



SILVER X MINING CORP.

(formerly ORO X MINING CORP.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2022

**(Unaudited – Prepared by Management)
Expressed in US Dollars**

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed consolidated interim financial statements for the six months ended June 30, 2022. These financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

SILVER X MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in US Dollars)

	Notes	June 30, 2022	December 31, 2021 <i>Restated (Note 2)</i>
ASSETS			
Current assets			
Cash		\$ 1,573,802	\$ 4,505,888
Trade and other receivables	4	3,925,753	2,725,046
Prepaid expenses and deposits		58,702	471,765
Inventory		296,899	331,986
		5,855,156	8,034,685
Non-current assets			
Other receivables – non current		811,060	680,739
Right-of-use- assets	7	744,868	890,012
Property and equipment	6	5,839,079	5,434,699
Development property	8	46,772,804	45,937,777
Exploration and evaluation assets	5	6,035,046	5,886,348
		60,202,857	58,829,575
TOTAL ASSETS		\$ 66,058,013	\$ 66,864,260
LIABILITIES and SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payable and accrued liabilities	9	14,034,268	11,641,973
Lease obligation	7	268,245	227,433
Convertible debenture	11	-	4,128,864
Debenture	10	2,129,246	1,631,838
		16,431,759	17,630,108
Non-current liabilities			
Lease obligation	7	410,240	551,469
Deferred income tax liability		7,626,292	9,546,292
Asset retirement obligation	12	1,557,868	1,684,801
Total liabilities		26,026,159	29,412,670
Shareholders' equity			
Share capital		63,489,636	59,091,280
Deficit		(35,589,013)	(33,059,815)
Reserves		12,131,231	11,420,125
Total shareholders' equity		40,031,854	37,451,590
TOTAL LIABILITIES and SHAREHOLDERS' EQUITY		\$ 66,058,013	\$ 66,864,260

Nature of operations and going concern (notes 1 & 2)

Subsequent events (note 19)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON August 25, 2022:

" Luis Zapata " Director " Darryl Cardey " Director

See accompanying notes to the condensed consolidated interim financial statements

SILVER X MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in US Dollars)

	Notes	For the three months ended June 30, 2022	For the four months ended September 30, 2021 <i>Restated (Note 2)</i>	For the six months ended June 30, 2022	For the seven months ended September 30, 2021 <i>Restated (Note 2)</i>
OPERATING REVENUES		\$ 3,184,470	\$ 2,884,034	4,492,623	\$ 2,884,034
COST OF SALES					
Mining and processing		\$ (2,624,105)	\$ (4,751,883)	(6,407,998)	\$ (4,751,883)
Amortization		(212,315)	(53,117)	(257,631)	(53,117)
		(2,836,420)	(4,805,000)	(6,665,629)	(4,805,000)
EXPLORATION EXPENDITURES	5	\$ (140,516)	\$ (217,183)	(179,678)	\$ (318,866)
GENERAL AND ADMINISTRATIVE EXPENSES					
Consulting fees	14	\$ (256,901)	\$ (548,279)	(464,949)	\$ (718,480)
Directors fees	14	(12,879)	(7,784)	(16,038)	(18,038)
Investor relations		(391,339)	(554,138)	(455,613)	(685,517)
Office and administration		(53,994)	(820,401)	(210,997)	(823,031)
Professional fees		(266,447)	(66,405)	(325,483)	(170,380)
Salaries and benefits	14	(47,048)	(15,058)	(88,331)	(66,435)
Share-based payments	13, 14	(56,355)	(3,469,072)	(178,428)	(3,759,164)
Transfer agent and regulatory fees		(48,628)	(8,314)	(58,075)	(9,588)
		(1,133,591)	(5,489,451)	(1,797,914)	(6,250,633)
OTHER ITEMS					
Finance income		960	41,878	4,118	41,878
Finance cost		(292,434)	(271,332)	(355,345)	(272,301)
Transaction cost		-	(942,810)	-	(942,810)
Foreign exchange gain (loss)		(39,059)	(5,513)	52,627	(6,062)
Net loss before tax		(1,256,590)	(8,805,377)	(4,449,198)	(9,669,760)
Deferred income tax recovery		131,000	-	1,920,000	-
Net loss		(1,125,590)	(8,805,377)	(2,529,198)	(9,669,760)
(Loss) gain on translation of foreign operations		182,095	(219,839)	532,680	419,473
Total comprehensive loss		\$ (943,495)	(9,025,216)	(1,996,518)	\$ (9,250,287)
Loss per share, basic and diluted		\$ (0.01)	(0.09)	(0.02)	\$ (0.13)
Weighted average number of common shares outstanding		127,009,353	102,685,190	124,775,116	77,063,289

See accompanying notes to the condensed consolidated interim financial statements

SILVER X MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in US Dollars)

		Other Equity Reserves							
Notes	Number of Common shares	Share capital	Share- based payments	Share purchase warrants	Equity portion of convertible debenture	Accumulated OCI	Deficit	Total	
Balance, February 28, 2021		42,969,029	20,861,688	2,198,167	1,271,673	-	868,250	(18,209,773)	6,990,005
Net loss for the period (Restated Note 3)		-	-	-	-	-	(14,850,042)	(14,850,042)	
(Loss) gain on translation of foreign operations		-	-	-	-	3,340,011	-	3,340,011	
13	Warrants exercised (note 15)	4,117,100	1,174,478	-	(21,835)	-	-	1,152,643	
13	Options exercised (note 15)	250,000	125,828	(71,835)	-	-	-	53,993	
13	RSU vesting (note 15)	875,000	503,937	(503,937)	-	-	-	-	
3	Acquisition of MMTP (note 5)	42,969,046	24,131,030	-	-	-	-	24,131,030	
3	MMTP Finder shares (note 5)	1,250,000	689,913	-	59,285	-	-	749,198	
11	Convertible debenture (note 13)	-	-	-	-	153,065	-	153,065	
13	Private placement, net (note 15)	23,649,286	10,069,923	-	406,678	-	-	10,476,601	
	Shares for debt	5,890,418	1,534,483	-	-	-	-	1,534,483	
13	Share-based payments (note 15)	-	-	3,720,601	-	-	-	3,720,601	
Balance, December 31, 2021 (Restated Note 2)		121,969,879	59,091,280	5,342,996	1,715,801	153,065	4,208,261	(33,059,815)	37,451,588
Net loss for the period		-	-	-	-	-	(2,529,198)	(2,529,198)	
(Loss) gain on translation of foreign operations		-	-	-	-	532,680	-	532,680	
13	Shares for debt	18,397,951	4,398,356	-	-	-	-	4,398,356	
13	Share-based payments	-	-	178,428	-	-	-	178,428	
Balance, June 30, 2022		140,367,830	63,489,636	5,521,424	1,715,801	153,065	4,740,941	(35,589,013)	40,031,854

See accompanying notes to the condensed consolidated interim financial statements

SILVER X MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW
(Unaudited – Prepared by Management)
(Expressed in US Dollars)

		For the six months ended June 30, 2022	For the seven months end Septmeber 30, 2021 <i>Restated (Note 2)</i>
	Notes		
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss for the period		\$ (2,529,198)	\$ (9,669,760)
Items not affecting cash:			
Amortization		257,631	-
Share-based payments	13, 14	178,428	3,759,164
Deferred income tax recovery	19	(1,920,000)	-
Non cash interest		324,817	272,301
Transaction cost		-	781,416
Foreign exchange		311,374	59,181
		(3,376,948)	(4,797,698)
Changes in non-cash working capital items:			
Other receivables and prepaid		(917,965)	207,605
Accounts payable and accrued liabilities		2,392,295	783,809
Inventory		35,087	156,711
Net cash outflow from operating activities		(1,867,531)	(3,649,573)
FINANCING ACTIVITIES			
Proceeds from exercise of warrants	13	-	1,131,769
Proceeds from exercise of options		-	42,222
Proceeds (net of share issuance cost) from private placement		-	10,346,307
Loan payment		-	(255,814)
Lease payments		(155,742)	-
Repayments of debenture		(66,234)	-
Proceeds from debenture		563,642	-
Net cash flow from financing activities		341,666	11,264,484
INVESTING ACTIVITIES			
MMTP Cash		-	138,466
Development asset	8	(835,027)	-
Purchase of PP&E	6	(516,867)	(227,318)
Net cash outflow from investing activities		(1,351,894)	(88,852)
FX impact on cash		(54,327)	(212,938)
Net change in cash		(2,932,086)	7,313,121
Cash, beginning of period		4,505,888	1,196,007
Cash, end of period		\$ 1,573,802	\$ 8,509,128
Supplemental cash flow information (note 18)			

See accompanying notes to the condensed consolidated interim financial statements

1. CORPORATE INFORMATION

Silver X Mining Corp. (formerly Oro X Mining Corp.) (the "Company") was incorporated under the *Business Corporations Act* of British Columbia on June 4, 2009. The Company is listed on the Toronto Stock Exchange Venture (The "TSXV") under the symbol AGX, the U.S. Over The Counter Market (The "OTCQB") under the symbol AGXPF and the Frankfurt Stock Exchange under the symbol WPZ.

The Company's principal business activities are directed towards the exploration and development of mineral properties in the Americas.

The address of the Company's corporate office and principal place of business is Suite 1430 – 800 West Pender Street, Vancouver, BC, V6C 2V6.

2. BASIS OF PREPARATION

Statement of Compliance with International Financial Reporting Standards ("IFRS")

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021.

