ELEVATION GOLD

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2021,
the Six Month Transitional Fiscal Year Ended December 31, 2020, and
the Year Ended June 30, 2020

Independent auditor's report

To the Shareholders of Elevation Gold Mining Corporation (formerly Northern Vertex Mining Corp.)

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Elevation Gold Mining Corporation and its subsidiaries (together, the Company) as at December 31, 2021 and 2020, and its financial performance and its cash flows for the year ended December 31, 2021 and the period from July 1, 2020 to December 31, 2020 in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2021 and 2020;
- the consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2021 and the period from July 1, 2020 to December 31, 2020;
- the consolidated statements of changes in equity for the year ended December 31, 2021 and the period from July 1, 2020 to December 31, 2020;
- the consolidated statements of cash flows for the year ended December 31, 2021 and the period from July 1, 2020 to December 31, 2020; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Comparative information

The financial statements of the Company for the year ended June 30, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on October 28, 2020.

Other information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Dean Larocque.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 29, 2022

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

As at:	Notes	December 31, 2021	December 31, 2020	June 30, 2020
ASSETS				
Current assets				
Cash and cash equivalents		**$ 1,068**	$ 8,285	$ 6,785
Trade and other receivables		**58**	57	346
Inventory	6	**27,005**	24,157	27,223
Prepaid expenses and deposits		**433**	408	272
Total current assets		**28,564**	32,907	34,626
Non-current assets				
Restricted cash		**1,770**	2,340	1,430
Plant and equipment	7	**47,376**	40,608	40,266
Mineral properties	7	**63,273**	30,526	27,427
Deferred transaction costs		**-**	53	-
Total assets		**$ 140,983**	$ 106,434	$ 103,749
LIABILITIES				
Current liabilities				
Trade and other payables	8	**$ 10,677**	$ 10,719	$ 10,735
Current portion of debt	9	**4,529**	191	9,778
Current portion of leases	10	**435**	2,070	2,119
Current portion of silver stream	11	**2,271**	2,843	4,469
Current portion of derivatives	13	**3,730**	6,164	3,128
Total current liabilities		**21,642**	21,987	30,229
Non-current liabilities				
Debt	9	**5,871**	5,712	6,784
Leases	10	**468**	441	1,310
Silver stream	11	**12,378**	13,519	14,402
Provision for reclamation	12	**6,714**	2,756	2,720
Derivatives	13	**7,905**	14,344	1,341
Total liabilities		**54,978**	58,759	56,786
SHAREHOLDERS' EQUITY				
Share capital	14	**101,124**	65,518	56,821
Equity reserves		**24,471**	23,570	24,447
Deficit		**(39,590)**	(41,413)	(34,305)
Total shareholders' equity		**86,005**	47,675	46,963
Total liabilities and shareholders' equity		**$ 140,983**	$ 106,434	$ 103,749

Nature of operations – Note 1
Commitments – Note 25
Subsequent events – Note 27

APPROVED AND AUTHORIZED ON BEHALF OF THE BOARD (NOTE 2):

Signed *"Douglas Hurst"*, DIRECTOR Signed *"David Farrell"*, DIRECTOR

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

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

	Notes	Year ended December 31, 2021	Six Months Ended December 31, 2020	Year ended June 30, 2020
Revenue	15	**$ 58,845**	$ 52,739	$ 56,961
Cost of sales				
Production costs	16	**(43,996)**	(26,085)	(34,921)
Depletion and depreciation	7	**(8,754)**	(6,844)	(10,718)
Royalties		**(3,111)**	(2,892)	(3,412)
Total cost of sales		**(55,861)**	(35,821)	(49,051)
Income from mine operations		**2,984**	16,918	7,910
Corporate administrative expenses	17	**(4,963)**	(2,115)	(2,501)
Operating income		**(1,979)**	14,803	5,409
Finance costs	18	**(5,683)**	(6,725)	(6,436)
Gain (loss) on revaluation of derivative liabilities	19	**11,067**	(16,265)	745
Foreign exchange gain (loss)		**170**	(509)	247
Government grants		**-**	1,588	-
Other income		**-**	-	765
Income (loss) and comprehensive income (loss) for the period		**$ 3,575**	$ (7,108)	$ 730
Income (loss) per share				
Basic	14	**$ 0.06**	$ (0.17)	$ 0.02
Diluted	14	**$ 0.02**	$ (0.17)	$ 0.02
Weighted average number of shares outstanding				
Basic	14	**58,933,350**	42,278,008	41,325,556
Diluted	14	**62,176,663**	42,278,008	41,458,484

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				Equity Reserves						
	Notes	Number of Shares	Share Capital	Share Option Reserve	Warrant Reserve	Equity Component of Convertible Debentures	Other Comprehensive Income (Loss)	Total Equity Reserves	Deficit	Total Equity
Balance, June 30, 2019		**40,958,629**	**$ 55,746**	**$ 6,543**	**$ 21,928**	**$ 1,013**	**$ (5,743)**	**$ 23,741**	**$ (35,035)**	**$ 44,452**
Shares issued for:									-	
Convertible debt interest payment	9	211,366	251	-	-	-	-	-	-	251
Gold call loan payment		597,815	697	-	-	-	-	-	-	697
Directors fees		117,361	127	-	-	-	-	-	-	127
Share-based compensation	14	-	-	706	-	-	-	706	-	706
Net income for the year		-	-	-	-	-	-	-	730	730
Balance, June 30, 2020		**41,885,171**	**$ 56,821**	**$ 7,249**	**$ 21,928**	**$ 1,013**	**$ (5,743)**	**$ 24,447**	**$ (34,305)**	**$ 46,963**
Balance, June 30, 2020		**41,885,171**	**$ 56,821**	**$ 7,249**	**$ 21,928**	**$ 1,013**	**$ (5,743)**	**$ 24,447**	**$ (34,305)**	**$ 46,963**
Shares issued for:										
Exercise of warrants		3,275,724	8,638	-	-	-	-	-	-	8,638
Exercise of stock options		25,000	59	(23)	-	-	-	(23)	-	36
Redemption of convertible debentures		-	-	-	-	(1,013)	-	(1,013)	-	(1,013)
Share-based compensation	14	-	-	159	-	-	-	159	-	159
Net loss for the period		-	-	-	-	-	-	-	(7,108)	(7,108)
Balance, December 31, 2020		**45,185,895**	**$ 65,518**	**$ 7,385**	**$ 21,928**	**$ -**	**$ (5,743)**	**$ 23,570**	**$ (41,413)**	**$ 47,675**
Balance, December 31, 2020		**45,185,895**	**$ 65,518**	**$ 7,385**	**$ 21,928**	**$ -**	**$ (5,743)**	**$ 23,570**	**$ (41,413)**	**$ 47,675**
Shares issued for:										
Purchase of Eclipse Gold Mining Corp		18,160,021	39,431	307	-	-	-	307	-	39,738
Convertible debt interest payment	9	131,604	222	-	-	-	-	-	-	222
Mineral property acquisition		181,667	385	-	-	-	-	-	-	385
Mining contractor settlement		60,850	150	-	-	-	-	-	-	150
Exercise of warrants	14	4,583	9	-	-	-	-	-	-	9
Exercise of stock options and share units	14	390,847	801	(356)	-	-	-	(356)	-	445
Cancellation of shares held by Eclipse Gold Mining Corp		(3,251,840)	(5,392)	-	-	-	-	-	(1,752)	(7,144)
Share-based compensation	14	-	-	950	-	-	-	950	-	950
Net income for the year		-	-	-	-	-	-	-	3,575	3,575
Balance, December 31, 2021		**60,863,627**	**$ 101,124**	**$ 8,286**	**$ 21,928**	**$ -**	**$ (5,743)**	**$ 24,471**	**$ (39,590)**	**$ 86,005**

