underground mobile equipment. In addition to this, during fiscal 2018 El Valle entered in two new leases to purchase underground equipment with similar lease terms. All leases are payable in monthly installments at annual interest rates of 1.75% to 2.40%. Each contract has a purchase option.

At December 31, 2018, the total lease obligation outstanding was \$819 (September 30, 2018 - \$1,031). During the three months ended December 31, 2018, the Company made lease payments of \$202 (three months ended December 31, 2017 - \$296). The following is a schedule of future minimum payments under the finance leases:

		December 31, 2018	September 30, 2018
Fiscal 2019	\$	734	\$ 835
2020		147	239
		881	1,074
Amount representing interest at 2.47%		(61)	(43)
		820	1,031
Less: current portion of lease obligation		(728)	(786)
Total long-term obligations under finance leases	\$	92	\$ 245

17. Decommissioning liabilities

Decommissioning liabilities relate to the dismantling of the mine facilities and environmental reclamation of the areas affected by mining operations. Mine facilities include structures and the tailings dam. Environmental reclamation requirements include mine water treatment, reforestation and dealing with soil contamination. It is possible that the Company's estimates of the ultimate amounts required to decommission its mines could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation, cost estimates or the estimated remaining ore reserves.

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

		December 31, 2018	September 30, 2018
Balance, beginning of period	\$	21,236	\$ 19,939
Revision in estimated cash flows, timing of payments and discount rates			
– El Valle Mine		(157)	1,042
– Don Mario Mine		(15)	-
		21,064	20,981
Accretion expense		107	255
Reclamation payments		-	-
Total decommissioning liabilities	\$	21,171	\$ 21,236

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For El Valle Mine, the revision in estimated cash flows at December 31, 2018 includes the impact of the change in foreign exchange rate of Euros versus the US dollar.

For Don Mario Mine, the revision in estimated cash flows at December 31, 2018 relates to minor adjustment in estimated mine life.

The decommissioning liability balance consists of:

	December 31, 2018	September 30, 2018
El Valle Mine	\$ 14,443	\$ 14,547
Don Mario Mine	6,728	6,689
Total decommissioning liabilities	\$ 21,171	\$ 21,236

As at December 31, 2018, the undiscounted cash flows and discount rate used to calculate the decommissioning liabilities are as follows:

	Undiscounted Cash Flows Required to Settle Decommissioning Liabilities	Discount Rate	Discounted Cash Flows Required to Settle Decommissioning Liabilities
El Valle Mine ⁽¹⁾	\$ 16,461	1.47%	\$ 14,443
Don Mario Mine	8,115	3.20%	6,728
Total	\$ 24,576		\$ 21,171

(1) Accretion expense is recorded using the discount interest rates set out above. It is expected that these amounts will be incurred beginning in 2018 and 2019 in respect of Don Mario Mine and El Valle Mine, respectively. The discount rate used to measure decommissioning liabilities under IFRS is based on current interest rates of government bonds of the applicable country and of term that matches the time period to the commencement of the decommissioning liability being incurred.

Cash held in Spanish financial institutions backing reclamation bonds totaled approximately \$8,994 at December 31, 2018 (September 30, 2018 – \$8,784) and is expected to be released after all reclamation work has been completed in respect of El Valle Mine. Refer to note 10 – Restricted cash and reclamation bonds.

18. Income tax

Deferred tax balances are subject to remeasurement for changes in currency exchange rates for each period.

For the three months ended December 31,	2018	2017
Current income taxes:		
Current tax on income for the year	\$ 220	\$ 2,246
Total current income taxes	220	2,246
Deferred income tax:		
Origination and reversal of temporary differences in EMIPA	(181)	(731)
Total deferred tax recoveries	(181)	(731)
Total income taxes (recoveries)	\$ 39	\$ 1,515

Cash taxes paid by EMIPA during the three months ended December 31, 2018 totaled \$290 (December 31, 2017 - \$1,178).

19. Share capital and warrants

Issued share capital as at December 31, 2018 was \$116,206 (September 30, 2018 – \$116,206). The Company's authorized share capital contains an unlimited number of common shares. As at December 31, 2018, the Company had 136,623,171 common shares (September 30, 2018 – 136,623,171) issued and outstanding.

