CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THIRD QUARTER OF FISCAL 2019

THREE AND NINE MONTHS ENDED JUNE 30, 2019 AND 2018

UNAUDITED

(EXPRESSED IN UNITED STATES DOLLARS)

		Three months ended June 30, 2019		Three months ended June 30, 2018		Nine months ended June 30, 2019		Nine months ended June 30, 2018
Revenue (note 4)	$	30,831	$	38,438	$	103,162	$	109,538
Cost of sales								
Mining costs (note 5)		28,304		31,729		86,411		90,314
Depreciation and amortization (note 13)		5,088		6,636		14,517		19,087
		33,392		38,365		100,928		109,401
Gross margin		(2,561)		73		2,234		137
Expenses								
General and administrative (note 6)		1,120		859		2,574		3,504
Exploration		766		1,230		2,115		2,954
Community relations		116		199		357		1,164
Other (income) expense (note 7)		(190)		659		(1,883)		69
Finance costs (note 8)		293		498		1,373		1,387
Derivative instruments unrealized (gain) loss (note 9)		175		(168)		334		(1,052)
		2,280		3,277		4,870		8,026
Loss before income taxes		(4,841)		(3,204)		(2,636)		(7,889)
Provision for (recovery of) income taxes								
Current income tax (recovery) (note 18)		-		(326)		423		2,333
Deferred income tax (recovery) (note 18)		(927)		104		(1,419)		(356)
		(927)		(222)		(996)		1,977
Net loss and comprehensive loss	$	(3,914)	$	(2,982)	$	(1,640)	$	(9,866)
Net loss per share (note 10)								
Basic and diluted	$	(0.03)	$	(0.02)	$	(0.01)	$	(0.07)

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

	Three months ended	June 30,	Nine months ended	June 30,
	2019	2018	2019	2018
Operating activities				
Net loss	$ (3,914)	$ (2,982)	$ (1,640)	$ (9,866)
Adjustments for:				
Depreciation and amortization	5,091	6,641	14,528	19,100
Debt extinguishment	-	-	100	19
Accretion (note 8)	135	259	610	600
Amortization of financing fees (note 8)	9	-	13	106
Stock-based compensation (note 19)	22	49	66	148
Warrants	-	(1)	-	(9)
Long-term compensation	548	(114)	1,320	(127)
Deferred income tax (recovery) (note 18)	(927)	104	(1,402)	(356)
Provision for statutory labour obligations	131	126	200	267
Foreign exchange (gain) loss	94	368	88	(15)
Derivative instruments unrealized (gain) loss (note 9)	179	(168)	338	(1,052)
	1,368	4,282	14,221	8,815
Changes in non-cash working capital				
Concentrate and doré sales receivables	(482)	1,212	(346)	1,714
Value added taxes and other receivables and prepaid expenses	265	(144)	(3,927)	(4,028)
Inventory	359	1,088	(596)	(1,997)
Accounts payable and accrued liabilities	3,405	(1,790)	(206)	(844)
Income taxes payable	(49)	(638)	324	(2,989)
	3,498	(272)	(4,751)	(8,144)
Cash provided by (used in) operating activities	4,866	4,010	9,470	671
Investing activities				
Capital expenditures	(4,999)	(5,618)	(8,718)	(17,287)
Restricted cash	(368)	111	(1,184)	2,592
Proceeds from Copperwood note	1,000	250	1,000	250
Cash used in investing activities	(4,367)	(5,257)	(8,902)	(14,445)
Financing activities				
Proceeds from (repayment of) BISA TSF Loan (note 15)	(709)	641	(2,127)	3,794
Proceeds from (repayment of) BISA Heavy Equip. Loan (note 15)	(204)	2,318	(614)	2,318
Proceeds from (repayment of) Prepayment Facility (note 15)	-	(60)	(9,117)	(2,878)
Proceeds from (repayment of) New Facility (Spanish local banks) (note 15)	2,230	-	8,971	-
Proceeds from (repayment of) other bank debt (note 15)	747	(372)	2,544	579
Financing fees	(241)	-	(430)	-
Finance leases (note 16)	109	-	537	652
Repayment of finance leases (note 16)	(47)	(403)	(308)	(1,053)
Cash provided by financing activities	1,885	2,124	(544)	3,412
Change in cash	2,384	877	24	(10,362)
Cash, beginning of the period	9,316	12,482	11,634	23,811
Effect of exchange rate change on cash	(18)	125	24	35
Cash, end of period	$ 11,682	$ 13,484	$ 11,682	$ 13,484