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

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

	Notes	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Cash flows from operating activities				
Income (loss) for the period		**$ 3,575**	$ (7,108)	$ 730
Items not affecting cash:				
Share-based compensation	14	**760**	175	1,078
Loss on disposal of fixed assets		**162**	144	-
Other shared-based payments		**150**	-	127
Depletion and depreciation	7	**8,803**	6,848	10,724
Fair value loss on gold call options		**-**	-	613
Fair value change on derivatives	13	**(11,067)**	16,265	(745)
Interest expense (includes accretion and issue costs)	18	**3,934**	2,434	6,986
Loan recognized as government grant		**-**	(1,578)	-
Drawdown of silver stream		**(4,579)**	(4,138)	(5,588)
Unrealized foreign exchange loss (gain)		**30**	462	(351)
Changes in non-cash working capital:				
Trade and other receivables		**44**	289	(321)
Inventory	16	**(3,546)**	1,421	(5,944)
Prepaid expenses and deposits		**443**	(232)	198
Trade and other payables		**708**	(1,374)	2,611
Cash provided by (used in) operating activities		**(583)**	13,608	10,118
Cash flows from financing activities				
Proceeds from debt, net		**4,338**	1,139	3,660
Proceeds of lease obligation		**-**	478	-
Repayment of debt		**(191)**	(9,417)	(1,537)
Repayment of lease obligation		**(2,136)**	(1,354)	(1,605)
Proceeds from issuance of stock and warrant options		**454**	6,209	-
Interest paid		**(387)**	(934)	(1,576)
Cash provided by (used in) financing activities		**2,078**	(3,879)	(1,058)
Cash flows from investing activities				
Mineral property expenditures		**(6,271)**	(4,790)	(1,632)
Restricted cash		**570**	(910)	(274)
Plant and equipment expenditures		**(15,153)**	(2,796)	(3,883)
Cash acquired in purchase of Eclipse		**13,083**	-	-
Proceeds from sale of plant and equipment		**-**	315	-
Eclipse transaction costs		**(894)**	(53)	-
Cash used in investing activities		**(8,665)**	(8,234)	(5,789)
Effect of foreign exchange on cash		**(47)**	5	70
Change in cash and cash equivalents during the period		**(7,217)**	1,500	3,341
Cash and cash equivalents, beginning of the period		**8,285**	6,785	3,444
Cash and cash equivalents, end of the period		**$ 1,068**	$ 8,285	$ 6,785

Supplemental disclosure of non-cash activities – Note 21

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

1. NATURE OF OPERATIONS

Nature of Operations

Elevation Gold Mining Corporation (the "Company") is incorporated under the laws of the province of British Columbia, Canada and its principal business activity is the exploration, development and production of precious metals. The address of the Company's registered office is Suite 1920 – 1188 West Georgia Street, Vancouver, British Columbia, Canada. The Company's common shares are listed on the Toronto Stock Venture Exchange ("TSXV") in Canada under the ticker symbol ELVT and on the OTCQX in the United States under the ticker symbol EVGDF.

The Company's principal operation is the production of gold and silver from its 100% owned Moss Mine in the Mohave County of Arizona. Through the Company's recent acquisition of Eclipse Gold Mining Corporation ("Eclipse"), Elevation also holds the title to the Hercules exploration property, located in Lyon County, Nevada. Effective September 24, 2021, the Company changed its name from Northern Vertex Mining Corp. to Elevation Gold Mining Corporation. Prior to the change in the Company's name, the Company's common shares were trading on the TSXV under the ticker symbol NEE.

Covid-19 – Impact on Operations

The COVID-19 pandemic has significantly impacted the global economy, disrupted global supply chains, and created significant volatility in the financial markets. To date, the impact of COVID-19 on Elevation's operational and financial performance has been effectively minimized through a combination of controls and strict safety protocols.

These measures have included monitoring employees and contractors for illness, physical distancing measures, implementation of remote work and video conferencing, cancellation of non-essential travel, screening questionnaires, adherence to mask mandates, and daily sanitation and routine deep cleaning of the workplace spaces.

While the Company has not yet been significantly impacted by COVID-19, additional government or regulatory actions or inactions, in the future, around the world in jurisdictions where the Company or its suppliers operate may also have a potential significant, economic and social impact. If the Company's operations are disrupted or suspended because of these or other measures, it may have a material adverse effect on the Company's business, results of operations and financial performance. The extent to which COVID-19 may impact the Company's future business and operations will depend on future developments that are highly uncertain and cannot be accurately estimated at this time.

2. BASIS OF PRESENTATION

Statement of Compliance and Basis of Presentation

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies applied in these consolidated financial statements are presented in Note 3 and have ben applied consistently to all years presented, unless otherwise noted.

These consolidated financial statements were approved and authorized for issue by the Company's Board of Directors on April 29, 2022.

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

2. BASIS OF PRESENTATION *- continued*

Change of year-end

During the six months ended December 31, 2020, the Company approved a change of its year end from June 30 to December 31. The Company's transition period was the six months ended December 31, 2020. The comparative periods are the six months ended December 31, 2020 and the year ended June 30, 2020.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company is exposed to variable returns and has the ability to affect those returns through power to direct the relevant activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Subsidiaries will be de-consolidated from the date that control ceases. The Company's subsidiaries names, country of incorporation, percentage ownership, and principal activities are presented below.

Name	Country of Incorporation	Percentage Owned	Principal Activity
Golden Vertex Corp.	United States of America	100%	Precious Metal Production
Golden Vertex (Idaho) Corp.	United States of America	100%	Holding Company
Eclipse Gold Mining Corp.	Canada	100%	Holding Company
Alcmene Mining Inc.	Canada	100%	Holding Company
Hercules Gold USA, LLC	United States of America	100%	Mineral Exploration

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation. Profit or loss and other loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are classified as financial assets and subsequently measured at amortized cost.

Inventory

Inventories include work in progress (ore stockpiles and heap leach ore) as well as finished goods (doré bars including gold and silver) and consumables and supplies. Ore stockpiles, heap leach ore or finished goods inventory are valued at the lower of weighted average production cost and net realizable value based on estimated metal content.

The Company allocates direct and indirect production costs to gold and silver on a weighted average production cost basis. Production costs include the cost of raw materials, direct labour, mine-site overhead expenses and applicable depreciation and depletion of mineral properties, plant and equipment. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future production costs to convert inventories into saleable form and estimated costs to sell.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Inventory - *continued*

Work in process inventory, including ore stockpiles, represents ore on the surface that has been extracted from the mine and is available for further processing. Heap leach ore inventory represents estimated gold and silver ounces contained in ore that has been placed on the heap leach pad for cyanide irrigation. When ore is placed on the heap leach pad, an estimate of recoverable ounces is made based on tonnage, grade and estimated recoveries of the ore that was placed on the heap leach pad. The estimated recoverable ounces on the heap leach pad are used to determine inventory cost. The estimated recoverable ounces carried on the heap leach pad are adjusted based on actual recoveries being experienced. Actual and estimated recoveries are measured to the extent possible, using various indicators including but not limited to, leach curve recoveries, column tests and current trends in the level of ounces carried on the pad.

Doré inventory represents gold and silver ounces located at the mine, in transit to customers, at the refinery and bullion after it has been refined. Materials and supplies inventories are valued at the lower of weighted average cost and net realizable value. Replacement costs of materials and spare parts are generally used as the best estimate of net realizable value.

Plant and Equipment

Plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and borrowing costs related to the acquisition or construction of the qualifying assets.

Depreciation of plant and equipment commences when the asset is in the condition and location necessary for it to operate in the manner intended by management. Plant and equipment assets are depreciated or depleted using either the straight-line or units-of-production method over the shorter of the estimated useful life of the asset or the expected life of mine. Where an item of plant and equipment comprises of major components with different useful lives, the components are accounted for as separate items of plant and equipment. A majority of mine and site infrastructure assets are depleted using a unit-of-production method over the life of the mine. Depletion is determined each period using gold ounces mined over the estimated contained proven and probable reserves and measured and indicated resources of the mine. Depreciation and depletion is recognized in the consolidated statement of income (loss) and comprehensive income (loss) upon commercial production having been achieved.

Other ancillary assets are depreciated using the straight-line method to allocate cost over their estimated useful lives, as follows:

Description	**Estimated useful life**
Ancillary machinery and equipment	2-5 years
Light vehicles	3-5 years
Office furniture, leaseholds and computer equipment	3-5 years

Asset useful life and residual values are reviewed on an annual basis and adjusted, if required, on a prospective basis.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Exploration and Evaluation Assets

Exploration and evaluation assets represent properties on which the Company is conducting exploration to determine whether significant mineralization exists or for which the Company has identified a mineral resource of such quantity and grade or quality that it has reasonable prospects for economic extraction. All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on an area of interest are expensed as incurred. Once the legal right to explore has been obtained, exploration expenditures are capitalized in respect of each identifiable area of interest. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined the property has no future economic value. Exploration and evaluation activities include the following:

- acquiring the rights to explore;
- researching and analyzing historical exploration data;
- gathering exploration data through topographical, geochemical and geophysical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource; and
- compiling pre-feasibility and feasibility studies.

Exploration and evaluation assets are carried at historical cost, less any impairment, if applicable.

Exploration and evaluation assets are transferred to development or producing mining interests when technical feasibility and commercial viability of the mineral resource have been demonstrated. Factors taken into consideration include:

- the extent to which mineral reserves or mineral resources have been identified through a feasibility study or similar level document;
- life of mine plan and economic modeling support the economic extraction of such reserves and resources;
- no legal encumbrances exist which would cast significant doubt on the commercial viability of the mineral reserves; and
- operating and environmental permits exist or are reasonably assured as obtainable.