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A summary of the warrant transactions are as follows:

	Number of warrants		Stated Value
Balance, September 30, 2017	600,000	\$	10
Expiry	(500,000)		(10)
Fair value adjustment	-		-
Balance, September 30, 2018	100,000	\$	-
Fair value adjustment	-		-
Balance, December 31, 2018	100,000	\$	-

As at December 31, 2018, outstanding and exercisable warrants were as follows:

Grant date	Fair value US\$000's	Number of vested warrants	Exercise price C\$	Expiry date
July 11, 2014	-	100,000	0.54	July 11, 2019
	\$ -	100,000		

20. Share based payments**(a) Stock options**

A summary of the stock option transactions is as follows:

	Stock options	Weighted average exercise price C\$
Balance, September 30, 2017	1,569,444	\$0.41
Granted	3,108,237	0.21
Expired	(400,000)	0.88
Forfeited	(3,091,858)	0.21
Balance, September 30, 2018	1,185,823	\$0.24
Balance, December 31, 2018	1,185,823	\$0.24

The fair value of the options granted during the three months ended December 31, 2017 were estimated using the Black-Scholes option-pricing model with the following assumptions:

Grant date:	December 21, 2017
Options granted:	3,108,237
Exercise price (C\$ per share)	\$0.21
Risk-free interest rate:	1.80%
Expected life in years:	5.00
Expected volatility:	74.84%
Expected dividend yield:	Nil
Expected forfeiture rate	10%
Fair value per option granted C\$	\$0.13
Weighted average grant date fair value US\$000's	\$315

As at December 31, 2018, outstanding and exercisable options were as follows:

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Grant date	Fair value US\$000's	Number of unvested options	Weighted average contractual life (in years)	Number of vested options	Exer- cise price C\$	Expiry date
December 18, 2014	21	-	1.47	125,000	0.30	December 18, 2019
May 14, 2015	17	-	0.86	100,000	0.37	May 9, 2019
December 22, 2016	32	-	0.86	314,815	0.23	May 9, 2019
December 21, 2017	65	-	4.48	646,008	0.21	December 21, 2022
	\$ 135	-	2.89	1,185,823		
Total vested and unvested options				1,185,823		

The Company uses the fair value method of accounting for options and, during the three months ended December 31, 2018, recognized stock-based compensation expense of \$23 (three months ended December 31, 2017 – \$50).

The compensation expense associated with the options for the three months ended December 31, 2018 includes an estimated forfeiture rate of 10% based on the average rate of forfeitures over the last three years (three months ended December 31, 2017 – 10%).

The weighted-average grant date fair value of the options are expensed over the vesting periods of the options being 36 months from the grant dates.

As at December 31, 2018, the fair value associated with unvested options is \$nil (September 30, 2018 – \$nil).

(b) Long-term compensation**(i) Deferred share unit (“DSU”) plan**

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

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

	Number of DSUs	Fair value
Balance, September 30, 2017	1,497,679	\$ 300
Issued	1,214,285	200
Mark-to-market adjustment	-	(186)
Balance, September 30, 2018	2,711,964	\$ 314
Issued	2,122,303	216
Mark-to-market adjustment	-	2
Balance, December 31, 2018	4,834,267	\$ 532

(ii) Restricted share units (“RSU”) plan

The Company established a RSU plan, effectively a phantom stock plan, for designated executives, effective October 1, 2008. The initial fair value of units issued is expensed and is included in long-term compensation expense under general and administrative expenses in the consolidated statements of net loss and comprehensive loss. The fair value of the RSUs are marked to the quoted market price of the Company's common shares at each reporting date and changes in their fair value are recorded under general and administrative expenses. Payouts are settled in cash after a specified period of vesting, based on the market price of the common shares at vesting.

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

	Number of RSUs	Fair Value
Balance, September 30, 2017	796,296	\$ 160
Forfeited	(324,074)	(65)
Mark-to-market adjustment	-	-
Changes in current portion	(472,222)	(95)
Balance, September 30, 2018	-	\$ -
Issued	2,877,858	293
Mark-to-market adjustment	-	23
Balance, December 31, 2018	2,877,858	\$ 316

(iii) Stock appreciation rights ("SAR") plan

The Company established a SAR plan for designated executives, effective February 6, 2014. The SARs are granted based on a common shares market price calculation at the time of grant. The fair value of the SARs are measured using an option pricing model at each period end, and to the extent that employees have rendered services over a three year vesting period, an expense is recorded under general and administrative expenses on the consolidated statements of net loss and comprehensive loss over such vesting period. Vested SARs may be exercised provided there has been an appreciation in the market price of the common shares from the grant date and payouts are settled in cash as vested SARs are exercised.

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

	Number of SARs	Fair value
Balance, September 30, 2017	602,362	\$ 65
Redeemed	(401,576)	(43)
Mark-to-market adjustment	-	-
Changes in current position	(200,786)	(22)
Balance, September 30, 2018	-	\$ -
Balance, December 31, 2018	-	\$ -

21. Compensation of key management

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

For the three months ended December 31,	2018	2017
Salaries and short term employee benefits	\$ 175	\$ 521
Directors fees	86	90
Share-based payments ⁽¹⁾	556	182
Total compensation of key management	\$ 817	\$ 793

(1) Share-based payments include the mark-to-market adjustments on RSUs, DSUs and SARs.