Other than as stated below, these unaudited condensed interim consolidated financial statements follow the same accounting policies and methods of applications as the most recent audited consolidated financial statements of the Company.

The Company's interim results are not necessarily indicative of its results for a full year.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Change in Presentation Currency

Effective March 1, 2020, the Company changed its presentation currency from Canadian Dollars ("CAD") to U.S. Dollars ("USD") to better reflect the Company's business activities. In making this change in presentation currency to USD, the Company followed the guidance in IAS 21 The Effects of Changes in Foreign Exchange Rates and have applied the change retrospectively, as if the USD had always been the Company's presentation currency, as follows:

- Assets and liabilities have been translated into the USD at the rate of exchange prevailing at the respective reporting dates;
- The consolidated statements of loss and comprehensive loss were translated at the average exchange rates for the respective reporting periods, or at the exchange rates prevailing at the applicable transaction date;
- Equity transactions have been translated at the exchange rate prevailing at the date of the transactions; and;
- Exchange differences arising on translation were recorded in accumulated other comprehensive loss in shareholders' equity.

2. BASIS OF PREPARATION (continued...)

Change in Presentation Currency (continued...)

The exchange rates used were as follows:

USD/CAD exchange rate	Dec. 31, 2021
Closing at the reporting date	1.2678
Average rate for the period	1.2503

Change in Fiscal Year-end

The Company has changed its fiscal year-end from February 28 to December 31, resulting in a 10 month transition year from March 1, 2021 to December 31, 2021. The reason for the change was to be consistent with its operating subsidiary's year end.

Going Concern and Continuance of Operations

These consolidated interim financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At June 30, 2022, the Company had an accumulated deficit of \$35,589,013 (December 31, 2021 - \$33,059,815 Restated Note 3) since inception, and the Company's working capital deficit was \$10,576,603 (December 31, 2021 – deficit \$9,595,421). The Company is expected to incur further losses in the development of its business.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary capital either through external financing sources or organically through the ramping up of its production to meet its obligations and repay its liabilities arising from normal business operations when they come due, which in part, depends on prevailing market conditions, commodity prices and operational success. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

COVID-19

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Corporation. The extent to which the COVID-19 pandemic impacts the Corporation's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Corporation's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Corporation. Even after the COVID-19 pandemic has subsided, the Corporation may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Corporation cannot reasonably estimate the impact at this time our business, liquidity, capital resources and financial results.

SILVER X MINING CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended June 30, 2022
(Expressed in US Dollars)

2. BASIS OF PREPARATION (continued...)

Basis of Consolidation

The interim consolidated financial statements include the accounts and results of operations of the Company and its wholly owned subsidiaries listed in the following table below.

A subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise to obtain benefits from its activities. All material intercompany transactions and balances have been eliminated on consolidation.

Name of Parent	Place of Incorporation	Functional Currency	June 30, 2022 Ownership	Dec 31, 2021 Ownership
Silver X Mining Corp.	Canada	CAD	N/A - Parent	N/A - Parent
Name of Subsidiary				
Mines & Metals Trading (Peru) PLC	Isle of Man	USD	100%	100%
Recuperada SAC	Peru	USD	100%	100%
San Antonio Mining Peru SAC	Peru	SOL	100%	100%
Mining Sense Gold Peru SAC	Peru	SOL	100%	100%
Minera Tangana SAC	Peru	SOL	100%	100%
Corongo Exploraciones SAC	Peru	SOL	100%	100%
Western Pacific Resources (U.S.) Corp.	USA	USD	100%	100%
Quilla Canada Mining Corp.	Canada	CAD	100%	100%
Talla Canada Mining Corp.	Canada	CAD	100%	100%
Greengold Canada Mining Corp.	Canada	CAD	100%	100%
Quilla Mining SAC	Peru	SOL	100%	100%
Corporacion Minera Talla SAC	Peru	SOL	100%	100%
Green Gold Resources	Ecuador	USD	100%	100%

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in United States dollar, which is the Company's reporting currency. The functional currency of the Company and its subsidiaries are noted in the table above.

2. BASIS OF PREPARATION (continued...)

Amendments to Accounting Standards Adopted During the Period

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

In May 2020, the IASB issued amendments to IAS 16 Property, Plant and Equipment that clarify the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and mine development to the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments prohibit entities from deducting amounts received from selling items produced from the cost of property, plant and mine development while the Company is preparing the asset for its intended use. Instead, sales proceeds and the cost of producing these items will be recognized in the condensed interim consolidated statements of income. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The amendments apply retrospectively, but only to assets brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the Company first applies the amendments. The Company adopted the standard on the effective date and applying it retrospectively to the fiscal year beginning January 1, 2021 resulted in an increase to revenue from mining operations from the sale of pre-commercial mineral production of \$4.1 million, an increase in production costs of \$9.6 million and an increase during the year ended December 31, 2021, along with a corresponding net increase in the cost of property plant and mine development of \$5.5 million as at December 31, 2021. For the comparative period seven months ended September 30, 2021, the amendments resulted in an increase to revenue from mining operations from the sale of pre-commercial mineral production of \$2.9 million and an increase in production costs of \$4.8 million.

3. BUSINESS COMBINATION

On June 23, 2021, the Company acquired the Nueva Recuperada silver-lead-zinc project through the business combination of Mines & Metals Trading (Peru) PLC ("MMTP").

The acquisition was accounted for as a business combination, in which the assets acquired and the liabilities assumed are recorded at their estimated fair values.

The Company issued 42,969,046 common shares to acquire all outstanding shares of MMTP. The total fair value of the consideration was \$24,131,030.

The Company issued 1,250,000 common shares valued at \$689,914 and 316,848 share purchase warrants valued at \$59,285 (note 16) as finder's fee and non-cash transaction costs, which have been included in finance cost for the ten months ended December 31, 2021.

The purchase price allocation is as follows: **Total**

Consideration – 42,969,046 common shares (note 16)	\$ 24,131,030
<i>Fair value of assets and liabilities acquired</i>	
Cash	136,378
Trade and other receivables	3,126,141
Prepaid expenses and deposits	10,090
Inventory	461,009
Property, plant and equipment (note 9)	3,464,302
Development property (note 11)	47,107,531
Accounts payables and accruals	(10,220,129)
Convertible debenture and other debentures (notes 13 and 14)	(6,807,876)
Asset retirement obligations (note 15)	(3,234,124)
Deferred tax liabilities	(9,912,292)
Fair value of net assets acquired	\$ 24,131,030

SILVER X MINING CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended June 30, 2022
(Expressed in US Dollars)

4. TRADE AND OTHER RECEIVABLES

	June 30, 2022	December 31, 2021
Supplier advances	2,466,485	1,324,053
Reclamation bond	811,060	680,739
Tax receivables – Peru (IGV)	1,429,410	1,324,911
Tax receivables – Canada (GST)	29,858	76,082
	\$ 4,736,813	\$ 3,405,785
Non-current	(811,060)	(680,739)
Current	3,925,753	2,725,046

5. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition costs of its mineral property interests during the six months ended June 30, 2022:

	Ecuador Property (a)	Peru Properties (b)	Total
Balance February 28, 2021	\$ 1,163,816	\$ 4,728,240	\$ 5,892,056
Foreign exchange impact	(1,128)	(4,580)	(5,708)
Balance December 31, 2021	\$ 1,162,688	\$ 4,723,660	\$ 5,886,348
Foreign exchange impact	29,371	119,327	148,698
Balance June 30, 2022	\$ 1,192,059	\$ 4,842,987	\$ 6,035,046

a) Julian Property, Ecuador

On January 27, 2020, the Company entered into an asset purchase agreement (the “Asset Purchase Agreement”) with Green Oil S.A. (“Green Oil”) with respect to the acquisition by the Company from Green Oil of certain mineral claims located in Ecuador known as the Julian Property. The Julian Property is located in the Province of Azuay in the canton of Oña.

On June 11, 2020, the Company acquired the Julian Property through the issuance of 6,000,000 common shares valued at \$1,042,436, to Green Oil and its nominees. The Company also paid direct transaction costs of \$72,173.

SILVER X MINING CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended June 30, 2022
(Expressed in US Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued...)

b) Coriorcco & Las Antas Property, Peru

On October 8, 2020, the Company purchased the option rights to acquire a 100% interest in the Coriorcco property and up to an 85% legal and beneficial interest in the Las Antas property located in Peru. As consideration for the acquisition of the option rights, the Company paid cash of \$1,500,000, issued 7,050,000 common shares and paid a finder's fee with 629,836 common shares, with an aggregate value of \$2,958,641.

Under the Coriorcco Option Agreement, the Company will have the right to acquire a 100% interest in Coriorcco by making a payment of \$3,000,000 plus general sales tax and granting a production royalty to the underlying concession holder (the "Coriorcco Royalty" of 1% NSR) upon fulfilling the precedent conditions, some of which remain to be met, which include commencement of mining and production payments.

The Coriorcco Royalty can be repurchased for \$1,000,000 (the "Buy-Back Right") prior to the fifth anniversary of the Coriorcco Option Agreement. Every year following the fifth anniversary of the Coriorcco Option Agreement, the cost of the Buy-Back Right increases by 10%.