Exploration and evaluation expenditures do not qualify as development or producing mining interests until the above criteria are met.

Mining Interests

Exploration, development and field support costs directly related to mining interests are deferred until the property to which they directly relate is placed into production, sold, abandoned or subject to a condition of impairment. The deferred costs are amortized using the units of production ("UOP") method, based on recoverable ounces from the estimated proven and probable reserves and a portion of measured and indicated resources that are reasonably expected to be converted to proven and probable reserves.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Stripping Costs

Capitalization of stripping costs requires the Company to make judgments and estimates in determining the amounts to be capitalized. In open pit mining it may be required to incur costs to remove overburden and other mine waste materials in order to access the ore body ("stripping costs"). During the development of a mine, stripping costs are capitalized and included in the carrying amount of the related mining property and depleted over the productive life of the mine using the unit-of-production method. During the production phase of a mine, stripping costs incurred to provide access to gold and silver which will be produced in future periods that would not have otherwise been accessible are capitalized and included in the carrying amount of the related mineral property. Stripping costs incurred and capitalized during the production phase are depleted using the unit-of-production method over the estimated contained proven and probable reserves and measured and indicated resources that directly benefit from the specific stripping activity. Costs incurred for regular waste removal that do not give rise to future economic benefits are considered as costs of sales and included in production costs.

Impairment of Non-Financial Assets

The carrying amounts of assets included in mineral properties, plant and equipment are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash generating unit to which the asset belongs is determined. The recoverable amount of an asset or cash generating unit is determined as the higher of its fair value less costs of disposal and its value in use. An impairment loss exists if the asset's carrying amount exceeds the recoverable amount, and is recorded as an expense immediately.

Value in use is determined as the present value of the future cash flows expected to be derived from continuing use of an asset or cash generating unit in its present form. These estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit for which estimates of future cash flows have not been adjusted.

Fair value is the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. Costs of disposal are incremental costs directly attributable to the disposal of an asset. Estimated future cash flows are calculated using estimated future prices, mineral reserves and resources and operating and capital costs. All inputs used are those that an independent market participant would consider appropriate.

Assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount, but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized in the consolidated statement of income (loss) and comprehensive income (loss) immediately.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance expense. The finance expense is charged to the statements of operations over the lease period. The right-of-use asset is depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company’s incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of loss. Short-term leases are leases with a lease term of 12 months or less.

Certain leases contain variable payment terms. Variable lease payments are recognized in the statement of loss in the period in which the condition that triggers those payments occurs.

Silver Stream Obligation

The Company has a silver stream obligation which has been accounted for in accordance with IFRS 9. Management has determined that based on the terms of the agreement there is a financial liability component and an embedded derivative component. The financial liability is measured at amortized cost. The Company values the liability at the present value of its expected future cash outflows at each reporting period. The embedded derivative is valued at fair value with changes in fair value at each reporting period being reflected in the consolidated statements of income (loss) and comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Derivative Liabilities

Derivatives are initially recognized at their fair value on the date the derivative contract is entered into and transaction costs are expensed. The Company's derivatives are subsequently re-measured at their fair value at each reporting date with changes in fair value recognized in the consolidated statement of income (loss) and comprehensive income (loss).

As the exercise price of the Company's share purchase warrants is fixed in Canadian dollars and the functional currency of the Company is the United States dollars, these warrants are considered a derivative as a variable amount of cash in the Company's functional currency will be received on exercise. Accordingly, these share purchase warrants are classified and accounted for as a derivative liability. The fair value of the warrants is determined using the Black Scholes option pricing model at the period end date.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts.

Provision for Reclamation and Remediation

The Company's activities are subject to laws and regulations relating to the protection of the environment in jurisdictions in which exploration, development and mining activities take place. To comply with such laws and regulations, the Company may be required to make expenditures for reclamation and remediation. In certain cases, the Company could also have a constructive obligation to make such expenditures, where a legal obligation did not otherwise exist. The Company recognizes a provision for reclamation and remediation when: the Company has a present legal or constructive obligation as a result of past events, such as an environmental disturbance; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are measured at the net present value of the expenditures expected to be required to settle the obligation using a risk-free rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Reclamation and remediation provisions include estimates for the costs of restoration activities required under applicable environmental regulations, such as dismantling and demolition of infrastructure, site and land rehabilitation, and security and monitoring. The extent of reclamation and remediation work required is primarily dependent on the prescribed requirements of the applicable environmental authority in the jurisdiction in which the Company's activities take place. Upon initial recognition of the liability, the net present value of the obligation is capitalized as part of the cost of mining interests. Restoration activities will occur primarily upon closure of a mine, but can occur from time to time throughout the life of the mine. As restoration projects are undertaken, their costs are charged against the provision as the costs are incurred.

Reclamation and remediation provisions are reviewed at least quarterly and take into account the effects of inflation and changes in estimates, with any resulting adjustments to the net present value of the provision correspondingly capitalized to mining interests.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Share Capital

Common shares are classified as equity. The Company records proceeds from share issuances net of share issuance costs. Share capital issued for non-monetary consideration is recorded at the fair market value of the shares on the date the shares are issued. Proceeds related to the issuance of units are allocated between common shares and warrants on a relative fair value basis where warrants are classified as equity instruments. For warrants classified as derivative liabilities, the fair value of the warrants is determined with the residual amount allocated to common shares.

Share-Based Payments

The Company measures equity settled share-based payments based on their fair value at grant date and recognizes compensation expenses in profit or loss over the vesting period. Fair value for cash settled share-based payments, including Restricted Share Units ("RSUs") and Performance Share Units ("PSUs"), is determined using the Company's share price at the grant date and the corresponding liability is marked to market at each subsequent reporting date.

Expected forfeitures are estimated at the date of grant and subsequently adjusted if further information indicates actual forfeitures may vary from the original estimate. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expenses reflect the revised estimate.

Revenue Recognition

Revenue is generated from the sale of gold and silver. The Company produces doré which contains gold and silver. Doré is further processed by a third party refiner to produce refined metals for sale.

Revenue is recognized when control of the refined gold and silver is transferred to the customer. Control is achieved when an irrevocable commitment to sell gold and silver to customers at a specified price occurs upon the Company's third party refiner notifying the customers that they have received irrevocable instructions to deliver refined gold and silver to the customers' bullion account. After this point the customers have full discretion over the product and there is no unfulfilled obligation that could affect the acceptance of the product.

Government Grants

Government grants are recognized in other revenue in the consolidated statements of income (loss) and comprehensive income (loss) when the grants have been received and the Company has complied with the conditions attached to them. A forgivable loan is treated as a government grant when there is reasonable assurance the Company will meet the terms for forgiveness of the loan.

Current and Deferred Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense if applicable, is recognized in the consolidated statements of income (loss) and comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Current and Deferred Income Taxes - *continued*

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period, adjusted for amendments if any, to tax payable from previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established, where appropriate, on the basis of amounts expected to be paid to tax authorities.

Deferred tax is recorded using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable loss, or on differences relating to investments in subsidiaries to the extent that it is probable they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statements of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Foreign Currency Translation

Items included in the financial statements of each of the subsidiaries of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). These consolidated financial statements are presented in United States dollars which are also the functional currency of the parent company and its subsidiaries.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are remeasured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to the common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share is calculated based on the weighted average number of common shares outstanding during the year, plus the effects of dilutive common share equivalents. This calculation requires that the dilutive effect of outstanding options and warrants issued be calculated using the treasury stock method. The treasury stock method assumes that all common share equivalents have been exercised at the beginning of the year (or at the time of issuance, if later), and that the funds obtained thereby were used to purchase common shares of the Company at the average trading price of common shares during the year. The calculation of diluted loss per share excludes the effects of various conversions and exercises of options and warrants that would be anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Financial Instruments

Financial assets are classified into three measurement categories on initial recognition: (i) measured as amortized cost; (ii) measured at fair value through other comprehensive income ("FVOCI"); and (iii) measured at fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated and instead, the financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and

All financial assets not classified as measured at amortized cost as described above are measured at FVTPL.

Fair value changes on liabilities are presented as follows: (i) the amount that is attributable to changes in the credit risk of the liabilities is presented in other comprehensive income ("OCI") and (ii) the remaining amount of change in the fair value is presented in the consolidated statement of income (loss) and comprehensive income (loss). All other financial liabilities are measured at amortized cost unless the fair value option is applied.