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

		As at June 30, 2019		As at September 30, 2018
Assets				
Current assets				
Cash and cash equivalents	$	11,682	$	11,634
Restricted cash (note 11)		131		61
Concentrate and doré sales receivables		1,957		1,611
Value added taxes and other receivables and prepaid expenses		3,704		3,492
Copperwood note (note 3)		-		1,000
Inventory (note 12)		20,551		20,250
Income tax receivable		792		1,198
Derivative instruments (note 9)		-		108
		38,817		39,354
Non-current assets				
Value-added taxes and other receivables		14,960		11,245
Restricted cash (note 11)		1,463		349
Reclamation bonds (note 11)		8,635		8,784
Deferred income tax asset (note 18)		1,849		447
Inventory (note 12)		1,993		1,993
Property, plant and equipment (note 13)		90,655		96,628
	$	158,372	$	158,800
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (note 14)	$	31,480	$	30,410
Income taxes payable (note 18)		-		82
Debt (note 15)		10,772		17,331
Deferred revenue		308		290
Obligations under finance leases (note 16)		755		786
Derivative instruments		228		-
		43,543		48,899
Non-current liabilities				
Decommissioning liabilities (note 17)		21,294		21,236
Debt (note 15)		9,819		3,627
Deferred revenue		-		180
Obligations under finance leases (note 16)		467		245
Provision for statutory labour obligations		4,033		3,833
Other liabilities		1,445		2,755
Long-term compensation (note 20 (b))		1,634		314
		82,235		81,089
Shareholders' equity				
Share capital (note 19)		116,206		116,206
Contributed surplus		3,818		3,752
Accumulated deficit		(43,887)		(42,247)
		76,137		77,711
	$	158,372	$	158,800

Commitments and contingent liabilities (note 21).

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

		Share Capital		Contributed Surplus		Retained Earnings		Total
Balance, October 1, 2018	$	116,206		3,752		(42,247)		77,711
Stock-based compensation		-		66		-		66
Net gain (loss)		-				(1,640)		(1,640)
Balance, June 30, 2019	$	116,206		3,818		(43,887)		76,137

		Share Capital		Contributed Surplus		Retained Earnings		Total
Balance, October 1, 2017	$	116,206	$	3,554	$	(31,150)	$	88,610
Stock-based compensation		-		148		-		148
Net loss		-		-		(9,866)		(9,866)
Balance, June 30, 2018	$	116,206	$	3,702	$	(41,016)	$	78,892

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

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 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 gold and copper concessions in the Don Mario district in south-eastern Bolivia (“Don Mario”) which is held indirectly through its wholly-owned subsidiary, Empresa Minera Paititi S.A. ("EMIPA"). During the second quarter of fiscal 2018, Don Mario transitioned mining activities from the open pit copper, gold and silver Lower Mineralized Zone deposit to its Cerro Felix gold satellite deposit.

Orvana entered into an asset purchase agreement on May 14, 2019 with Compañía Minera Taguas S.A. (the Vendor) pursuant to which, Orvana agreed to acquire a new property named Taguas. In consideration for 100% of Taguas, Orvana will grant to the Vendor an indivisible net smelter royalty equal to 2.5% on all future metals production mined from this property. Taguas consists of 15 mining concessions over an area of 3,273.87 ha. It is located in the Province of San Juan, Argentina. The Toronto Stock Exchange ("TSX") has provided conditional acceptance of Orvana's notice of this transaction, pursuant to the TSX Company Manual. Closing of this transaction is subject to the final acceptance of the TSX and a number of closing conditions including, without limitation, completion of satisfactory due diligence by Orvana and applicable local mining rights registration. In this regard, Orvana has incorporated last June 18, 2019 a Spanish new entity (Orvana Minerals Iberia, SL), fully controlled by Orvana Sweden International, AB, and is in the process of incorporation a new Argentinian Entity.

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 condensed interim consolidated financial statements were approved by the Board of Directors of the Company on August 8, 2019.