22. Commitments and contingent liabilities

- (a) The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. Spanish Water Authority has taken the position that the levels of selenium in the river flowing past El Valle Mine exceed the levels permitted by applicable regulations as a result of discharges attributed to OroValle which may not be in compliance with certain of OroValle's permits. In recent years, OroValle has received approximately €955,000 (approximately \$1,093) in fines relating to these matters and may face further additional fines or other sanctions, including the revocation or suspension of certain permits, in the future. OroValle is appealing the outstanding fines (€192,083 and €628,715

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respectively \$219,935 and \$719,878) and the enforcement of certain fines has been suspended pending the related criminal matter. A judge of the criminal court of Asturias is conducting an investigation into the potential commission by OroValle of a reckless crime under the Spanish penal code relating to these matters. The judge may dismiss the matter and/or charge OroValle and/or certain OroValle individuals. If OroValle is ultimately found responsible, monetary penalties, amongst other sanctions, may be applied. These sanctions could have a material impact on the Company. At this time, OroValle has not been charged and has cooperated and will continue to cooperate with investigations and is defending itself vigorously.

- (b) On June 27, 2011, as a condition of receiving an environmental permit on that date, the Government of the Principality of Asturias, required OroValle to commit to post an additional reclamation bond in the amount of €5,000,000 (approximately \$5,725) in respect of the tailings impoundment area. To satisfy this requirement, OroValle deposited €5,000,000 (approximately \$5,725) in September 2011 with a local bank in favour of the Spanish regulatory authorities. Spanish regulatory authorities have requested an additional reclamation bond totaling €5,000,000 (approximately \$5,725) be deposited in their favour to satisfy additional reclamation bond commitments in respect of the tailings impoundment area, the assessment of which the Company has contested. The Company is challenging the requirement to fund the additional reclamation bond through an administrative appeal process with the Spanish regulator. The Company recently withdrew its action from the Spanish Court system. The Company is working with Spanish regulatory authorities to come to an agreement regarding posting this bond, including the consideration of alternatives to posting this bond.
- (c) Production from El Valle Mines is subject to a 3% net smelter return royalty ("NSR"), referred to herein as El Valle Royalty, payable monthly. El Valle Royalty rate decreases to 2.5% for any quarter in which the average price of gold is below \$1,100 per ounce. Royalty expense under this NSR totaled \$692 for the three months ended December 31, 2018 (December 31, 2017 - \$354).
- (d) Production from Don Mario Mine is subject to a 3% NSR payable quarterly. Royalty expense under this NSR totaled \$498 for the three months ended December 31, 2018 (December, 2017 - \$620). The Bolivian government collects a mining royalty tax on the revenue generated from copper, gold and silver sales from Don Mario Mine at rates of 5%, 7% and 6%, respectively. These amounts totaled \$976 for the three months ended December 31, 2018 (December 31, 2017 - \$1,352).
- (e) The Company and certain of its employees may be involved in other legal proceedings from time to time, arising in the ordinary course of its business. The amount of ultimate liability with respect to these actions, in the opinion of management, is not expected to materially affect the Company's financial position, results of operations or cash flows. The Company does not believe that the outcome of any of the matters not recorded in the consolidated financial statements, individually or in aggregate, would have a material adverse effect.

23. Segmented information

The Company primarily operates in the gold and copper mining industry and its major products are gold doré and gold/copper concentrates. The Company's primary mining operations are OroValle, which operates El Valle Mine in Spain, and EMIPA, which operates Don Mario Mine in Bolivia. 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 Toronto, Canada; Stockholm, Sweden; and Nicosia, Cyprus. The following tables set forth the information by segment:

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As at December 31, 2018:

	Cash and cash equivalents	Property, plant and equipment	Reclamation bonds and restricted cash	Other assets	Total assets
OroValle	\$ 4,151	74,051	9,015	14,817	102,034
EMIPA	2,297	20,092	63	27,087	49,539
Corporate	1,877	23	-	1,492	3,392
	\$ 8,325	94,166	9,078	43,396	154,965

As at September 30, 2018:

	Cash and cash equivalents	Property, plant and equipment	Reclamation bonds and restricted cash	Other assets	Total assets
OroValle	\$ 5,638	\$ 75,665	\$ 9,133	\$ 13,739	\$ 104,175
EMIPA	4,123	20,935	61	25,756	50,875
Corporate	1,873	28	-	1,849	3,750
	\$ 11,634	\$ 96,628	\$ 9,194	\$ 41,344	\$ 158,800

For the three months ended December 31, 2018:

	Revenue	Mining costs ⁽¹⁾	Depreciation/Amortization ⁽²⁾	Other costs	Income (loss) before taxes
OroValle	\$ 22,420	18,764	3,307	459	(110)
EMIPA	13,898	11,831	1,551	377	139
Corporate	-	-	5	1,046	(1,051)
	\$ 36,318	30,595	4,863	1,882	(1,022)

(1) Mining costs includes royalties, mining rights and mining taxes. Refer to note 4 – Mining costs.