IFRS 9 has an expected credit loss ("ECL") model for calculating impairment of financial assets. An entity is required to recognize ECL when financial instruments are initially recognized and to update the amount of ECL recognized at each reporting date to reflect changes in the credit risk of the financial instruments. IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

Recently Adopted Significant Accounting Policies

The Company adopted Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 4 and IFRS 16 (the "Phase 2 Amendments") effective on January 1, 2021. Interest rate benchmark reform ("Reform") refers to a global reform of interest rate benchmarks, which includes the replacement of some interbank offered rates with alternative benchmark rates. The Company has determined the adoption of the accounting policy did not have a significant impact on reporting and disclosure.

The Phase 2 Amendments provide a practical expedient requiring the effective interest rate to be adjusted when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities that relate directly to the Reform rather than applying modification accounting which might have resulted in a gain or loss. In addition, the Phase 2 Amendments require disclosures to assist users in understanding the effect of the Reform on the Company's financial instruments and risk management strategy. The Company' Master Lease Agreement as defined in Note 9 is indexed to London interbank offered rates ("LIBOR") that have not yet transitioned to alternative benchmark rates at the end of the current reporting period.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Significant estimates and judgments used in the preparation of the consolidated financial statements include, but are not limited to:

- those relating to the assessment of the Company's ability to continue as a going concern;
- inventory valuation which includes contained and recoverable ounces and allocation of costs;
- the expected costs of reclamation and remediation;
- the fair value of derivative liabilities;
- the fair value of the silver stream obligation and associated embedded derivative.
- the portion of convertible debentures directly apportioned to equity;
- the economic recoverability of exploration expenditures incurred and the probability of future economic benefits from the expenditures;
- asset carrying values and impairment charges;
- useful life of property, plant and equipment;
- the calculation of share-based compensation, which includes the assumptions used in the Black-Scholes option pricing model such as volatility, estimated forfeiture rates and expected time until exercise; and
- recognition of deferred tax assets.

The key sources of estimation uncertainty that have a significant risk of causing material adjustments to the amounts recognized in the consolidated financial statements are as follows:

Inventories

The allocation of costs to inventories and the determination of net realizable value involves the use of estimates. There is significant judgment used in estimating future costs, future production levels, contained gold and silver ounces, gold and silver recovery levels and market prices. Actual results may differ significantly from estimates used in the determination of the carrying value of inventories. The Company allocates direct and indirect production costs to gold and silver on a systematic and rational basis. With respect to ore stockpiles, heap leach ore and doré inventory, production costs are allocated based on ounces recoverable within each category of inventory. Inventory is stated at the lower of weighted average cost or net realizable value with cost being determined using a weighted average cost method. The ending inventory value of ounces associated with the leach pad is equal to opening recoverable ounces plus recoverable ounces placed, less ounces produced, with ounce adjustments related to current estimates of contained ounces and recovery levels being experienced.

Provision for Reclamation and Remediation

The amounts recorded for reclamation and remediation provisions are based on a number of factors, including technical reports prepared by third-party specialists for anticipated remediation activities and costs, the expected timing of cash flows, anticipated inflation rates and pre-tax risk-free interest rates on which the estimated cash flows have been discounted. Actual results could differ from these estimates. The estimates require considerable judgment about the nature, cost and timing of the work to be completed and may change with future changes to costs, environmental laws and regulations and remediation practices.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS - *continued*

Derivative Liabilities

The Company issues share purchase warrants in connection with certain equity financings. The fair value of share purchase warrants is estimated by using the Black-Scholes valuation model on the date of warrant issuance at each subsequent period end based on certain assumptions. Those assumptions are described in Note 14 and include, among others, expected volatility, expected life and number expected to vest.

Silver Stream Obligation and Embedded Derivative

The silver stream obligation has been accounted for as a financial liability. The financial liability is measured at amortized cost. The fair value of the silver stream obligation embedded derivative is estimated by using the Monte Carlo simulation valuation models based on certain assumptions. Those assumptions are described in Note 13 and include, among others, the silver forward curve price, long-term silver price volatility, the risk-free interest rate, and the Company's credit spread.

Convertible Debentures

Convertible debentures are financial instruments accounted for in two separate components, a debt instrument and equity instrument or a derivative liability. The identification of the respective components is based on interpretations of the substance of the contractual arrangement and thus requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the debt component. The determination of the fair value of the debt component is based on a number of assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

Mining Interests

The Company makes certain estimates and assumptions regarding the recoverability of the carrying values of mining interests. The amounts shown for mining interests do not necessarily represent present or future values.

The recoverability of asset carrying values is dependent upon economically recoverable reserves and resources, the ability of the Company to obtain the necessary financing and permits to complete development and profitable production or proceeds from the disposition. The Company estimates its reserves and resources based on information compiled and reviewed by qualified persons as defined in accordance with NI 43-101 requirements. Depletion of mining interests is calculated using a unit-of-production method over the life of the mine, which is dependent upon economically recoverable reserves and resources.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS - *continued*

Useful Life of Plant and Equipment

The useful life of plant and equipment is based on management estimates at the time of acquisition with information obtained from vendors and engineer guidance, where required. Management estimates may change due to technological developments, market conditions, expectation for replacement of assets and other factors. The Company depreciates assets on either a straight-line or units-of-production basis over the shorter of the estimated useful life of the asset or the expected life of mine. The units-of-production basis calculates depreciation by dividing gold-equivalent ounces mined during the period over the estimated remaining economically recoverable reserves and resources. The Company estimates its reserves and resources based on information compiled and reviewed by qualified persons as defined in accordance with NI 43-101 requirements. Estimates of residual values, useful lives and depreciation methods are reviewed periodically by management. Any changes that arise from periodic reviews are accounted for and adjusted prospectively.

Share-Based Payments

The Company has an incentive stock option plan for employees, consultants, directors and officers. Services received and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments at the date of grant, excluding the impact of any non-market vesting conditions. The fair value of share options is estimated by using the Black-Scholes valuation model on the date of stock option grant based on certain assumptions. Those assumptions are described in Note 14 and include, among others, expected volatility, expected life and number expected to vest.

Deferred Taxes

The Company recognizes the deferred tax benefit related to deferred tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make a significant judgment of future taxable profit. Management is required to assess whether it is probable that the Company will benefit from its deferred tax assets. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred tax assets.

Acquisition Accounting

The Company accounted for the acquisition of Eclipse Gold Mining Corp. ("Eclipse") as an asset acquisition. Significant judgement and estimates were required to determine that the application of this accounting treatment was appropriate for the transaction. These included, among others, the determination that Eclipse was not considered a business under IFRS 3 – *Business Combinations* as Eclipse did not have significant inputs, processes and outputs, that together constitute a business.

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

5. ACQUISITION OF ECLIPSE GOLD MINING CORP.

On February 12, 2021, the Company acquired Eclipse in exchange for 18,160,021 common shares of the Company with a fair value of $39,431. Total consideration in the acquisition was as follows:

Common shares	$	39,431
Warrants		2,139
Share options		307
Transaction costs		948
Total consideration	$	42,825

The acquisition was accounted for as an asset acquisition. The total consideration was allocated to the assets and liabilities acquired based on their fair values as follows:

Cash and cash equivalents	$	13,083
Trade and other receivables		46
Investment in Elevation Gold		7,061
Prepaid expenses and deposits		206
Restricted cash		140
Plant and equipment		5
Mineral properties		22,736
Trade and other payables		(435)
Provision for reclamation		(17)
Net assets and liabilities acquired	$	42,825

6. INVENTORY

As at:		**December 31, 2021**		December 31, 2020		June 30, 2020
Heap leach ore	**$**	**23,496**	$	21,591	$	25,349
Dore		**1,760**		1,509		294
Stockpiled ore		**1,481**		667		1,279
Consumables and supplies		**268**		390		301
	$	**27,005**	$	24,157	$	27,223

For the year ended December 31, 2021, the Company revised its estimate of recoverable silver ounces in heap leach ore inventory. Accordingly heap leach inventory was written down by $5,787, of which $4,921 was included in production and $866 was included in depletion and depreciation.