Additionally, as part of the amending agreement, the Company will pay \$190,000 (upon completion of registering the amended agreement with the Peruvian Public Registry, which had not occurred as at June 30, 2022 and will be required to pay up to \$850,000 (in cash or shares at the Company's option) based on the size of the mineral resource (in the measured and indicated category) that is established on the Coriorcco property in a technical report prepared in accordance with National Instrument 43-101 on the following conditions:

\$350,000 if a measured and indicated resource of 500,000 to 999,999 ounces of gold is established;
\$450,000 if a measured and indicated resource of 1,000,000 to 1,499,999 ounces of gold is established; or
\$850,000 if a measured and indicated resource in excess of 1,500,000 ounces of gold is established

The Company was required to commence small scale mining by April 2022 with the option to extend a further twelve months to April 2023 by incurring \$200,000 in exploration expenditures and is currently reviewing its exploration plan aiming to extend the commencement of the small scale mining in early 2023.

The precedent condition to exercise the option in Las Antas property regarding the completion of the \$2,000,000 exploration expenditure has not been met as at June 30, 2022.

EXPLORATION EXPENDITURES

	Ecuador	Peru	Other	Total
Geological consulting	-	33,887	-	33,887
Concession payments	-	50,941	-	50,941
Other	-	94,850	-	94,850
Six months ended June 30, 2022	\$ -	\$ 179,678	\$ -	\$ 179,678

	Ecuador	Peru	Other	Total
Geological consulting	-	204,467	-	204,467
Concessions payments	24,183	77,819	-	102,002
Other	-	12,397	-	12,397
Seven months ended September 30, 2021	\$ 24,183	\$ 294,683	\$ -	\$ 318,866

SILVER X MINING CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended June 30, 2022
(Expressed in US Dollars)

6. PROPERTY AND EQUIPMENT

COST	As at December 31, 2021	Purchases	Foreign exchange impact	As at June 30, 2022
Building and facilities	121,341	-	4,653	125,994
Machinery and equipment	816,957	274,154	41,843	1,132,954
Vehicles	16,869	-	647	17,516
Furniture and fixtures	26,841	8,886	1,370	37,097
Other equipment	164,901	-	6,324	171,225
Plant – construction in progress	4,428,192	89,415	182,857	4,700,464
	\$ 5,575,101	\$ 372,455	\$ 237,695	\$ 6,185,251

ACCUMULATED DEPRECIATION	As at December 31, 2021	Depreciation	Foreign exchange impact	As at June 30, 2022
Building and facilities	3,128	3,183	242	6,553
Machinery and equipment	111,359	152,233	10,109	273,701
Vehicles	3,324	2,027	205	5,556
Furniture and fixtures	1,922	2,094	154	4,170
Other equipment	20,669	33,447	2,075	56,191
	\$ 140,402	\$ 192,984	\$ 12,785	\$ 346,172

NET CARRYING VALUE	As at December 31, 2021	As at June 30, 2022
Building and facilities	118,213	119,441
Machinery and equipment	705,598	859,253
Vehicles	13,545	11,960
Furniture and fixtures	24,919	32,927
Computer equipment	144,232	115,034
Plant – construction in progress	4,428,192	4,700,464
	\$ 5,434,699	\$ 5,839,079

7. LEASES

The Company's leases relate to equipment leases and office lease in Peru. Interest expense on the lease liabilities for the year ended December 31, 2021 is \$nil as the lease was acquired at the end of the fiscal year. A right of use assets of \$959,952 was also recognized during the year ended December 31, 2021. Depreciation of right-to-use assets is calculated using the straight-line method over the remaining lease term. Right of use assets associated with the Company's lease obligation as at June 30, 2022:

a) Right-of-Use Asset

	June 30, 2022	December 31, 2021
Opening balance	890,012	-
Recognized on adoption of IFRS 16	-	959,952
Less: depreciation	(145,144)	(69,940)
	\$ 744,868	\$ 890,012

b) Lease Obligations

	June 30, 2022	December 31, 2021
Opening balance	778,902	-
Recognized on adoption of IFRS 16	-	808,952
Less: interest	55,325	28,907
Less: lease payments	(155,742)	(58,957)
	\$ 678,485	\$ 778,902

Discounted lease obligation associated with the Company's lease obligation as at June 30, 2022:

	June 30, 2022	December 31, 2021
Current	268,245	227,433
Long term	410,240	551,469
Total discounted lease obligation	\$ 678,485	\$ 778,902

Undiscounted lease obligation associated with the Company's lease obligation as at June 30, 2022:

	June 30, 2022	December 31, 2021
Within a year	312,484	311,484
Later than a year	524,927	681,670
Total undiscounted lease obligation	\$ 837,412	\$ 993,154

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8. DEVELOPMENT PROPERTY

Opening balance, March 1, 2020, February 28, 2021	\$	-
MMTP business combination – development property acquired		47,107,531
ARO reversal		(1,169,756)
As at December 31, 2021 (Restated Note 3)	\$	45,937,775
Property Additions		835,029
As at June 30, 2022		46,772,804

During the period ended June 30, 2022, the Company incurred \$902,618 in further developing Nueva Recuperada Project.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2022	December 31, 2021
Trade payable	9,145,843	7,958,234
Accrued liabilities	4,888,425	3,683,739
	\$ 14,034,268	\$ 11,641,973

10. DEBENTURES

	June 30, 2022	December 31, 2021
Trafigura Peru S.A.C. (i)	1,643,012	1,152,470
Blanco SAFI S.A.C (ii)	361,790	370,941
Herr - Glass (iii)	109,745	107,075
Other	14,699	1,352
	\$ 2,129,246	\$ 1,631,838

- i) On March 8 2022, the company signed an amendment with the lender extending the loan to January 2024 and increasing it by \$641,300 to \$1,400,000. Under the new agreement the monthly payments will start in June 2022 and will be comprised by 19 installments of \$58,300 each and 1 installment of \$292,300 due on January 2024. The loan bears an interest of 6.0% + Libor (3M) per annum. The remaining balance relates to a short-term line of credit with the lender. The line of credit bears an interest of 5.5% + Libor.
- ii) The loan bears an interest of 1.5% monthly. The loan matures on December 9, 2022.
- iii) The loan bears an interest of 5% per annum with a private lender, already due as at June 30, 2022.

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11. CONVERTIBLE DEBENTURE

Opening balance, March 1, 2020, February 28, 2021	\$	-
MMTP business combination – convertible debenture acquired		5,000,000
Reclassification – equity portion		(153,065)
Conversion		(1,000,000)
Accretion and interests		281,929
As at December 31, 2021	\$	4,128,864
Conversion		(4,398,356)
Accretion		178,381
Interest accrued		91,111
As at June 30, 2022		-

On June 23, 2021, the Company acquired a convertible debenture from the business combination with MMTP (note 5). The debenture is with Baker Steel. The convertible debenture bears a 10% interest rate and is convertible in whole or in part at any time up to and including the maturity date of June 30, 2022 into common shares of the Company at \$0.4677 per share.

On June 8, 2022, the Company completed the debt settlement transaction with Baker Steel for the settlement of US\$4,198,356 (CAD\$5,285,310) of accrued interest, prepayment fee and principal with the subscription of 17,617,701 common shares.

12. ASSET RETIREMENT OBLIGATION

Opening balance, March 1, 2020, February 28, 2021	\$	-
MMTP business combination – asset retirement obligation acquired		3,234,124
Revaluation		(1,169,755)
Foreign exchange and other		(379,568)
As at December 31, 2021	\$	1,684,801
Accretion		28,528
Foreign exchange and other		(155,461)
As at June 30, 2022		1,557,868

The Company included a provision for the future cost of remediation of the development property. The carrying balance represents the present value of the remediation cost which are expected to be incurred from 2030 to 2035. The provision has been determined based on a third-party plan commissioned by the Company and approved by the Peruvian Directorate General of Mining Environmental Affairs of the Ministry of Energy and Mines.

13. SHARE CAPITAL AND RESERVES

The Company is authorized to issue an unlimited number of common shares without par value.

Current period ended June 30, 2022

- a) On January 27, 2022, the Company issued 780,250 common shares for the settlement of C\$249,680 debt.
- b) On June 8, 2022, the Company issued 17,617,701 common shares for the settlement of C\$5,285,311 debt.

Ten months period ended December 31, 2021

- a) On June 23, 2021, the Company completed the acquisition of all the issued ordinary shares of MMTP in exchange for 42,969,046 common shares of the Company valued at \$24,131,030 (the "Transaction") (note 5). The Company also issued a finder's fee of 1,250,000 common shares valued at \$689,914 and issued 316,848 share purchase warrants valued at \$59,285 to an arm's-length third party.
- b) Concurrent with the Transaction, pursuant to a private placement financing completed on April 16, 2021, 23,649,286 subscription receipts were converted into 23,649,286 common shares of the Company and the related escrowed proceeds were released to the Company. Gross proceeds received was \$11,350,239 with share issuance cost of \$1,280,316 (non-cash portion was \$406,678), resulting in net proceeds of \$10,476,601.
- c) On August 18, 2021, 593,536 common shares were issued for the settlement of approximately \$197,830 of accrued interest (up to June 30, 2021) on the \$4,000,000 Baker Steel debenture.
- d) On September 1, 2021, 200,000 common shares were issued in relation to the exercise of options with an exercise price of C\$0.27 for total proceeds of \$43,194.
- e) On November 2, 2021, 875,000 common shares were issued in relation to the vesting of RSUs.
- f) On November 8, 2021, the Company issued 5,296,882 common shares for the settlement of \$1,000,000 debt, accrued interest and arrangement fees with a combined value of \$1,336,653. The common shares were issued at a deemed price of C\$0.315 per share to Baker Steel.
- g) On November 18, 2021, 50,000 common shares were issued in relation to the exercise of options with an exercise price of C\$0.27 for total proceeds of \$10,799.
- h) For the ten months period ended, the Company issued 4,117,100 common shares from warrants exercised. Total proceeds received were \$1,152,644.