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

For the three months ended December 31, 2018, 55% of revenue in Orovalle corresponds to sales to one client of Gold-copper concentrate and 45% corresponds to one client of Doré. In EMIPA 100% corresponds to one client of Doré.

As at December 31, 2018 100% of receivables in Orovalle (\$1 Million) are from Gold-copper concentrate and 100% of receivables in EMIPA (\$1.4 Million) are from Doré.

For the three months ended December 31, 2017:

	Revenue	Mining costs ⁽¹⁾	Depreciation/Amortization ⁽²⁾	Other costs	Income (loss) before taxes
OroValle	\$ 14,747	\$ 16,297	\$ 3,122	\$ 32	\$ (4,704)
EMIPA	19,423	11,763	2,530	586	4,544
Corporate	-	-	4	1,700	(1,704)
	\$ 34,170	\$ 28,060	\$ 5,656	\$ 2,318	\$ (1,864)

(1) Mining costs includes royalties, mining rights and mining taxes. Refer to note 4 – Mining costs.

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

For the three months ended December 31, 2017, 47% of revenue in Orovalle corresponded to sales to one client of Gold-copper concentrate and 53% corresponded to one client of Doré. In EMIPA 26% of revenue corresponded to one client of Gold-copper and 74% of revenue corresponded to one client of Doré.

As at December 31, 2017 87% of receivables in Orovalle were from Gold-copper concentrate and 13% of receivables were from Doré. In EMIPA 2% of receivables were from Gold-copper and 98% of receivables were from Doré.

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24. Financial instruments and fair values

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

Fair value hierarchy

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

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

As at December 31, 2018	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Aggregate Fair value
Financial assets:				
Concentrate and doré sales receivables	-	2,373	-	2,373
Total	\$ -	\$ 2,373	\$ -	\$ 2,373
Financial liabilities:				
Long-term compensation	\$ 848	\$ -	\$ -	\$ 848
Total	\$ 848	\$ -	\$ -	\$ 848

Valuation techniques for Level 2 financial instruments:

Derivative instruments: The Company's derivative instruments are measured at fair value using the forward price curves of each commodity and are classified as level 2.

Long-term compensation: The Company's SARs are measured at fair value using the Black-Scholes model and are classified as Level 2.

Warrants: The Company's warrants are not actively traded and measured at fair value using the Black-Scholes model and are classified as Level 2.

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

At December 31, 2018 and September 30, 2018, the carrying amounts of cash and cash equivalents; restricted cash; value added taxes and other receivables; debt; accounts payable and accrued liabilities; and obligations under finance leases approximate their fair value either due to their short-term maturities or, for borrowings, interest payables are close to the current market rates. Measurements for the financial assets and liabilities above are classified as Level 1 in the fair value hierarchy, except for the Prepayment Facility which is classified as Level 3 due to the use of unobservable inputs, including own credit risk.

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Impairment Sensitivity

Management used a long-term price per ounce of gold of between \$1,289 to \$1,389 to perform its impairment assessments for OroValle and EMIPA as at December 31, 2018. A 5% decrease in the long-term price per ounce would have resulted in an impairment of \$19,870 at OroValle and no impairment at EMIPA. The 5% decrease in gold price was not modeled with a corresponding depreciation in EUR.

Management used long-term Euro/USD exchange rates between 1/1.19 to 1/1.24 to perform its impairment assessments for OroValle as at December 31, 2018. A 5% depreciation of the annual Euro/USD exchange rates would have resulted in an impairment of \$14,510 at OroValle and no impairment at EMIPA. The 5% depreciation in Euro/USD exchange rates was not modeled with a corresponding increase in gold price.

25. Subsequent events

Subsequent to December 31, 2018, the Company, through its wholly owned subsidiary OroValle, closed a syndicated credit facility (the "New Facility") for a total amount of €6 million. The New Facility is subject to a 2% bank commission fee, bear a fixed interest rate of 2.55%, semi-annual principal repayments and semi-annual interest payments over a term of four years. The Company's obligations to the lenders are secured by: (i) the pledge of all of Orvana's shares of OroValle; (ii) the pledge of OroValle's doré sale proceeds; and (iii) 12,5% restricted cash.

Concurrent with the closing of the New Facility, Orvana has repaid the full Samsung C&T Prepayment Facility, originally entered into, in August 2016.