7. MINERAL PROPERTIES, PLANT AND EQUIPMENT

Mineral properties, plant and equipment for the year ended December 31, 2021, the six months ended December 31, 2020 and the year ended June 30, 2020 were as follows:

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

7. MINERAL PROPERTIES, PLANT AND EQUIPMENT - *continued*

Year Ended December 31, 2021	Depletable mineral properties	Non-depletable mineral properties	Plant and equipment	Total
Cost				
Balance at December 31, 2020	$ 30,421	$ 8,935	$ 59,663	$ 99,019
Additions	4,040	8,737	12,554	25,331
Acquisition of Eclipse Gold Mining Corp.	-	22,736	5	22,741
Future site restoration provision adjustment	(83)	-	-	(83)
Transfer from non-depletable mineral properties	2,789	(2,789)	-	-
Disposals	-	-	(811)	(811)
Balance at December 31, 2021	**$ 37,167**	**$ 37,619**	**$ 71,411**	**$ 146,197**
Accumulated Depreciation				
Balance at December 31, 2020	$ 8,830	$ -	$ 19,055	$ 27,885
Depletion and depreciation	2,683	-	5,543	8,226
Disposals	-	-	(563)	(563)
Balance at December 31, 2021	**$ 11,513**	**$ -**	**$ 24,035**	**$ 35,548**
Net book value at December 31, 2021	**$ 25,654**	**$ 37,619**	**$ 47,376**	**$ 110,649**

Six Months Ended December 31, 2020	Depletable mineral properties	Non-depletable mineral properties	Plant and equipment	Total
Cost				
Balance at June 30, 2020	$ 30,394	$ 4,145	$ 56,099	$ 90,638
Additions	27	4,790	4,198	9,015
Disposals	-	-	(634)	(634)
Balance at December 31, 2020	**$ 30,421**	**$ 8,935**	**$ 59,663**	**$ 99,019**
Accumulated Depreciation				
Balance at June 30, 2020	$ 7,112	$ -	$ 15,833	$ 22,945
Depletion and depreciation	1,718	-	3,397	5,115
Disposals	-	-	(175)	(175)
Balance at December 31, 2020	**$ 8,830**	**$ -**	**$ 19,055**	**$ 27,885**
Net book value at December 31, 2020	**$ 21,591**	**$ 8,935**	**$ 40,608**	**$ 71,134**

Year Ended June 30, 2020	Depletable mineral properties	Non-depletable mineral properties	Plant and equipment	Total
Cost				
Balance at June 30, 2019	$ 29,807	$ 2,614	$ 52,191	$ 84,612
Additions	587	1,531	3,908	6,026
Balance at June 30, 2020	**$ 30,394**	**$ 4,145**	**$ 56,099**	**$ 90,638**
Accumulated Depreciation				
Balance at June 30, 2019	$ 3,051	$ -	$ 8,405	$ 11,456
Depletion and depreciation	4,061	-	7,428	11,489
Balance at June 30, 2020	**$ 7,112**	**$ -**	**$ 15,833**	**$ 22,945**
Net book value at June 30, 2020	**$ 23,282**	**$ 4,145**	**$ 40,266**	**$ 67,693**

Depletable mineral properties consist of the Moss Mine. Non-depletable mineral properties consist of exploration on the Moss Property, the Silver Creek Property and the Hercules Property, which are separate from the Moss Mine.

7. MINERAL PROPERTIES, PLANT AND EQUIPMENT - *continued*

Moss Mine Property – Mohave County, Arizona

The Company owns 100% of the Moss Mine and has royalty agreements with various parties whereby the Company pays net smelter returns ("NSR") royalties totalling approximately 6% to various royalty holders - ranging from 1% to 3% on certain patented and unpatented claims related to the Moss Mine. In addition, a royalty of up to $15 per troy ounce of gold produced and up to $0.35 per troy ounce of silver produced is payable to a non-related party.

Impairment assessment

During the year ended December 31, 2021, management of the Company completed an assessment of impairment indicators for the Moss Mine cash generating unit ("CGU"), as the Company's market capitalization fell below the carrying value of net assets. Accordingly, the Company estimated the recoverable amounts of the CGU and compared them to the carrying value of the CGU. The recoverable amount was determined using a discounted future cash-flow model. After a review of Company's impairment model and consideration of mineral reserves and resources, it was determined that no impairment is to be recognized for the Moss Mine CGU at December 31, 2021.

Key assumptions in impairment assessment and sensitivity analysis

The projected cash flows used in impairment testing are significantly affected by changes in assumptions. Key assumptions included by management in the discounted cash-flow model included a gold price ranging from $1,750 to $1,850, gold and silver recoveries of 80% and 43% as indicated in life of mine plans, in-situ value per ounce of gold mineral reserves and resources of $75, and real after-tax discount rate of 5%. The Company performed a sensitivity analysis on these key assumptions. Based on the impairment testing performed at December 31, 2021, the sensitivity to changes in these key assumptions is as follows:

- a 10% decrease in the short and long term gold price would result in an impairment of $1.6 million,
- a 10% decrease in gold recoveries would result in an impairment of $2.7 million, and
- a 5% increase in the real after-tax discount rate would not result in any impairment.

Silver Creek Property – Mohave County, Arizona

On May 7, 2014, and amended June 28, 2017 and August 2, 2019 the Company secured an option on the Silver Creek property, located adjacent to the Moss Mine from La Cuesta International, Inc. ("LCI"). To fulfill the terms of the 35 year mineral lease and option agreement, the Company paid LCI $5 and issued 16,667 common shares of the Company upon execution of the agreement and had certain exploration expenditure requirements, including payments to LCI of $205 and $88 in work commitments between 2015 and 2019. From 2019 onwards the Company is making $25 payments every six months.

The agreement provides for a production royalty of 1.5% NSR on claims owned 100% by LCI and 0.5% NSR on third party claims within the claim block. To acquire the claims, the Company is required to make payments to LCI totalling $4,000 in any combination of aggregate royalty payments and lump-sum payments at its sole discretion. All payments other than the work commitments are credited against the royalty, including amounts paid to date. Once $4,000 has been paid, the NSR rates, on claims not otherwise acquired, reduce by 50%.

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

7. MINERAL PROPERTIES, PLANT AND EQUIPMENT - *continued*

Hercules Property - Lyon County, Nevada

On August 9, 2019, Hercules Gold entered into an agreement with Great Basin Resources, Inc and Iconic Minerals Ltd. for an option to obtain 100% interest in the Hercules Project, comprising certain unpatented mining claims. The option agreement has a maximum term of twelve years from February 18, 2020. Subsequent to the acquisition of Eclipse, the parties entered into an amending agreement dated February 12, 2021. Per the terms of the agreement the Company issued 181,666 common shares to Iconic Minerals Ltd. in February 2021 and issued a further 181,666 common shares on the first and second anniversary of the first issuance. The Company will also make annual payments of $50 to Great Basin Resources, Inc up to an aggregate of $600, which began in February 2021. Additionally, the Company is subject to a work commitment of $2,300 over the first three years of the agreement. The Company is in compliance with all terms of the agreement.

8. TRADE AND OTHER PAYABLES

As at:		**December 31, 2021**		December 31, 2020		June 30, 2020
Trade accounts payable	**$**	**6,398**	$	7,120	$	7,883
Accrued liabilities		**3,629**		1,816		1,764
Royalties		**650**		1,407		728
Restricted Share Units		**-**		376		360
	$	**10,677**	$	10,719	$	10,735

9. DEBT

As at:	Note		**December 31, 2021**		December 31, 2020		June 30, 2020
Convertible debentures – 2016	(i)	**$**	**-**	$	-	$	4,425
Convertible debentures - 2019	(ii)		**-**		-		8,119
Convertible debentures - 2020	(iii)		**3,541**		3,195		-
Multiple advance promissory note	(iv)		**2,523**		2,708		2,039
Gold call option facility	(v)		**-**		-		327
Payroll protection loan	(vi)		**-**		-		1,578
Equipment loans, net of costs			**-**		-		74
Short term loans	(vii)		**4,336**		-		-
			10,400		5,903		16,562
Current portion of debt	25		**(4,529)**		(191)		(9,778)
		$	**5,871**	$	5,712	$	6,784

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

9. DEBT - *continued*

(i) Convertible Debentures – 2016

In June 2020, the Company issued a notice of redemption in respect of the 2016 convertible debentures, with holders of the 2016 debentures being given the opportunity to subscribe for subordinated unsecured CAD$6,710 worth of 2020 convertible debentures. The outstanding 2016 debentures were redeemed for cash equal to the principal amount of the outstanding 2016 debentures, plus accrued and unpaid interest thereon, with such redemption effective on July 31, 2020.

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Balance, beginning of period	**$ -**	$ 4,425	$ 4,134
Interest accretion	**-**	43	462
Foreign exchange movement	**-**	75	(171)
Repayment	**-**	(4,543)	-
Balance, end of period	**$ -**	$ -	$ 4,425

(ii) Convertible Debenture – 2019

On October 3, 2019 the Company consolidated and extended the maturity date of the 2018 convertible debentures ($6,000) and the convertible portion of the 2019 debt facility ($2,500) to December 1, 2020 ($8,500) under a replacement convertible debenture the “the convertible debenture 2019”. The convertible debenture 2019 bore interest at 12% per annum, was payable quarterly in arrears in cash, and could be converted at a price of CAD$1.80 per common share and included an arrangement fee of 3%.