<u>IFRS 9, Financial Instruments.</u>

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:

- 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.

<u>IFRS 15, Revenue from contracts with customers.</u>

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.

  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. As of June 30, 2019, the company has collected the remaining balance of $1,000 and accrued interest during the nine-month period ended June 30, 2019 of $107.

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 nine months ended June 30, 2019	For the three months ended June 30, 2019
Gold-copper concentrate	$	39,618	10,817
Doré		63,555	19,804
Subtotal	$	103,173	30,621
Provisional invoicing adjustments		409	569
Realized gain (loss) on cash settlements of derivative instruments (note 9)		(420)	(359)
Total revenue	$	103,162	30,831

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, 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 and nine months ended June 30, 2019 and 2018 relate to El Valle and Don Mario.

	For the three months ended June 30,				For the nine months ended June 30,			
		2019		2018		2019		2018
Direct mining costs	$	26,628	$	29,485	$	80,520	$	83,098
Royalties and mining rights (1)		1,002		1,237		3,358		3,557
Mining royalty taxes (2)		674		1,007		2,533		3,659
Total mining costs	$	28,304	$	31,729	$	86,411	$	90,314

(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 June 30,				For the nine months ended June 30,			
		2019		2018		2019		2018
Salaries, directors' fees and office administration	$	605	$	1,336	$	2,099	$	3,815
Depreciation		3		5		11		13
Stock-based compensation expense		22		49		66		148
Warrants		-		(2)		-		(10)
Long-term compensation		548		(164)		1,320		(97)
Foreign exchange gain		(58)		(365)		(922)		(365)
Total general and administrative expenses	$	1,120	$	859	$	2,574	$	3,504

7. Other (income) expense

	For the three months ended June 30,				For the nine months ended June 30,			
		2019		2018		2019		2018
Provision for uncollectible VAT – EMIPA (1)	$	(150)	$	274	$	(1,792)	$	729
Insurance proceeds		-		-		-		(806)
Miscellaneous other expense		(40)		385		(91)		146
Total other expense	$	(190)	$	659	$	(1,883)	$	69

(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 $2,162 as at June 30, 2019 for certain VAT amounts received or receivable that have not been audited by the Bolivian National Tax Service (September 30, 2018 – $3,954).

8. Finance costs

	For the three months ended June 30, 2019	2018	For the nine months ended June 30, 2019	2018
Interest on credit facilities	$ 212	$ 23	$ 529	$ 41
Effective interest on Prepayment Facility	-	393	511	915
Other interest (income) expense	(37)	(1)	(111)	(8)
Financing fees	4	-	14	73
Amortization of financing fees	9	-	13	105
Accretion expense on decommissioning obligations	105	104	317	313
Accretion gains on Copperwood deferred payments	-	(21)	-	(71)
Debt extinguishment	-	-	100	19
Total finance costs	$ 293	$ 498	$ 1,373	$ 1,387

9. Derivative instruments

The Company had the following outstanding derivative instruments at June 30, 2018:

	Contract Prices	Cash Settlement	Contract Amounts
Gold			
Gold forwards (Jul 2019 – Sep 2019)	€1,160-€1,170 / troy oz	Monthly	2,500 troy oz

During the three and nine months ended June 30, 2019, the Company paid net cash of $362 and $423, respectively (three and nine months ended June 30, 2018 – paid net cash of $202 and $2,440, respectively), 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 counterparty for all derivative instruments is Auramet International LLC.

The Company recorded fair value adjustments on its outstanding derivative instruments for the three and nine months ended June 30, 2019 as follows:

	For the three months ended June 30, 2019	2018	For the nine months ended June 30, 2019	2018
Change in unrealized fair value	$ (175)	$ 168	$ (334)	$ 1,052
Realized loss on cash settlements of derivative instruments (1)	(359)	(202)	(420)	(2,440)
Derivative instruments gain (loss)	$ (534)	$ (34)	$ (754)	$ (1,388)

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

10. Net loss per share

	For the three months ended June 30, 2019	2018	For the nine months ended June 30, 2019	2018
Net loss	$ (3,914)	$ (2,982)	$ (1,640)	$ (9,866)
Weighted average number of common shares outstanding – basic and diluted	136,623,171	136,623,171	136,623,171	136,623,171
Net loss per share – basic and diluted	$ (0.03)	$ (0.02)	$ (0.01)	$ (0.07)

11. Restricted cash and reclamation bonds

Restricted cash

Restricted cash as at June 30, 2019 was $131 (September 30, 2018 – $61), consisting of warranties required by the Spanish government to appeal claims before the Spanish labour courts.