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13. SHARE CAPITAL AND RESERVES (continued...)

Warrants

The continuity of warrants for the years presented are as follows:

	Number of warrants	Weighted average exercise price
Outstanding warrants, February 28, 2021	4,117,100	C\$0.35
Granted	1,783,756	C\$0.61
Exercised	(4,117,100)	C\$0.35
Outstanding warrants, December 31, 2021 and June 30, 2022	1,783,756	C\$0.61

As at June 30, 2022, warrants enabling the holders to acquire common shares are as follows:

Expiry date	Number of warrants	Weighted average remaining life in years	Weighted average exercise price
December 29, 2022	316,848	0.49	C\$0.665
June 23, 2023	1,466,908	0.98	C\$0.60
	1,783,756	0.89	C\$0.61

On June 23, 2021, in connection with the completion of the Transaction, the Company assumed the obligations of MMTP and issued 316,848 warrants pursuant to existing MMTP finder's warrants, which are exercisable at C\$0.665 per share at any time prior to December 29, 2022. The fair value of the warrants was estimated at \$59,285. The Company used the Black-Scholes pricing model to establish the fair value of the warrants by applying the following assumptions:

Expected stock price volatility	69.4%
Expected life of warrants	1.5 years
Risk free interest rate	0.42%
Expected dividend yield	0%
Exercise price	C\$0.665

In addition, the Company issued 1,466,908 broker warrants to the agents of the private placement financing. Each broker warrant is exercisable at C\$0.60 per share at any time prior to June 23, 2023. The fair value of the broker warrants was estimated at \$406,678. The Company used the Black-Scholes pricing model to establish the fair value of the broker warrants by applying the following assumptions:

Expected stock price volatility	87.2%
Expected life of warrants	2.0 years
Risk free interest rate	0.42%
Expected dividend yield	0%
Exercise price	C\$0.60

13. SHARE CAPITAL AND RESERVES (continued...)

Options

Option Plan

The Company has a share purchase option plan ("the Plan"), which allows the Company to issue options to directors, officers, employees, and consultants of the Company. The maximum aggregate number of securities reserved for issuance is 10% of the number of common shares issued and outstanding. Options granted under the Plan may have a maximum term of ten years. Vesting restrictions may be imposed at the discretion of the directors.

Share Purchase Options

The continuity of share purchase options for the periods presented is as follows:

	Number of options	Weighted average exercise price
Outstanding options, February 28, 2021	2,525,000	C\$ 0.38
Granted	6,975,000	C\$ 0.60
Exercised	(250,000)	C\$ 0.27
Cancelled	(150,000)	C\$ 0.27
Outstanding options, December 31, 2021	9,100,000	C\$ 0.55
Cancelled	(1,550,000)	C\$ 0.50
Outstanding options, June 30, 2022	7,550,000	C\$ 0.57

As at June 30, 2022, options enabling the holders to acquire common shares are as follows:

Expiry date	Number of options	Number of vested options	Weighted average remaining life in years	Weighted average exercise price
June 24, 2025	850,000	850,000	2.99	C\$ 0.27
November 2, 2025	275,000	275,000	3.35	C\$ 0.70
June 21, 2026	4,400,000	4,400,000	3.98	C\$ 0.60
August 23, 2026	2,025,000	1,518,750	4.15	C\$ 0.60
	7,550,000	7,043,750	3.89	C\$ 0.57

On June 21, 2021, the Company granted 4,500,000 stock options with an exercise price of \$0.60 to the Company's management, directors and service providers. The options vested immediately upon grant. The fair value of the options was estimated at \$2,418,947 on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Expected stock price volatility	234%
Expected life of options	5.0 years
Risk free interest rate	0.97%
Expected dividend yield	0%
Exercise price	C\$0.60

13. SHARE CAPITAL AND RESERVES (continued...)

Options (continued...)

On August 23, 2021, the Company granted 2,475,000 stock options with an exercise price of \$0.60 to the Company's management, directors and service providers. The options have a 12-month vesting provision. The fair value of the options was estimated at \$710,150 on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Expected stock price volatility	230%
Expected life of options	5.0 years
Risk free interest rate	0.82%
Expected dividend yield	0%
Exercise price	C\$0.60

For the six months ended June 30, 2022, the share-based compensation expense related to options was \$178,428 (February 28, 2021 - \$314,349)

Restricted Share Units ("RSU")

The continuity of RSUs for the periods presented is as follows:

	Number of RSUs
Outstanding RSU's, February 28, 2021	1,750,000
Vested	(875,000)
Outstanding RSU's, December 31, 2021	875,000
Cancelled	(50,000)
Outstanding RSU's, June 30, 2022	825,000

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14. RELATED PARTY TRANSACTIONS

The Company's related parties with transactions during the six months ended June 30, 2022 and ten months ended December 31, 2021, consist of directors, officers and the following companies with common directors:

Related party	Nature of transactions
J Dare Consulting Ltd. (Director)	Director fees
Mysterybelle Ltd (Director)	Director fees
Roma Capital Corp. (Director, Officer)	Consulting fees
JR Management Corp. (Director)	Consulting fees
A15 Capital Corp. (Director, Officer)	Consulting fees
Vista Gold S.A.C. (Director, Officer)	Exploration and evaluation expenses
Vihren Management LTD. (Officer)	Consulting fees
Ordago Ou (Director, Officer)	Consulting fees
Oscrow Capital Pty Ltd. (Director)	Director fees
Green Oil S.A. (Director)	Consulting fees

As at June 30, 2022, the Company had \$225,212 outstanding in accounts payables and accrued liabilities (December 31, 2021 - \$219,833) associated with related parties.

i) Key Management Compensation

Key management personnel are persons responsible for planning, directing, and controlling the activities of the Company, and include certain directors and officers. Key management compensation, including amounts discussed above, is comprised of:

	Six months ended June 30, 2022	Seven months ended September 30, 2021
Salaries and benefits	\$ 73,541	\$ 65,452
Consulting fees	262,219	283,995
Directors' fees	16,038	18,037
Share based payment	94,434	2,332,187
	\$ 446,232	\$ 2,699,671

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15. SEGMENTED INFORMATION

The Company operates in a two reportable operating segment, being the exploration and development of mineral properties. For the six months ended June 30, 2022, the mineral property interests are located in Ecuador and Peru.

June 30, 2022	Canada – Corporate	Ecuador and other	Peru	Total
Cash and cash equivalents	998,695	-	575,108	1,573,802
Inventory	-	-	296,899	296,899
Receivables	29,858	-	3,895,895	3,925,753
Prepaid	58,549	-	153	58,702
	1,087,101	-	4,768,055	5,855,156
Exploration and evaluation assets	-	1,192,059	4,842,987	6,035,046
Development property	-	-	46,772,804	46,772,804
ROU Assets	-	-	744,868	744,868
Equipment	-	-	5,839,079	5,839,079
Receivable – non current	-	-	811,060	811,060
Total assets	1,087,101	1,192,059	63,778,853	66,058,013

December 31, 2021 (Restated)	Canada – Corporate	Ecuador and other	Peru	Total
Cash and cash equivalents	2,583,712	-	1,922,176	4,505,888
Inventory	-	-	331,986	331,986
Receivables	76,082	-	2,648,964	2,725,046
Prepaid	246,075	-	225,690	471,765
	2,905,869	-	5,128,816	8,034,685
Exploration and evaluation assets	-	1,162,688	4,723,660	5,886,348
Development property	-	-	45,937,777	45,937,777
ROU Assets	-	-	890,012	890,012
Equipment	-	-	5,434,699	5,434,699
Receivable – non current	-	-	680,739	680,739
Total assets	2,905,869	1,162,688	62,795,703	66,864,260

	Canada – Corporate	Ecuador and other	Peru	Total
Net loss – six months ended June 30, 2022	382,202	-	(2,911,400)	(2,529,198)
Net loss – seven months ended September 30, 2021 (Restated)	(6,815,695)	(24,183)	(2,829,882)	(9,669,760)

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The Board of Directors receives periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and other receivables. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash invested in asset-based commercial paper.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Commodity Price Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other market prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued...)