The Company determined the consolidation and extension of the 2018 convertible debentures and the 2019 debt facility to the convertible debenture 2019 resulted in a substantial modification of the financial instruments and therefore an extinguishment of the 2018 convertible debentures and the 2019 debt facility occurred with the resulting loss on extinguishment of $37 recorded in the consolidated statements of income (loss) and comprehensive income (loss).

On December 1, 2020 the Company repaid in full the principal outstanding of $8,500. The debenture holder and the Company entered into an agreement under which the debenture holder would not exercise their conversion right in consideration for a cash payment of $2,000 (Note 18).

The convertible debenture 2019 contained multiple embedded derivatives (the “Conversion Component”) relating to the conversion option and a conversion price fixed in CAD. Upon full repayment of the debenture, the conversion component derivative liability was reversed through the consolidated statements of income (loss) and comprehensive income (loss) (Note 19).

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

9. DEBT - *continued*

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Balance, beginning of period	**$**	**-**	$	8,119	$	-
Consolidation of convertible debentures		**-**		-		7,783
Financing costs		**-**		-		(274)
Interest accretion		**-**		381		610
Repayment		**-**		(8,500)		-
Balance, end of period	**$**	**-**	$	-	$	8,119

(iii) Convertible Debenture - 2020

In June 2020, the Company issued a notice of redemption in respect of the 2016 CAD$6,700 subordinated unsecured convertible debentures, with holders of the debentures being given the opportunity to subscribe for new subordinated unsecured CAD$6,710 worth of 2020 convertible debentures. The 2020 debentures mature on June 30, 2025, bear interest at 5% per annum, payable on June 30 and December 31 of each year while outstanding, which interest, subject to regulatory approval, may at the option of the Company be settled in common shares. The principal amount of the 2020 debentures is convertible into common shares of the Company at the price of CAD$2.40 per share. The Company may redeem the 2020 debentures in cash on or after July 31, 2022, in whole or in part from time to time, upon required prior notice at a redemption price equal to their principal amount plus accrued and unpaid interest, if any, provided that the trading price of the common shares for the 20 consecutive trading days ending five trading days prior to the date of the redemption notice must be less than the conversion price.

Additionally, on or after July 31, 2022, the Company has the option to repay the principal amount of the 2020 debentures in common shares, provided certain circumstances are met including but not limited to; no default has occurred and is continuing at such time, and the trading price of the common shares for the 20 consecutive trading days ending five trading days prior to the date of the redemption notice or maturity date (as the case may be) is at least 150% of the conversion price.

The convertible debenture 2020 contains an embedded derivative (the "Conversion Component") relating to the conversion option and a conversion price fixed in CAD $. The Conversion Component's fair value as at December 31, 2021 was estimated to be $381 using the Black Scholes option-pricing model (Note 13).

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Balance, beginning of period	**$**	**3,195**	$	-	$	**-**
Issuance of convertible debenture		**-**		3,005		**-**
Financing costs		**-**		(86)		**-**
Interest accretion		**336**		119		**-**
Foreign exchange movement		**10**		157		**-**
Balance, end of period	**$**	**3,541**	$	3,195	$	**-**

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

9. DEBT - *continued*

(iii) Multiple Advance Promissory Note

In February 2020, the Company completed a term loan financing of $2,869 at rates currently approximating 1.9% per annum over a fifteen-year amortization period, for the purpose of constructing an electrical power line to the Moss Mine.

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Balance, beginning of period	**$**	**2,708**	$	2,039	$	**-**
Issued		**-**		787		2,082
Principal payments		**(191)**		(83)		-
Financing costs		**6**		(35)		(43)
Balance, end of period	**$**	**2,523**	$	2,708	$	2,039

(iv) Gold Call Option Facility

During the year ended June 30, 2020, 6,000 Gold Call Options were exercised by the option holder at a strike price of $1,200 per ounce and a market price of $1,526 per ounce. After exercise, there were no outstanding calls. The Company and the holder agreed to cash repayments in equal instalments over a twelve-month period, plus interest at a rate of 10% per annum beginning September 30, 2019.

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Balance, beginning of period	**$**	**-**	$	327	$	-
Issued		**-**		-		1,962
Principal payments		**-**		(327)		(1,635)
Balance, end of period	**$**	**-**	$	-	$	327

(v) Payroll Protection Loan

In May 2020 the Company was approved for and received a loan from the US Small Business Administration under the Paycheck Protection Program. Under the program, the loan is fully forgivable if all employees are kept on payroll for an eight-week period and the funds drawn down are used for payroll, rent, mortgage interest or utilities. The requirements for forgiveness of the loan were met and the loan was fully forgiven during the six months ended December 31, 2020.

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Balance, beginning of period	**$**	**-**	$	1,578	$	-
Note issued		**-**		-		1,578
Recognition as government grant		**-**		(1,578)		-
Balance, end of period	**$**	**-**	$	-	$	1,578

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

9. DEBT - *continued*

(vi) Short-Term Loans

On November 23, 2021, the Company entered into short term unsecured loans totalling CAD $5,500. The loans have maturity dates of February 28, 2022 and are subject to fixed annual interest rates ranging from 10% to 18%, payable on maturity. One of the loans, totalling CAD $500 was with a director of the Company and as such is classified as a related party transaction. The loans were repaid or settled in full subsequent to year end (Note 27).

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Balance, beginning of period	**$ -**	$ -	$ -
Issued	**4,338**	-	-
Foreign exchange movement	**(2)**	-	-
Balance, end of period	**$ 4,336**	$ -	$ -

10. LEASES

During the year ended June 30, 2018, the Company executed a definitive Master Lease Agreement (the "MLA") for up to $9,000 of equipment purchases. The significant terms and conditions of the MLA include: a maximum of $9,000 available to fund equipment purchases with 10% to 30% due as advance payments at lease commencement, fixed quarterly payments over a four-year lease period, interest rate of 3-month USD LIBOR plus additional interest rates ranging from 5.00% to 6.25% per annum and the right to buy the equipment at the end of the lease period for nominal consideration. The MLA is secured with the acquired assets in favour of the lender and a guarantee from the Company.

Minimum lease payments and present value of lease obligations is as follows:

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Balance, beginning of period	**$ 2,511**	$ 3,429	$ 4,877
Minimum lease payments	**185**	478	-
IFRS 16 lease obligation recognition	**321**	-	190
Principal payments	**(2,136)**	(1,354)	(1,605)
Financing costs	**22**	(42)	(33)
Balance, end of period	**903**	2,511	3,429
Current portion of leases	**(435)**	(2,070)	(2,119)
Non-current portion of leases	**$ 468**	$ 441	$ 1,310

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

11. SILVER STREAM

During the year ended June 30, 2019, the Company entered into a $20,000 silver streaming transaction with an effective date of October 1, 2018. Under the terms of the agreement the Company must deliver 100% of payable silver into the agreement until 3.5 million ounces are delivered, thereafter, 50% of payable ounces will be supplied into the agreement over the life of the mine on a monthly basis. As at December 31, 2021, a total of 893,756 ounces of silver have been credited against the agreement. The silver stream agreement is with Maverix Metals Inc., a company with a director in common with Elevation.

Deliveries are subject to a ratio of silver to actual gold produced whereby, in the event the ratio is not met, the Company would be required to purchase and deliver silver ounces required to achieve the ratio. The silver stream is secured with a first charge over assets.

The Company receives 20% of the five-day average spot silver price at the time each ounce of silver is delivered. The Company recognizes silver revenue for silver ounces delivered under the arrangement at the spot price at the time of delivery. The silver advance is reduced by silver ounces delivered at the forward spot price at the inception of the agreement, offset by the financial liability's accretion over the life of the mine.

The silver stream has been accounted for as a financial liability with an embedded derivative which relates to changes in silver price and expected production. The financial liability is measured at amortized cost. The embedded derivative is recorded at fair value each reporting period with changes reflected in the consolidated statements of income (loss) and comprehensive income (loss). At December 31, 2021, the fair value of the embedded derivative was $10,617 (Note 13).

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Balance, beginning of period	**$**	**16,362**	$	18,871	$	20,669
Silver deliveries		**(5,314)**		(5,057)		(4,238)
Settlement loss (gain)		**735**		919		(1,350)
Interest accretion		**2,866**		1,629		3,790
Balance, end of period		**14,649**		16,362		18,871
Current portion of silver stream		**(2,271)**		(2,843)		(4,469)
Non-current portion of silver stream	**$**	**12,378**	$	13,519	$	14,402

12. PROVISION FOR RECLAMATION

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Balance, beginning of period	**$**	**2,756**	$	2,720	$	2,198
Acquisition of Eclipse		**17**		-		-
Change in estimate		**3,908**		27		484
Accretion		**33**		9		38
Balance, end of period	**$**	**6,714**	$	2,756	$	2,720

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

12. PROVISION FOR RECLAMATION – *continued*

The Company's provision for reclamation relates to the environmental restoration and closure costs associated with the Moss Mine. The provision has been recorded at its net present value using a discount rate of 1.52% and a long-term inflation rate of 2.25%, with expenditures anticipated over a five-year period beginning in 2025. The provision is remeasured at each reporting date based on land disturbance. Accretion expense is recognized in the consolidated statements of income (loss) and comprehensive income (loss). The total undiscounted amount of the Company's estimated obligation, based on land disturbances at the Moss Mine as of December 31, 2021, was $7,170.