Long-term restricted cash as at June 30, 2019 was $1,463 (September 30, 2018 – $349). At September 2018 the restricted cash consisted mainly of a deposit made by OroValle to secure the lease of the underground mobile equipment. At June 30, 2019 the majority ($1,137) restricted cash is required by the Spanish banks in accordance with the terms of the New Facility in Orovalle (Note 15).

Reclamation bonds

At June 30, 2019, cash backed reclamation bonds held in a Spanish financial institution were $8,635 (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 $5,690) 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.

12. Inventory

		June 30, 2019		September 30, 2018
Ore in stockpiles	$	362	$	962
Ore in-process		1,656		1,356
Gold doré		1,356		378
Gold-Copper concentrates		4,585		5,518
Materials and supplies		12,592		12,036
Current Assets - Inventory	$	20,551	$	20,250
Long-term ore in stockpiles	$	1,993	$	1,993
Total Inventory	$	22,544	$	22,243

The Company recognized $31,484 and $94,345 of inventory in cost of sales for the three and nine months ended June 30, 2019 (three and nine months ended June 30, 2018 - $35,614 and $100,199, respectively).

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	212	4,983	122	3,251	8,568
Disposals	-	(1,249)	-	-	(1,249)
Change in decommissioning assets	-	(245)		-	(245)
Transfers		(1,571)	(7)	1,578	-
Depreciation (1)		(7,397)	(84)	(5,566)	(13,047)
Net book value, June 30, 2019	2,654	46,370	573	41,058	90,655

Total cost	2,654	53,767	657	46,624	103,702
Total accumulated depreciation	-	(7,397)	(84)	(5,566)	(13,047)
Net book value, June 30, 2019	2,654	46,370	573	41,058	90,655

(1) Depreciation includes amounts recorded in inventory.

On the consolidated statement of cash flow for the nine months ended June 30, 2019, capital expenditures exclude approximately $1,474 of capital expenditures incurred but unpaid as at June 30, 2019 (June 30, 2018 - $2,566) 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

		June 30, 2019		September 30, 2018
Accounts payable	$	26,100	$	23,870
Accrued liabilities		5,380		6,540
Total accounts payable and accrued liabilities	$	31,480	$	30,410

15. Debt

		June 30, 2019		September 30, 2018
Revolving facilities Orovalle	$	2,975	$	2,894
Revolving facilities EMIPA		1,972		-
BISA TSF Loan		4,959		7,085
BISA Heavy Equipment		1,500		2,114
Prepayment Facility		-		8,865
Banco de Crédito Loan		493		
New Facility (Spanish local banks)		8,692		-
		20,591		20,958
Less: current portion		(10,772)		(17,331)
	$	9,819	$	3,627

Revolving facilities EMIPA

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 June 30, 2019, $1,972 were drawn down from this facility (September 30, 2018 - $nil). Prepayment of capital and interests will occur between July and August 2019. The interest rate and the covenants for this facility are similar to TSF Loan mentioned below.

Revolving facilities Orovalle

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 June 30, 2019, the full amount of the facility was drawn (approximately $1,707), (September 30, 2018 $1,737).

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 June 30, 2019, the full amount of the facility was drawn (approximately $1,138), (September 30, 2018 $1,158).

For the three and nine month ended June 30, 2019, the Company paid $58 and $76 respectively in interest on the short-term credit facilities (June 30, 2018 – $23 and $41, respectively).

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 is being 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 June 30, 2019, EMIPA had received six disbursements in the amount of $8,336 (September 30, 2018 – $8,336) and principal repayments of $3,377 were made against the BISA TSF Loan, such that the principal outstanding at June 30, 2019 was $4,959 (September 30, 2018 - $7,085).

For the three and nine months ended June 30, 2019, the Company paid $68 and $250, respectively, in interest on the BISA TSF Loan (three and nine months ended June 30, 2018 – $187).