Foreign Currency Risk

The Company's operations in Canada, Peru, Ecuador and the United States creates exposure to foreign currency fluctuation. Some of the Company's operating expenditures are incurred in Peruvian SOL or Canadian Dollar, and the fluctuation of foreign currencies with the US dollar will have an impact upon the profitability of the Company and may also affect the value of the Company's financial assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

The Company's financial assets and liabilities in various currencies as at June 30, 2022 are set out in the following table:

June 30, 2022	Canadian Dollar	US Dollar	Peruvian SOL	Total
Cash and cash equivalents	560,784	808,509	204,509	1,573,802
Receivables	29,858	-	3,895,895	3,925,753
	590,642	808,509	4,100,404	5,499,555
Accounts payables and accruals	(679,116)	-	(13,355,152)	(14,034,268)
Lease	-	-	(678,485)	(678,485)
Debenture	-	-	(2,129,246)	(2,129,246)
Net asset (liabilities)	(88,474)	808,509	(12,062,479)	(11,342,444)

The Company's financial assets and liabilities in various currencies as at December 31, 2021 are set out in the following table:

December 31, 2021	Canadian Dollar	US Dollar	Peruvian SOL	Total
Cash and cash equivalents	3,873,221	384,529	248,138	4,505,888
Receivables	76,082	-	2,648,964	2,725,046
	3,949,303	384,529	2,897,102	7,230,934
Accounts payables and accruals	(388,633)	-	(11,253,340)	(11,641,973)
Lease	-	-	(778,902)	(778,902)
Convertible debenture	-	(4,128,864)	-	(4,128,864)
Debenture	-	-	(1,631,838)	(1,631,838)
Net asset (liabilities)	3,560,670	(3,744,335)	(10,766,978)	(10,950,643)

The Company's reported results will be affected by fluctuations in the Canadian dollar to US Dollar and Peruvian SOL to US Dollar exchange rate. As at June 30, 2022, a 10% appreciation of the Canadian Dollar relative to the US Dollars would have decreased net financial assets by approximately \$1,000 (December 31, 2021 - \$350,000). A 10% depreciation of the US Dollar relative to the Canadian Dollar would have had the equal but opposite effect. A 10% appreciation of the US Dollar relative to the Peruvian SOL would have decreased net financial assets by approximately \$340,000 (December 31, 2021 - \$1,000,000) and a 10% depreciation of the Peruvian SOL would have had an equal but opposite effect. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued...)

Interest Rate Risk

Interest rate risk consists of two components:

- i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

As at June 30, 2022, an 1% change in market interest rates would result in no material change in value of the assets or liabilities of the Company.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk, currency risk, or equity price risk. The Company is not exposed to any other price risk.

Determination of Fair Value

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash, receivables, accounts payable and accrued liabilities and due to related parties' approximate fair values due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

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

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

17. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to advance its mineral property and pursue growth opportunities. The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties.

The property in which the Company currently has an interest is in the exploration and development stage; as such, the Company is dependent on external financing to fund its activities. In order to pay for limited property care and maintenance and general administrative costs, the Company will spend its existing capital resources. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company monitors its cash, investments, common shares, and stock options as capital. There have been no changes to the Company's approach to capital management during the six months ended June 30, 2022. The Company's investment policy is to hold cash in interest-bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

The Company does not expect its current capital resources to be sufficient to cover its operating costs through the next twelve months and as such, will need to obtain additional capital resources. Actual funding requirements may vary from those previously planned due to a number of factors, including the progress of the Company's business activities and economic condition.

18. SUPPLEMENTAL CASH FLOW INFORMATION

	Six months ended June 30, 2021	Seven months ended September 30, 2021
Income from exploration and evaluation assets	-	20,864
Shares issued – shares for debt	4,398,356	-
Shares issued for obligation	-	30,174

19. SUBSEQUENT EVENTS

On August 9, 2022, the Company granted 1,950,000 stock options with an exercise price of CAD\$0.25 to the Company's management, directors and service providers. The options have a 12-month vesting and 5 years expiration provisions.

On August 9, 2022, the Company granted 250,000 RSU's to the Company's management, directors and service providers. The RSU's have a 12-month vesting provision.

On August 22, 2022, the Company signed a debt settlement agreement with Maverix Metals Inc. for the settlement of US\$494,706 (CAD\$540,377) of debt with the subscription of 1,801,256 common shares. The common shares were issued at a deemed price of C\$0.30.



SILVER X MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the period ended June 30, 2022

This Interim Management's Discussion and Analysis ("Interim MD&A") supplements but does not form part of the unaudited condensed consolidated interim financial statements of Silver X Mining Corp. (the "Company" or "Silver X") for the six months ended June 30, 2022. The following information, prepared as of August 25, 2022, should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the six months ended June 30, 2022 and the audited ten months ended December 31, 2021 and the related notes contained therein.

The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in US dollars unless otherwise indicated.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

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CORPORATE OVERVIEW

The Company is a Vancouver-based resource company. The Company offers diverse commodity exposure, including silver, gold, lead and zinc opportunities and further growth through regional consolidation. The Company is listed on the Toronto Stock Exchange Venture (The "TSXV") under the symbol AGX, the U.S. Over The Counter Market (The "OTCQB") under the symbol AGXPF and the Frankfurt Stock Exchange under the symbol WPZ.

SILVER X AND LATITUDE SILVER TRANSACTION

On June 23, 2021, the Company and Mines and Metals Trading (Peru) PLC ("MMTP", also commercially known as "Latitude Silver") announced they have closed their previously announced business combination agreement (the "Transaction").

Pursuant to the terms of the Business Combination Agreement, Silver X acquired all of the MMTP common shares (the "MMTP Shares") as part of a merger of equals. Each MMTP Share was exchanged for 28.828 (the "Exchange Ratio") common shares of Silver X (a "Silver X Share"), resulting in an aggregate of approximately 42,969,000 Silver X Shares issued to the MMTP shareholders pursuant to the Transaction.

As part of the closing of the Transaction, the Company issued 23,649,286 subscription receipts of MMTP Finco Inc. ("Finco"), a wholly-owned subsidiary of Latitude Silver, which were issued pursuant to a private placement financing completed on April 16, 2021, each converted into one common share of Finco (the "Finco Shares"). In connection with closing the Transaction, the Company issued 23,649,286 Silver X Shares in exchange for the Finco Shares and the net proceeds of the financing of \$10,647,512 were released to Silver X.

NUEVA RECUPERADA, PERU

Overview

Silver X's district-sized, Nueva Recuperada Project lies in the heart of Peru's premier silver-lead-zinc belt. The 20,472 hectare project was assembled through acquisitions from major silver producers such as Compañía de Minas Buenaventura SAA (NYSE: BVN) and Pan American Silver (TSX: PAAS). The project includes: (i) the Tangana mining unit ("Tangana"), currently ramping up extraction to a 720 Tpd precious and base-metal operation that is in the northern portion of the project. It is comprised of 100 plus veins spanning an area of more than 65 square kms, and (ii) the Esperanza (also referred to as Plata) mining unit, a grouping of historic silver-polymetallic veins, with significant exploration upside in the southern portion of the project. It is comprised of 200 plus veins often with intense anatomizing, spanning an area of more than 70 square kms. The Nueva Recuperada project has an estimated 14,939,657 tonnes of inferred resources at grades of 162.78 g/T Ag, 2.54% Pb/T, 2.50% Zn/T and combined Measured and Indicated Mineral Resources of 841,286 tonnes with grades of 118.49g/T Ag, 2.85% Pb/T and 2.16% Zn/T and includes a 720 Tpd, fully permitted, fully operational processing facility that started processing mineralization in 2019.

Tangana Mine – Silver, Gold, Lead & Zinc

The Tangana mine started development in 2021 by Silver X on the Tangana 1 and 2 veins and is currently extracting from multiple fronts an average of over 400 Tpd of ore from development on the Tangana 1 vein, which is just one of dozens of veins in the Tangana mining unit. There is a cross-cut being driven to the Cauca vein, and when completed the Cauca vein will also provide multiple development fronts. The Tangana 1 vein is part of the extensive Tangana vein system which hosts an estimated inferred resource of 11,569,584 tonnes grading 86.15 g/T Ag, 2.33% Pb and 2.18% Zn and combined Measured and Indicated Mineral Resources of 847,230 tonnes grading 75.88 g/T Ag, 3.01% Pb, and 2.42% Zn. Production infrastructure development at Tangana 1 is being optimized by the recently completed 4,000-metre infill drill programme.

Polymetallic vein resources at the Tangana mining unit are hosted in both igneous-volcanic and sedimentary rocks. The Tangana mine and its veins are in a large zone of andesitic volcanics and domes that hosts the majority of the Tangana mining unit's identified resources (1+ metre average width veins). The Tangana vein mineralization is of epithermal character grading into mesothermal at depth, of low to intermediate sulphidation mineralizing events.

Native gold mineralization occasionally is encountered with the Tangana 1 vein mineralization. Upgrades to the Recuperada plant to enhance gold recoveries have been started. Silver X plans to develop in the near term a number of supporting mine infrastructures to access other nearby high grade structures in the Tangana mine area including the Cauca, Morlupo and Tangana 2 veins.

The San Antonio vein in its southeastern half is primarily hosted in carbonate formations and is of moderate to thick widths (2 to 10 metres, at a 4 meter average width) of mineralized vein breccia with minor carbonate replacement. This mineralization has been mined since 2019. To the northwest, the San Antonio vein is hosted by andesitic volcanics and domes and has an average width on surface of 1.4 metres.

The Positivas vein system is an area of 2.5 by kms long by 200 metres wide of several tensional veins in a dilutional wrench zone, comprising epithermal veins in volcanic and sedimentary rocks ranging from 0.3 to 3 m wide and currently being developed by two small contactors.

The 21-hole, 4,000-metre Phase 1 underground infill drilling programme referred to above is the Phase One programme focused on upgrading and expanding the Company's reported 14.9 MT inferred overall resource.

Preliminary analysis of this drilling along with channel sampling results from Tangana 1 vein indicate that potentially economic mineralization appears to extend for an additional 220 metres horizontally and 200 metres deeper into what is interpreted as a previously unexplored, open-ended, resource extension.

In addition, the recently completed infill drill programme at Tangana is expected to:

- 1) Demonstrate the continuity of the mineralized structures;
- 2) Improve the Company's geological understanding of mineralization potential;
- 3) Outline new prospective horizons at depth and along strike within the Tangana deposit.