13. DERIVATIVES

As at:	Note	**December 31, 2021**	December 31, 2020	June 30, 2020
Warrants	(i)	**$ 637**	$ 2,087	$ 2,025
Silver stream embedded derivative	(ii)	**10,617**	15,599	1,808
Convertible debenture – 2019 derivative	(iii)	**-**	-	636
Convertible debenture – 2020 derivative	(iv)	**381**	2,822	-
		11,635	20,508	4,469
Current portion of derivatives		**(3,730)**	(6,164)	(3,128)
Non-current portion of derivatives		**$ 7,905**	$ 14,344	$ 1,341

(i) Warrants

The Company's functional currency is the US Dollar. As the exercise price of the Company's share purchase warrants is fixed in CAD $, a variable amount of cash in the Company's functional currency will be received on warrant exercise. Accordingly, these share purchase warrants are classified and accounted for as derivatives at fair value through profit or loss. The fair value of warrants issued are valued using their market price on the TSXV, or where a market price is not available, the Black-Scholes option-pricing model. The warrants have exercise prices ranging between CAD $0.40 to CAD $0.80 with remaining lives of 1.0 to 1.2 years. Holders are entitled to receive one common share of the Company for every six warrants. The following assumptions were used for the Black–Scholes valuation of warrants:

	December 31, 2021	December 31, 2020	June 30, 2020
Risk–free interest rate	**0.95%**	0.20%	0.28%
Expected life of warrants	**1.0–1.2 years**	2.2 years	0.5–0.7 years
Dividend rate	**Nil**	Nil	Nil
Expected share price volatility	**50%**	43%	83–87%
Fair value per warrant issued or amended (CAD$)	**$0.00-$0.04**	$0.18	$0.04-$0.06

The table below is a continuity schedule for the warrant derivative for each of the periods noted.

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

13. DERIVATIVES – *continued*

	Year Ended December 31, 2021	Six Month Ended December 31, 2020	Year Ended June 30, 2020
Balance, beginning of period	**$ 2,087**	$ 2,025	$ 2,609
Issuance of warrants	**2,139**	-	-
Exercise of warrants	**(3)**	(2,465)	-
Change in fair value	**(3,644)**	2,288	(516)
Foreign exchange movement	**58**	239	(68)
Balance, end of period	**637**	2,087	2,025
Current portion of warrant derivative	**(637)**	(2,087)	(2,025)
Non-current portion of warrant derivative	**$ -**	$ -	$ -

(ii) Silver Stream Embedded Derivative

The silver stream embedded derivative is valued using a Monte Carlo simulation valuation model. The key inputs used by the Monte Carlo simulation are the silver forward curve price, long-term silver production volatility, the risk-free interest rate and the Company's credit spread. The valuation of the silver stream embedded derivative also required estimation of the Company's anticipated production schedule of silver ounces delivered over the life of mine.

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Balance, beginning of period	**$ 15,599**	$ 1,808	$ 1,956
Change in fair value	**(4,982)**	13,791	(148)
Balance, end of period	**10,617**	15,599	1,808
Current portion of derivative	**(3,093)**	(4,077)	(467)
Non-current portion of derivative	**$ 7,524**	$ 11,522	$ 1,341

(iii) Conversion Component of 2019 Convertible Debenture

The 2019 convertible debenture (Note 9) contained multiple embedded derivatives (the "Conversion Component") relating to the conversion option and a conversion price fixed in CAD $. The conversion component's fair value was estimated using the Black Scholes option-pricing model and volatility. Fair value gains and losses at each reporting period were recorded in the consolidated statements of income (loss) and comprehensive income (loss). On December 1, 2020, the Company repaid the convertible debenture, resulting in the conversion component derivative liability being reversed through the consolidated statements of income (loss) and comprehensive income (loss). The following assumptions were used for the Black-Scholes valuation of the Conversion Component:

	December 31, 2021	December 31, 2020	June 30, 2020
Risk–free interest rate	**-**	-	0.28%
Expected life	**-**	-	0.4 years
Dividend rate	**-**	-	Nil
Share price volatility	**-**	-	23%

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

13. DERIVATIVES – *continued*

The table below is a continuity schedule for the derivative associated with the 2019 convertible debenture for each of the periods noted.

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Balance, beginning of period	**$**	**-**	$	636	$	-
Consolidation of convertible debentures		**-**		-		717
Change in fair value		**-**		(636)		(81)
Balance, end of period		**-**		-		636
Current portion of conversion component		**-**		-		(636)
Non-current portion of conversion component	**$**	**-**	$	-	$	-

(iv) Conversion Component of 2020 Convertible Debenture

The 2020 convertible debenture (Note 9) is deemed to contain an embedded derivative (the "Conversion Component") relating to the conversion option and a conversion price fixed in CAD. The Conversion Component's fair value was estimated using the Black Scholes option-pricing model and volatility. Fair value gains and losses at each reporting period are recorded in the consolidated statements of income (loss) and comprehensive income (loss). The following assumptions were used for the Black-Scholes valuation of the Conversion Component:

	December 31, 2021	December 31, 2020	June 30, 2020
Risk–free interest rate	**1.25%**	0.25%	-
Expected life	**3.5 years**	4.8 years	-
Dividend rate	**Nil**	Nil	-
Share price volatility	**65%**	35%	-

The table below is a continuity schedule for the derivative associated with the 2020 convertible debenture for each of the periods noted.

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Balance, beginning of period	**$**	**2,822**	$	-	$	-
Issuance of convertible debentures		**-**		2,000		-
Change in fair value		**(2,441)**		822		-
Balance, end of period	**$**	**381**	$	2,822	$	-

14. SHARE CAPITAL, SHARE OPTION RESERVE AND WARRANT RESERVE

Share Capital

Authorized share capital consists of an unlimited number of common shares without par value.

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

14. SHARE CAPITAL, SHARE OPTION RESERVE AND WARRANT RESERVE – *continued*

On September 24, 2021 the Company completed a consolidation of the issued and outstanding common shares on the basis of one post-consolidation Common Share for every six pre-consolidation Common Shares. The common shares of the Company commenced trading on the TSXV on a post-consolidation basis on September 24, 2021. The Company's trading symbol is ELVT. The exercise or conversion price and the number of shares issuable under the Company's outstanding stock options and convertible instruments were proportionately adjusted upon completion of the Consolidation. All information relating to earnings/loss per share, issued and outstanding common shares, share options, and per share amounts in these financial statements have been adjusted retrospectively to reflect the share consolidation.

Shared-Based Compensation

The Company has adopted an incentive stock option plan under the rules of the TSXV pursuant to which it is authorized to grant options to employees, consultants, directors and officers, enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option is equal to the market price of the Company's shares on the date of grant. The options can be granted for a maximum term of 10 years with vesting terms determined by the Board of Directors. No individual may be granted options exceeding 5% of the Company's common shares outstanding in any twelve-month period.

Continuity of the Company's stock options issued and outstanding was as follows:

		December, 2021		December 31, 2020		June 30, 2020
	Number of options	Weighted average exercise price (C$)	Number of options	Weighted average exercise price (C$)	Number of options	Weighted average exercise price (C$)
Outstanding, beginning of period	2,233,305	$ 1.74	2,204,139	$ 1.73	2,359,070	$ 1.80
Granted	2,531,344	1.61	87,500	2.10	233,333	1.50
Exercised	(366,625)	1.51	(25,000)	1.91	-	-
Forfeited	(299,996)	2.74	(33,334)	1.97	(171,597)	2.52
Expired	(250,000)	2.76	-	-	(216,667)	1.50
Outstanding, end of period	**3,848,028**	**$ 1.57**	**2,233,305**	**$ 1.74**	**2,204,139**	**$ 1.74**

As at December 31, 2021, the following stock options were outstanding and exercisable:

Exercise price (C$)	Number of options outstanding	Expiry date	Number of options exercisable	Remaining contractual life (years)
4.08	74,998	September 29, 2022	74,999	0.75
1.44	1,079,164	May 20, 2023	1,079,164	1.38
1.44	191,666	February 27, 2024	191,666	2.16
1.50	208,331	May 21, 2024	202,082	2.39
2.10	87,500	February 10, 2025	65,625	3.12
1.98	518,876	July 8, 2025	389,160	3.52
1.92	887,493	June 29, 2026	295,830	4.50
0.86	300,000	November 29, 2026	-	4.92
0.86	500,000	December 13, 2026	-	4.95
	3,848,028		**2,298,526**	**3.25**

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

14. SHARE CAPITAL, SHARE OPTION RESERVE AND WARRANT RESERVE – *continued*

The weighted-average remaining contractual life of options outstanding at December 31, 2020 was 2.99 years and 3.65 years at June 30, 2020. The weighted average trading price for options exercised was CAD $2.25.