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 June 30, 2019, the full amount of the loan was drawn and principal repayments of $873 were made against the BISA Heavy Equipment Loan, such that the principal outstanding was $1,500 (September 30, 2018 - $2,114).

For the three and nine months ended June 30, 2019, the Company paid $23 and $77, respectively, in interest on the BISA Heavy Equipment Loan (three and nine months ended June 30, 2018 – $15).

Banco de Crédito Loan

In May 2019, EMIPA entered into a Bs.3,430,000 (approximately $493) term facility with Banco de Crédito in Bolivia.This loan bears an interest rate of 6% per annum and matures in August 2019 with a single repayment installment (jointly with the interests) in August 2019. As at June 30, 2019 EMIPA received the $493 disbursement

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 has been 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 were reduced to $20 per month; ii) principal repayments due from November 2018 to February 2019 were increased to $1,650 per month; and iii) remaining principal repayments, were scheduled to due in March and April 2019 and were planned to be paid in equal instalments of $1,250. The deferred amount of the principal was expected to be repaid, totalling, $7,320, beared interest at USD 3M LIBOR plus 7.5% per annum, while the remaining principal was planned to bear interest at the original rate. Interest payments and principal repayments were supposed to 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 were deducted from Orvana's on-going shipments of copper concentrates and/or gold doré.

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. In January, 2019, the Company closed a syndicated credit facility and, concurrent with the closing, Orvana repaid the full Prepayment Facility. With the full payment of the facilities all the pledges and covenants regarding this financing were cancelled, with effective date January 31, 2019.

The principal was fully settled during the first nine months of fiscal 2019, such that the principal outstanding as at June 30, 2019 was $nil (September 30, 2018 - $9,118 minus $253 for accretion of the debt). Samsung C&T continues to have a commercial relationship and agrees to pay for copper concentrates and gold doré at a price based on the prevailing metal prices for the gold, silver and copper content around time of shipment, less customary treatment, refining and shipping charges, and pursuant to the terms of the Prepayment Facility.

A $100 fee for the early repayment of this facility resulted in a loss to the income statement.

New Facility (Spanish local banks)

In January 2019 Orovalle closed a syndicated credit facility (the "New Facility") for a total amount of €6 million (in USD, $ 6,741). These funds were used to repay the Samsung Prepayment Facility.

This New Facility is subject to a 2% bank commission fee, bears a fixed interest rate of 2.55%, semi-annual principal repayments and semi-annual interest payments over a term of four years.

Amongst the aforementioned obligations there is a covenant regarding the debt rate in Orovalle's individual Financial Statements that would be calculated through this formula: Net Finance Debt / EBITDA Proforma. This rate must be lower than 3.5 every year end. The company is currently in compliance with the debt covenants.

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.

In May 2019, Orovalle increased the New Facility by €2 million, achieving a total aggregated amount of €8 million, maintaining the same facility conditions.

The final amount of deferred bank fees for this financing were $150 and the amortization of the financing fees was $11 for the nine months ended 30, June 2019.

The amortized cost expense registered for the period ended June 30, 2019 was $140.

16. Obligations under finance leases

In December 2017, El Valle entered into a lease agreement with a term of two years to purchase underground mobile equipment. During fiscal 2016, El Valle entered into three lease agreements with lease terms between two to three years to acquire the use of underground mobile equipment. The leases are payable in monthly installments at annual interest rates of 1.75% to 2.50%. Each contract has a purchase option.

In April 2019 Orovalle enters in two leasing contracts with annual interest rates of 1.38% and a duration of 3 years. Each contract has a purchase option.

At June 30, 2019, the total lease obligation outstanding was $1,222 (September 30, 2018 - $1,031). During the three and nine months ended June 30, 2019, the Company made lease payments of $47 and $308, respectively (three and nine months ended June 30, 2018 - $403 and $1,053 respectively). The following is a schedule of future minimum payments under the finance leases:

			June 30, 2019		September 30, 2018
Fiscal	2019	$	388	$	835
	2020		477		239
	2021		270		
	2022		106		
			1,241		1,074
Amount representing interest at 1.75%			(19)		(43)
			1,222		1,031
Less: current portion of lease obligation			(755)		(786)
Total long-term obligations under finance leases		$	467	$	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:

		June 30, 2019		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		(245)		1,042
– Don Mario Mine		(15)		-
		20,976		20,981
Accretion expense		318		255
Reclamation payments		-		-
Total decommissioning liabilities	$	21,294	$	21,236

For El Valle Mine, the revision in estimated cash flows at June 30, 2019 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 June 30, 2019 relates to minor adjustment in estimated mine life.