Apart from diamond drilling and development channel sampling, exploration activity at Tangana has included geological mapping, surface channel sampling, geochemical and spectral sampling. These exploration activities have verified the majority of the historical data for the Tangana mining unit and validated data covering the Maria Luz, Pucapunta and Blenda Rubia mining units. This, along with previously reported data, suggest that the Nueva Recuperada project hosts multiple silver-gold-polymetallic exploration targets with near-term potential for resource upgrade and production at a district scale which will be confirmed later this year with an updated NI-43-101 Technical Report.

In September, 2021 the Company acquired the adjacent 250-hectare Tangana West silver project that hosts high-grade silver-polymetallic veins that outcrop at surface. The Tangana West structure extends 1.3 kilometres along strike and, based on field observations of the new claims, is interpreted to be vertically continuous for over 500 metres. Silver X now controls more than 3.0 kilometres of the Tangana silver-polymetallic mineralized system (Tangana and Tangana West) which has an average vein thickness of 1.05 metres.

Esperanza (Plata) – Silver, Lead & Zinc

Esperanza was the last historical operation to close when the project was under BVN management and hosts an estimated 448,812 tonne inferred resource grading 220.81 g/T Ag, 2.55% Pb and 4.58% Zn. There are abundant mineralized veins in this mining unit and geological evidence for both intermediate and high sulphidation alteration and mineralization. Historical drilling and recent surface mapping provide strong evidence for significant exploration upside.

Maria Luz – Silver

Maria Luz hosts a reported 1,908,725 tonne inferred resource grading 496.10 g/T Ag, 0.21% Pb and 0.34% Zn. The Company conducted a bulk sampling programme in 2021 and plans to drill this silver-rich epithermal vein system in the second half of 2022.

25,000 Metre Phase 2 Resource Expansion and Definition Drill Programme

Based on the recent Phase One drill results and surface exploration at Nueva Recuperada, Silver X has commenced a Phase Two drill programme comprised of 9,000 metres of underground drilling employing two rigs and 6,000 metres drilled from surface across known silver-polymetallic and other newly identified greenfield targets.

Based on Phase Two drilling results being successful an additional 10,000 metres of both underground and surface drilling will be scheduled, for a total of 25,000 metres of drilling within a budget in excess of \$5.0 million.

Recent exploration has confirmed the presence of new polymetallic veins and identified carbonate manto-type replacements, skarns and mineralized porphyries on the concessions. Preliminary field data supports the highly prospective nature of these new target areas and will be announced separately in the second or third quarter.

The focus of the Phase Two program is upgrading existing resources as well as identifying resource extensions on the three most advanced targets at Tangana, Esperanza and Maria Luz. All in all, the expanded Phase Two diamond drill programme will target:

- **Tangana:** Resource upgrading and evaluation of the Tangana, Cauca, Las Animas, Estrella and Morlupo veins (already underway).
- **Esperanza (Plata):** Infill drilling and historical data validation starting H1 2022.

Environmental and Social Impact Assessment Update

Silver X began updating the Environmental and Social Impact Assessment (ESIA) for its Nueva Recuperada Project to expand operations. Nueva Recuperada currently operates within the medium size mining regime (350 Tpd to 5,000 Tpd) and is seeking to expand its permitted capacity to 2,500 Tpd. The ESIA is a key component of a comprehensive environmental and social permitting process covering both of the wholly owned Tangana and Esperanza silver-polymetallic mining units. The assessment also covers the associated mining infrastructure and existing tailings facility for a total study area of 4,900 hectares. Key components of the updated ESIA include an expansion of production capacity at the Company's mineral processing plant to 2,500 Tpd from the current upgraded 720 Tpd and a new 8,000,000 m³ capacity tailings storage facility with a goal to expand silver production at Nueva Recuperada to 5 Moz Ag.

Expanded Processing Plant Capacity

On October 20, 2021 the Company secured the environmental permit required to increase production capacity at its Nueva Recuperada polymetallic concentrate plant to 720 tonnes per day of feed. Installation of a new crushing circuit and flotation cells was commenced in late 2021 and the Company commissioned it in the Q2 2022. Once completed, this will represent a 20% increase in processing capacity at Nueva Recuperada with the potential of additional concentrate sales increasing cashflow for the Company.

CORIORCCO GOLD PROJECT, PERU

Overview

On October 8, 2020, Silver X acquired the legal and beneficial right, title and interest in the option to acquire 100% of a 2,000 hectare concession known as the Coriorcco Property ("Coriocco").

The Coriorcco gold project, located 80 km east of Peru's prominent Pan American highway in Lucana Province, Ayacucho region of southern Peru, is accessible by paved road to within 5 km of the project and has potential for stand-alone development.

Coriorcco is one of several zones within the San Juan de Lucanas mining district with outcropping quartz vein-hosted gold and silver mineralization hosted by the strongly silicified and argillized volcanic Coriorcco Dome Structure as exposed through quaternary cover. The dome measures approximately 700 x 800 m and hosts 17 epithermal quartz, quartz-carbonate and quartz-carbonate-adularia veins along with lesser veins. The most common vein orientations are northwest and east-northeast, typical of the Andean Trend and antithetic transform structures. Veins pinch and swell along-strike and with depth. Vein Three and Vein Six are the two most significant

structures and have been mapped at surface striking approximately east-northeast for 280 m and 405 m respectively and traced to depth in historical mine workings down to -60 m below surface.

- Coriorcco hosts 17, outcropping, mineralized veins with widths up to 2.5m within a 1 km by 800 m zone of intense epithermal alteration.
- Limited surface sampling by the previous operators include:
 - 22.90 g/T Au; 19.25 g/T Au; 14.20 g/T Au; 13.05 g/T Au ;
 - The average grade of 181 surface samples is 1.91 g/T Au ;
 - Further encouraging sampling from underground workings is to be verified.

Coriorcco Option Agreement

Under the Coriorcco Option Agreement, the Company will have the right to acquire a 100% interest in Coriorcco by making a payment of \$3,000,000 plus general sales tax and granting a production royalty to the underlying concession holder (the “Coriorcco Royalty”) (of 1% NSR) upon fulfilling the precedent conditions, some of which remain to be met, which include commencement of mining and production payments.

If the Company exercises its option to acquire the Coriorcco property, Silver X will grant to Titan Minerals a 1% net smelter royalty (the “NSR”) over the Coriorcco property.

The Coriorcco Royalty can be repurchased for \$1,000,000 (the “Buy-Back Right”) prior to the fifth anniversary of the Coriorcco Option Agreement. Every year following the fifth anniversary of the Coriorcco Option Agreement, the cost of the Buy-Back Right increases by 10%.

Additionally, as part of the amending agreement, the Company will pay \$190,000 (upon completion of registering the amended agreement with the Peruvian Public Registry, which had not occurred as at June 30, 2022) and will be required to pay up to \$850,000 (in cash or shares at the Company’s option) based on the size of the mineral resource (in the measured and indicated category) as established on the property in a technical report prepared in accordance with National Instrument 43-101 on the following conditions:

- \$350,000 if a measured and indicated resource of 500,000 to 999,999 ounces of gold is established;
- \$450,000 if a measured and indicated resource of 1,000,000 to 1,499,999 ounces of gold is established; or
- \$850,000 if a measured and indicated resource in excess of 1,500,000 ounces of gold is established

The Company was required to commence small scale mining by April 2022 with the option to extend a further twelve months to April 2023 by incurring \$200,000 in exploration expenditures and is currently reviewing its exploration plan aiming to extend the commencement of the small scale mining in early 2023.

LAS ANTAS GOLD PROJECT, PERU

Overview

On October 8, 2020, Silver X acquired the legal and beneficial right, title, and interest in the option to acquire up to 85% of a 1,400 hectare concession known as the Las Antas Property (“Las Antas”), adjacent to the Coriorcco project, upon fulfilling the precedent conditions of which the completion of the \$2,000,000 expenditure in exploration remains to be met.

The Las Antas Gold Project, which hosts significant exploration potential for stand alone, bulk tonnage, disseminated style gold mineralization, provides Silver X with a key foothold into a broader district that contains multiple high-grade gold-silver veins. Located within the prolific epithermal gold belt of Southern Peru, Las Antas is an important step towards development of a substantial land position in the region, generating multiple options.

Las Antas is hosted by the Calipuy volcanic layered stratigraphy in Southern Peru with andesitic flows, ignimbrites,

tuffs, volcanic breccias and agglomerate units. The volcanic stratigraphy has been intruded by several andesitic to dacitic stocks, which comprise favourable units for mineralization and at surface are associated with a pervasive hydrothermal alteration system in halos of intense silicification, showing vuggy silica, alunite and illite.

The project is located within the Oligocene-Pliocene gold-silver Belt of Southern Peru, which contains various precious metal deposits including the Ares Mine (1.2M oz Au & 15M oz Ag) and the Antapite Mine (600K oz Au).

Specific to the Las Antas Project area are two prioritized targets areas:

- Yuracmarca Target, 1.5 × 2.2 km of area with propylitization, argilization and silicification.
- Cerro Amarillo Target, 3.5 × 2.3 km of area with intense silicification, in parts vuggy silica, altered breccias, alunite and illite, argilization and propylitization.

JULIAN PROPERTY, ECUADOR

On January 27, 2020, the Company entered into an asset purchase agreement (the “Asset Purchase Agreement”) with Green Oil S.A. (“Green Oil”) with respect to the acquisition by the Company from Green Oil of certain mineral claims located in Ecuador known as the Julian Property.

On June 11, 2020, the Company acquired the Julian Property through the issuance of 6,000,000 common shares valued at \$1,042,436, to Green Oil and its nominees. The Company also paid direct transaction costs of \$72,173.

The Julian Property is located in the Province of Azuay in the canton of Oña, overlapping the Parishes Oña Yacuambi and Nabón, approximately 64 km southwest of the city of Cuenca and 100 km southeast of Machala in the Cordillera Real de los Andes Ecuador.

The Julian concession covers 2,312 Ha and surrounds the El Mozo high sulphidation epithermal gold project.

Project Overview:

- The known El Mozo mineralized trend runs directly from El Mozo South-West onto Julian but it has not been drill tested.
- Julian is located on the same Miocene-Pliocene volcanic, Piyasambo Formation host rocks as the “El Mozo” project and it also is located to the south-west of the “Collay-Shincata” mineralized belt which contains epithermal mineralization.
- Access is via paved highway to within 30 mins of Julian.

The Company currently is not undertaking any works on the property and continues assessing its potentiality.

SELECTED FINANCIAL INFORMATION

The following table provides information for the three and six months ended June 30, 2022.

	For the three months ended June 30, 2022		For the four months ended September 30, 2021 <i>Restated (Note 2)</i>		For the six months ended June 30, 2022		For the seven months ended September 30, 2021 <i>Restated (Note 2)</i>	
OPERATING REVENUES	\$	3,184,470	\$	2,884,034	4,492,623	\$	2,884,034	
COST OF SALES								
Mining and processing	\$	(2,624,105)	\$	(4,751,883)	(6,407,998)	\$	(4,751,883)	
Amortization		(212,315)		(53,117)	(257,631)		(53,117)	
		(2,836,420)		(4,805,000)	(6,665,629)		(4,805,000)	
EXPLORATION EXPENDITURES	\$	(140,516)	\$	(217,183)	(179,678)	\$	(318,866)	
GENERAL AND ADMINISTRATIVE EXPENSES								
Consulting fees	\$	(256,901)	\$	(548,279)	(464,949)	\$	(718,480)	
Directors fees		(12,879)		(7,784)	(16,038)		(18,038)	
Investor relations		(391,339)		(554,138)	(455,613)		(685,517)	
Office and administration		(53,994)		(820,401)	(210,997)		(823,031)	
Professional fees		(266,447)		(66,405)	(325,483)		(170,380)	
Salaries and benefits		(47,048)		(15,058)	(88,331)		(66,435)	
Share-based payments		(56,355)		(3,469,072)	(178,428)		(3,759,164)	
Transfer agent and regulatory fees		(48,628)		(8,314)	(58,075)		(9,588)	
		(1,133,591)		(5,489,451)	(1,797,914)		(6,250,633)	
OTHER ITEMS								
Finance income		960		41,878	4,118		41,878	
Finance cost		(292,434)		(271,332)	(355,345)		(272,301)	
Transaction cost		-		(942,810)	-		(942,810)	
Foreign exchange gain (loss)		(39,059)		(5,513)	52,627		(6,062)	
Net loss before tax		(1,256,590)		(8,805,377)	(4,449,198)		(9,669,760)	
Deferred income tax recovery		131,000		-	1,920,000		-	
Net loss		(1,125,590)		(8,805,377)	(2,529,198)		(9,669,760)	
(Loss) gain on translation of foreign operations		182,095		(219,839)	532,680		419,473	
Total comprehensive loss	\$	(943,495)		(9,025,216)	(1,996,518)	\$	(9,250,287)	
Loss per share, basic and diluted	\$	(0.01)		(0.09)	(0.02)	\$	(0.13)	
Weighted average number of common shares outstanding		127,009,353		102,685,190	124,775,116		77,063,289	

Change in Fiscal Year-end

The Company has changed its fiscal year-end from February 28 to December 31, resulting in a 10 month transition year from March 1, 2021 to December 31 2021 with a comparative twelve month ended February 28, 2021. The reason for the change was to be consistent with its operating subsidiary's year end.

The Company also changed its presentation currency effective March 1, 2020; the Company changed its presentation currency from the CAD to USD to better reflect the Company's business activities. For more information, please see note 2 of the audited financial statements for period ended December 31, 2021.

Three months ended June 30, 2022 vs. four months ended September 30, 2021

For the three months ended June 30, 2022, the Company recorded a net loss before tax of \$1.3M, compared to a net loss before tax of \$8.8M in the four months ended September 30, 2021. The reduction in loss in the current period was primarily due to increased operating revenues from the sale of pre-commercial mineral production of \$0.4M, reduction in pre-commercial cost of sales of \$2.1M, reduction in office and administration costs due to reduced corporate activities and reduction in share based payments of \$4.4M. The Company also incurred transaction cost of 0.9M in the prior period.

Loss or gain in translation of foreign operations fluctuate depending on the strength of the Peruvian SOL and Canadian Dollar against the US Dollar.

QUARTERLY RESULTS

	June 30, 2022 (\$) (3 months)	Mar 31, 2022 (\$) (3 months)	Dec 31, 2021 (\$) (3 months)	Sept 30, 2021 (\$) (4 months) ¹	May 31, 2021 (\$) (3 months)	Feb 28, 2021 (\$) (3 months)	Nov 30, 2020 (\$) (3 months)	Aug 31, 2020 (\$) (3 months)
			<i>Restated</i> ³	<i>Restated</i> ³				
Operating revenues	3,184,470	1,308,153	1,229,977	2,884,034				
Cost of Sales	(2,836,420)	(3,829,209)	(4,774,645)	(4,805,000)				
Exploration (expense) recovery	(140,516)	(39,162)	(110,600)	(217,183)	(101,683)	(418,094)	(138,149)	(38,220)
General and administrative expenses ²	(1,077,236)	(542,250)	(177,039)	(2,020,379)	(471,091)	(964,183)	(723,098)	(468,287)
Share-based payments	(56,355)	(122,073)	38,563	(3,469,072)	(290,092)	(314,349)	(359,594)	(290,780)
Other income (expenses)	(199,533)	1,820,933	(1,386,537)	(1,177,777)	(1,518)	(7,534)	(2,939)	2,967
Net loss	(1,125,590)	(1,403,608)	(5,180,283)	(8,805,377)	(864,383)	(1,704,160)	(1,223,780)	(794,320)
Basic and diluted income (loss) per share	(0.01)	(0.01)	(0.01)	(0.07)	(0.02)	(0.04)	(0.04)	(0.04)
Total assets	66,058,013	65,413,116	66,864,260	65,538,038	18,558,419	7,254,793	8,426,711	1,696,108
Total liabilities	26,026,159	28,692,478	29,412,670	27,053,111	724,944	264,788	250,093	363,420
Shareholders' equity	40,031,854	36,720,638	37,451,590	38,484,927	17,833,476	6,990,005	8,176,618	1,332,688

¹ The Company has changed its year end from February 28th to December 31st, resulting in a transition quarter of 4 months ended September 30, 2021.

² The General and administrative expenses include amortization, consulting fees, directors' fees, investor relations, office and administration, professional fees, salary and benefits, and transfer agent and regulatory fees.

³ In May 2020, the IASB issued amendments to IAS 16 Property, Plant and Equipment that clarify the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and mine development to the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments prohibit entities from deducting amounts received from selling items produced from the cost of property, plant and mine development while the Company is preparing the asset for its intended use. Instead, sales proceeds and the cost of producing these items will be recognized in the condensed interim consolidated statements of income. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The amendments apply retrospectively, but only to assets brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the Company first applies the amendments. The Company adopted the standard on the effective date and applying it retrospectively to the fiscal year beginning January 1, 2021 resulted in an increase to revenue from mining operations from the sale of pre-commercial mineral production of \$4.1 million and an increase in production costs of \$9.6 million during the year ended December 31, 2021, along with a corresponding net increase in the cost of property plant and mine development of \$5.5 million as at December 31, 2021.

Three months ended June 30, 2022 vs. all prior historic quarters

The Company has significantly increased its business level at all areas upon completion of the business combination with MMTP in June 23, 2021. The Company has significantly higher spending in exploration, consulting, investor relations, professional fees and general corporate expenditures. Mining operations from the sale of pre-commercial mineral production was at \$3.3M and pre-commercial cost of sales was at \$2.7M. This was significantly higher this quarter as the Company continues to ramp up production at its mining operations.

Change in total assets and liabilities

At June 30, 2022, the Company's total assets were \$66.1M compared to \$66.9M as at December 31, 2022. Significant changes in assets include decrease in cash of \$2.9M, increase in trade and receivables of \$1.2M, increase in development property of \$0.8M. Significant changes in liabilities include increase in accounts payable and accrued liabilities of \$2.4M, decrease in convertible debenture of \$4.1M, and decrease in deferred income tax liability of \$1.9M.

LIQUIDITY AND CAPITAL RESOURCES

	For the six months ended June 30, 2022	For the seven months ended September 30, 2021
Net cash used in operating activities	(1,744,855)	(3,649,573)
Net cash provided by financing activities	341,666	11,264,484
Net cash used in investing activities	(1,474,570)	(88,852)
Net change	(2,932,086)	7,313,121
Cash, end of period	\$ 1,573,802	\$ 8,509,128

Cash used in operating activities for six months ended June 30, 2022 was \$1.7M compared to \$3.6M for the seven months ended September 30, 2021. The lower outflow in the current quarter was due to reduction in costs as well as increased production at its mining operations.