The decommissioning liability balance consists of:

		June 30, 2019		September 30, 2018
El Valle Mine	$	14,459	$	14,547
Don Mario Mine		6,835		6,689
Total decommissioning liabilities	$	21,294	$	21,236

As at June 30, 2019, 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)	$	16,360	1.47%	$	14,459
Don Mario Mine		8,115	3.20%		6,835
Total	$	24,475		$	21,294

(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 $8,635 at June 30, 2019 (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 11 – 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 June 30,				For the nine months ended June 30,			
		2019		2018		2019		2018
Current income taxes:								
Current tax (recovery) on income for the periods	$	-	$	(326)	$	423	$	2,333
Total current income taxes		-		(326)		423		2,333
Deferred income tax:								
Origination and reversal of temporary differences in OroValle (and others)		-		-		(17)		-
Origination and reversal of temporary differences in EMIPA		(927)		104		(1,402)		(356)
Total deferred tax expense (recovery)		(927)		104		(1,419)		(356)
Total income tax expense (recovery)	$	(927)	$	(222)	$	(996)	$	1,977

Cash taxes paid by EMIPA during the three and nine months ended June 30, 2019 totaled nil and $423, respectively (three and nine months ended June 30, 2018 - $449 and $6,161, respectively).

19. Share capital and warrants

Issued share capital as at June 30, 2019 was $116,206 (September 30, 2017 – $116,206). The Company's authorized share capital contains an unlimited number of common shares. As at June 30, 2019, the Company had 136,623,171 common shares (September 30, 2018 – 136,623,171) issued and outstanding.

Warrants

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, June 30, 2019	100,000	$	-

As at June 30, 2019, 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, 2018	1,185,823	$0.24
Granted	-	-
Expired	(414,815)	0.26
Forfeited	-	-
Balance, June 30, 2019	771,008	$0.22

As at June 30, 2019, outstanding and exercisable options were as follows:

Grant date		Fair value US$000's	Number of unvested options	Weighted average contractual life (in years)	Number of vested options	Exercise price C$	Expiry date
December 18, 2014		35	-	0.47	125,000	0.30	December 18, 2019
December 21, 2017		181	-	3.48	646,008	0.21	December 21, 2022
	$	216	-		771,008		
Total vested and unvested options					771,008		

The Company uses the fair value method of accounting for options and, during the three and nine months ended June 30, 2019, recognized stock-based compensation expense of $22 and $66, respectively (three and nine months ended June 30, 2018 – expense of $49 and $148, respectively).

The compensation expense associated with the options for the three and nine months ended June 30, 2019 includes an estimated forfeiture rate of 10% based on the average rate of forfeitures over the last three years (June 30, 2018 – 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 June 30, 2019, 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
Redeemed	(73,529)		(14)
Mark-to-market adjustment	-		503
Balance, June 30, 2019	4,760,738	$	1,019

(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.

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	-		322
Balance, June 30, 2019	2,877,858	$	615

(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, June 30, 2019	-	$	-

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 June 30, 2019		For the three months ended June 30, 2018		For the nine months ended June 30, 2019		For the nine months ended June 30, 2018
Salaries and short term employee benefits	$	271	$	138	$	571	$	895
Share-based payments [1]		571		(155)		1,386		(1)
Director Fees		88		116		263		311
Retirement benefits and termination payments		-		242		-		322
Total compensation of key management	$	930	$	341	$	2,220	$	1,527

(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 $1,087) 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 (€628.715, $715,478) 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 $5,690) in respect of the tailings impoundment area. To satisfy this requirement, OroValle deposited €5,000,000 (approximately $5,690) 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 $5,690) 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 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"), payable monthly. The NSR 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 $620 and $2,009 for the three and nine months ended June 30, 2019, respectively (three and nine months ended June 30, 2018 - $757 and $1,853, respectively).