Cash provided by financing activities during the six months ended June 30, 2022 was \$0.3M as a result of debenture issuance partially offset by lease payments.

Cash used in investing activities during the six months ended June 30, 2022 was higher at \$1.5M as the Company continue to invest in its development property from MMTP. This property was not yet acquired in the comparative period in the prior year.

RELATED PARTY TRANSACTIONS

The Company's related parties with transactions during the six months ended June 30, 2022, consist of directors, officers and the following companies with common directors:

Related party	Nature of transactions
J Dare Consulting Ltd. (Director)	Director fees
Mysterybelle Ltd (Director)	Director fees
Roma Capital Corp. (Director, Officer)	Consulting fees
JR Management Corp. (Director)	Consulting fees
A15 Capital Corp. (Director, Officer)	Consulting fees
Vista Gold S.A.C. (Director, Officer)	Exploration and evaluation expenses
Vihren Management LTD. (Officer)	Consulting fees
Ordago Ou (Director, Officer)	Consulting fees
Oscrow Capital Pty Ltd. (Director)	Director fees
Vista Gold S.A. (Director and Officer)	Peru project G&A expenses
Green Oil S.A. (Director)	Consulting fees

As at June 30, 2022, the Company had \$225,212 outstanding in accounts payables and accrued liabilities (December 31, 2021 - \$219,833) associated with related parties.

Key Management Compensation

Key management personnel are persons responsible for planning, directing, and controlling the activities of the Company, and include certain directors and officers. Key management compensation, including amounts discussed above, is comprised of:

	Six months ended June 30, 2022	Seven months ended September 30, 2021
Salaries and benefits	\$ 73,541	\$ 65,452
Consulting fees	262,219	283,995
Directors' fees	16,038	18,037
Share based payment	94,434	2,332,187
	\$ 446,232	\$ 2,699,671

SHAREHOLDER'S EQUITY

The authorized capital stock consists of an unlimited number of common shares without par value. As at June 30, 2022 and the date of this report, the company had the following:

	Stock options	Share purchase warrants	RSUs	Common shares
As at June 30, 2022	9,100,000	1,783,756	825,000	140,367,830
Options and RSU's granted	1,950,000	-	250,000	1,801,256
As at date of report	11,050,000	1,783,756	1,075,000	142,169,086

On June 8, 2022, the Company completed the debt settlement transaction with Baker Steel for the settlement of US\$4,198,356 (CAD\$5,285,310) of accrued interest, prepayment fee and principal with the subscription of 17,617,701 common shares.

As at June 30, 2022 options enabling the holders to acquire common shares are as follows:

Expiry date	Number of options	Number of vested options	Weighted average remaining life in years	Weighted average exercise price
June 24, 2025	850,000	850,000	2.99	C\$ 0.27
November 2, 2025	275,000	275,000	3.35	C\$ 0.70
June 21, 2026	4,400,000	4,400,000	3.98	C\$ 0.60
August 23, 2026	2,025,000	1,518,750	4.15	C\$ 0.60
	7,550,000	7,043,750	3.89	C\$ 0.57

As at June 30, 2022 warrants enabling the holders to acquire common shares are as follows:

Expiry date	Number of warrants	Weighted average remaining life in years	Weighted average exercise price
December 29, 2022	316,848	0.49	C\$0.665
June 23, 2023	1,466,908	0.98	C\$0.60
	1,783,756	0.89	C\$0.61

As at June 30, 2022 the Company had 825,000 RSU's outstanding.

SUBSEQUENT EVENTS

On August 9, 2022, the Company granted 1,950,000 stock options with an exercise price of CAD\$0.25 to the Company's management, directors and service providers. The options have a 12-month vesting provision.

On August 9, 2022, the Company granted 250,000 RSU's to the Company's management, directors and service providers. The RSU's have a 12-month vesting provision.

On August 22, 2022, the Company signed a debt settlement agreement with Maverix Metals Inc. for the settlement of US\$494,706 (CAD\$540,377) of debt with the subscription of 1,801,256 common shares. The common shares were issued at a deemed price of C\$0.30.

RISKS AND UNCERTAINTIES

COVID 19

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Corporation. The extent to which the COVID-19 pandemic impacts the Corporation's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Corporation's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Corporation. Even after the COVID-19 pandemic has subsided, the Corporation may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Corporation cannot reasonably estimate the impact at this time to our business, liquidity, capital resources and financial results.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company's properties does not have a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; defining mineral resources and mineral reserves, ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Title to Mineral Property Risks

The Company does not maintain insurance against title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations or the value it may obtain on disposal of an asset. Commodity price declines could also reduce the amount the Company would receive on the disposal of its mineral properties to a third party. Refinery and treatment terms may also adversely impact the company.

Financing and Share Price Fluctuation Risks

The Company is dependent on outlining mineral reserves and developing access to them so that they can be

processed on a sustainable, profitable basis. While the company does produce some revenue by processing mineralized material, it must further invest capital to reach commercial production. Further exploration and development of the Company's project may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its project which could result in the loss of its property.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly affecting those parts of a company considered to be at exploration stage, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues or the value of the Company's investments and corresponding effect on the Company's financial position.

Political, Regulatory and Currency Risks

The Company operates in Peru and Ecuador. Changing political aspects may affect the regulatory environment in which the Company operates. A significant portion of the Company's expenditures are incurred in US dollars. At this time there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the US dollar could have an adverse impact on the amount of development and exploration conducted.

South America which has specific risks that may adversely affect the Company's business and results of operations which are different from and, in many cases, greater than comparable risks associated with similar operations within North America. The political and economic environment in Ecuador has been unstable in the past, and the country has been subject to strikes and general civil unrest. There can be no assurance that the political or economic environment in Ecuador will be stable in the future. Risks associated with political or economic instability include, but are not limited to, terrorism, hostage taking, military repression, high rates of inflation, currency fluctuations and controls, crime, corruption uncertainty of the rule of law and legal systems, misuse of legal systems, labour unrest, risks of war or civil unrest, illegal mining and possible political or economic instability which may result in the impairment or loss of mineral concessions or other mineral rights. Mineral exploration and mining activities may be affected in varying degrees by political instability and government regulations relating to the mining industry.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are generally low in the principal country of operation of the Company but changing social expectations could add new layers of risk to the viability of exploration and development properties.

Competition

The Company competes with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

FORWARD LOOKING STATEMENTS

This MD&A may contain “forward-looking statements” that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “will”, “may”, “should”, “estimate”, “intend”, “expect”, “anticipate” and similar expressions are intended to identify forward-looking statements which, by their very nature, are not guarantees of the Company’s future operational or financial performance.

Forward-looking statements are not historical facts and include, but are not limited to:

- a) Estimates and their underlying assumptions;
- b) Statements regarding plans, objectives and expectations with respect to the effectiveness of the Company’s business model, future operations, the impact of regulatory initiatives on the Company’s operations and market opportunities;
- c) General industry and macroeconomic growth rates;
- d) Uncertainty on success of corporate development initiatives (e.g. spin out of Ecuador assets)
- e) Expectations related to possible joint or strategic ventures; and
- f) Statements regarding future performance.

Although forward-looking statements and information contained in this MD&A are based on the beliefs of management which we consider to be reasonable, as well as assumptions made by information currently available by management, there is no assurance that the forward-looking statements or information will prove to be accurate.

Forward-looking statements used in this MD&A are subject to various known and unknown risks, uncertainties and other factors, most of which are difficult to predict and generally beyond the control of the Company. These risks, uncertainties and other factors may include but are not limited to unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project, failure to obtain licenses that are expected to be issued (or issued in a timely manner), impact resulting from lack of community support, impact resulting from lack of governmental and regulatory support and other factors. This list is not exhaustive and these and other factors should be considered carefully.

Readers are cautioned not to place undue reliance on these forward-looking statements which pertain only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as required by securities law.

QUALIFIED PERSON

Geological and mining technical information presented in this MD&A above has been approved by Mr. John Bolaños or Mr. A. David Heyl, both of whom are deemed qualified persons who, by reason of education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, fulfill the requirements for a Qualified Person as defined in NI 43-101, and who are independent of the issuer as specified in Section 1.5 of NI 43-101CP.

Mr. Heyl, B.Sc., C.P.G., QP is a Certified Professional Geologist and Qualified Person under NI 43-101. With over 30 years of field and upper management experience, Mr. Heyl has a solid geological background in generating and conducting exploration and mining programs for gold, rare earth metals and base metals, resulting in several discoveries. Mr. Heyl has 20 years of experience in Peru. He worked for Barrick Gold, was the exploration manager for Southern Peru Copper and spent over twelve years working in and supervising underground and open pit mining operations in the Americas. Mr. A. David Heyl is a consultant for Silver X Mining Corp.

Mr. John E. Bolaños qualified with an M.Sc. in Mining Geology from Camborne School of Mines (U.K.) and a Professional Geologist Eng. from The Central University of Ecuador (honours degree). He is a registered member of the Society for Mining, Metallurgy & Exploration (SME) of the United States; Director of the Ecuadorian College of Engineers in Geology, Mines, Oil and Environment and a member of the Mining Chamber of Ecuador. He has 28 years of experience in the exploration and mining industry throughout the Americas.

Information on data verification performed on the mineral properties mentioned in this MD&A that are considered to be material mineral properties to the Company are contained in the current technical reports for those properties, all available under the Company's profile at www.sedar.com.