(d) Production from Don Mario Mine is subject to a 3% NSR payable quarterly. Royalty expense under this NSR totalled $381 and $1,349 for the three and nine months ended June 30, 2019, respectively (three and nine months ended June 30, 2018 - $480 and $1,704, respectively). 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 $673 and $2,533 for the three and nine months ended June 30, 2019, respectively (three and nine months ended June 30, 2018 - $1,007 and $3,659, respectively).

(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.

(f) During the second quarter EMIPA received from the Bolivian tax authorities a re-assessment of its past corporate income tax filings. This re-assessment charged an additional corporate income tax of approximately $669 on the basis of different tax criteria for depreciations and the deductibility of certain expenses. In February EMIPA started a process of discussions with the Bolivian tax authorities and appealed to the regional court. In May the regional court responded canceling Tax authority resolution. Tax Authority has appealed regional court decision and will be filing a new resolution in the following months. Should any part of this additional corporate tax amount be determined to be the final amount payable at the end of this tax resolution process, such amount shall incur additional interest and penalties, the amount of which cannot be determined with certainty at this stage of the process.

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:

As at June 30, 2019:

		Cash and cash equivalents	Property, plant and equipment	Reclamation bonds and restricted cash	Other assets	Total assets
OroValle	$	9,494	71,106	10,098	17,683	108,381
EMIPA		898	19,532	131	28,010	48,571
Corporate		1,290	17	-	113	1,420
	$	11,682	90,655	10,229	45,806	158,372

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 June 30, 2019:

		Revenue	Mining costs (1)	Depreciation/ Amortization(2)	Other (recoveries) costs	Income (loss) before taxes
OroValle	$	21,234	17,908	3,524	511	(709)
EMIPA		9,597	10,396	1,561	456	(2,816)
Corporate		-	-	3	1,313	(1,316)
	$	30,831	28,304	5,088	2,280	(4,841)

(1) Mining costs includes royalties, mining rights and mining taxes. Refer to note 5 – Mining costs.
(2) Depreciation is included under general and administrative expenses for non-operating companies.

For the three months ended June 30, 2018:

		Revenue		Mining costs (1)		Depreciation/ Amortization(2)		Other costs		Income (loss) before taxes
OroValle	$	24,740	$	20,007	$	4,214	$	177	$	342
EMIPA		13,698		11,722		2,422		990		(1,436)
Corporate		-		-		5		2,105		(2,110)
	$	38,438	$	31,729	$	6,641	$	3,272	$	(3,204)

(1) Mining costs includes royalties, mining rights and mining taxes. Refer to note 5 – Mining costs.
(2) Depreciation is included under general and administrative expenses for non-operating companies.

For the nine months ended June 30, 2019:

		Revenue	Mining costs (1)	Depreciation/ Amortization(2)	Other (recoveries) costs	Income (loss) before taxes
OroValle	$	66,925	52,990	10,063	684	3,188
EMIPA		36,237	33,421	4,454	(80)	(1,558)
Corporate			-	11	4,255	(4,266)
	$	103,162	86,411	14,528	4,859	(2,636)

(1) Mining costs includes royalties, mining rights and mining taxes. Refer to note 5 – Mining costs.
(2) Depreciation is included under general and administrative expenses for non-operating companies.

For the nine months ended June 30, 2018:

		Revenue		Mining costs (1)		Depreciation/ Amortization(2)		Other (recoveries) costs		Income (loss) before taxes
OroValle	$	59,402	$	54,084	$	10,778	$	(264)	$	(5,196)
EMIPA		50,136		36,230		8,309		2,803		2,794
Corporate		-		-		13		5,474		(5,487)
	$	109,538	$	90,314	$	19,100	$	8,013	$	(7,889)

(1) Mining costs includes royalties, mining rights and mining taxes. Refer to note 5 – Mining costs.
(2) Depreciation is included under general and administrative expenses for non-operating companies.

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 June 30, 2019	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	-	1,957	-	1,957
Total	$ -	$ 1,957	$ -	$ 1,957
Financial liabilities:				
Long-term compensation	$ 1,634	$ -	$ -	$ 1,634
Total	$ 1,634	$ -	$ -	$ 1,634

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 June 30, 2019 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.