Share-Based Compensation Expense

The fair value of share-based compensation is recognized over the vesting period from the date of grant. Share-based payment expenses relating to equity-settled awards recognized in the consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2021 totalled $951 (six months ended December 31, 2020: $159; year ended June 30, 2020: $706). The fair value of stock options granted was estimated using the Black-Scholes option pricing model with the following assumptions:

	December 31, 2021	December 31, 2020	June 30, 2020
Risk–free interest rate	**0.19-0.97%**	0.37%	1.39%
Expected life of options	**2.0-5.0 years**	5.0 years	50 years
Dividend rate	**Nil**	Nil	Nil
Expected forfeiture rate	**0%**	0%	0%
Expected volatility	**65-70%**	90%	95%

Share Unit Plan

The Company has a share unit plan whereby Restricted Share Units ("RSUs") and Performance Share Units ("PSUs") may be granted to employees, consultants, directors and officers of the Company. The current maximum number of share units authorized for issue under the share unit plan is 1,000,000. Once vested, at the option of the Company, each share unit entitles the participant to receive one common share of the Company at the end of a specified period or a right to receive an amount of cash equal to the market value of the vested share unit on the payment date.

Currently, the Company has granted RSUs. Equity-settled RSUs are recognized over the vesting period from the date of grant. Cash-settled RSUs are marked to market and recognised as a liability on the Consolidated Statements of Financial Position. Continuity of the Company's RSUs issued and outstanding is as follows:

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Outstanding, beginning of period	**249,999**	499,998	-
Granted	**72,665**	-	499,998
Exercised for stock	**(24,222)**	-	-
Exercised for cash	**(166,666)**	(249,999)	-
Forfeited	**(83,333)**	-	-
Outstanding, end of period	**48,443**	249,999	499,998

As at December 31, 2021, the Company had a total of 48,443 RSUs outstanding and exercisable with an expiry date of February 18, 2023.

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

14. SHARE CAPITAL, SHARE OPTION RESERVE AND WARRANT RESERVE – *continued*

Share-based compensation expense recovered relating to cash settled-awards recognized in the consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2021 was $191 (six months ending December 31, 2020: expenditure of $690 – which includes $674 of stock-based compensation paid in cash; year ended June 30, 2020: expenditure of $372).

Warrants

Share purchase warrants enable the holders to acquire common shares of the Company upon exercise. Holders are entitled to receive one common share of the Company for every six warrants. Continuity of warrants issued and outstanding were as follows:

	December 31, 2021		December 31, 2020		June 30, 2020	
	Number of warrants	**Weighted average exercise price (C$)**	**Number of warrants**	**Weighted average exercise price (C$)**	**Number of warrants**	**Weighted average exercise price (C$)**
Outstanding, beginning of period	48,637,443	$ 0.85	93,377,409	$ 0.58	96,205,547	0.58
Issued	26,191,141	0.77	-	-	-	-
Exercised	(27,500)	0.40	(19,654,341)	0.40	-	-
Expired	(6,345,945)	0.95	(25,085,625)	0.40	(2,828,138)	0.65
Outstanding, end of period	**68,455,139**	**$ 0.80**	**48,637,443**	**$ 0.85**	**93,377,409**	**0.58**

During the year ended December 31, 2021 certain warrant holders exercised a total 27,500 (six months ended December 31, 2020: 19,654,341) share purchase warrants for a total of 4,583 (six months ended December 31, 2020: 3,275,724) common shares of the Company (after application of the 6 to 1 conversion factor).

As at December 31, 2021, the Company had outstanding share purchase warrants as follows:

Number of warrants	Number of common shares exercisable	Exercise price (C$) per common share	Expiry date
13,960,000	2,326,667	6.24	June 9, 2022
2,676,250	446,042	6.24	July 13, 2022
11,924,615	1,987,436	6.24	July 19, 2022
239,000	39,833	6.24	September 14, 2022
22,559,500	3,759,917	4.80	January 14, 2023
2,642,500	440,417	3.00	January 14, 2023
11,112,500	1,852,083	2.40	February 20, 2023
3,340,774	556,796	2.40	February 27, 2023
68,455,139	**11,409,190**	**$ 4.83**	

The weighted average remaining life of the outstanding warrants as at December 31, 2021 was 0.8 years (December 31, 2020: 1.8 years, June 30, 2020: 0.98 years).

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

14. SHARE CAPITAL, SHARE OPTION RESERVE AND WARRANT RESERVE – *continued*

Earnings (Loss) Per Share

The calculation of diluted earnings (loss) per share was based on earnings (loss) attributable to ordinary shareholders and the weighted average number of shares outstanding after adjustments for the effect of potential dilutive shares. Potentially dilutive shares associated with share options and warrants out of the money were not included in the diluted earnings per share calculation as their effect was anti-dilutive. The following table summarizes the calculation of basic and diluted earnings per share:

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Income (loss) for the period	**$ 3,575**	$ (7,108)	$ 730
Add: Interest on convertible debentures	**265**	-	-
Less: Gain on convertible debenture derivative	**(2,441)**	-	-
Adjusted income (loss) for the period	**1,399**	(7,108)	730
Basic weighted average number of common shares outstanding	**58,933,350**	42,278,008	41,325,556
Effective impact of dilutive securities:			
Convertible debentures	**2,795,833**	-	-
Share options	**447,480**	-	132,928
Diluted weighted average number of shares outstanding	**62,176,663**	42,278,008	41,458,484
Earnings (loss) per share			
Basic	**$ 0.06**	$ (0.17)	$ 0.02
Diluted	**$ 0.02**	$ (0.17)	$ 0.02

15. REVENUE

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Gold sales	**$ 52,399**	$ 46,513	$ 51,920
Silver sales	**6,708**	6,466	5,315
	59,107	52,979	57,235
Treatment and refining charges	**(262)**	(240)	(274)
	$ 58,845	$ 52,739	$ 56,961

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

16. PRODUCTION COSTS

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Contractors and outside services	**$**	**25,998**	$	12,547	$	20,851
Employee compensation and benefits expense		**8,040**		4,349		8,463
Materials and consumables		**8,150**		3,292		7,683
Other expenses		**5,283**		3,688		3,277
Share-based compensation		**72**		788		591
Changes in inventories		**(3,547)**		1,421		(5,944)
	$	**43,996**	$	26,085	$	34,921

17. CORPORATE ADMINISTRATIVE EXPENSES

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Direct general and administrative	**$**	**2,372**	$	1,097	$	1,210
Employee general and administrative		**1,854**		953		798
Share-based compensation		**688**		61		487
Depreciation		**49**		4		6
	$	**4,963**	$	2,115	$	2,501

18. FINANCE COSTS

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Interest on debt	**$**	**(672)**	$	(786)	$	(1,936)
Accretion on silver stream (Note 11)		**(2,866)**		(1,629)		(3,790)
Gain on redemption of convertible debenture		**-**		556		-
Amortization of debt issuance costs (Note 9)		**(28)**		(24)		(44)
Other interest accretion		**(368)**		(551)		(1,216)
Interest expense, including accretion and issue costs		**(3,934)**		(2,434)		(6,986)
Fair value loss on gold call options		**-**		-		(613)
Conversion rights waiver (Note 9)		**-**		(2,000)		-
Settlement (loss) gain on silver stream		**(735)**		(919)		1,350
Finance costs – silver stream		**(935)**		(1,267)		(238)
Finance costs – gold sales		**(81)**		(116)		-
Interest income		**2**		11		51
Total finance costs	**$**	**(5,683)**	$	(6,725)	$	(6,436)

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

19. GAIN (LOSS) ON REVALUATION OF DERIVATIVE LIABILITIES

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Warrants	**$ 3,644**	$ (2,288)	$ 516
Silver stream embedded derivative	**4,982**	(13,791)	148
Conversion component of 2019 convertible	**-**	636	81
Conversion component of 2020 convertible	**2,441**	(822)	-
	$ 11,067	$ (16,265)	$ 745

20. INCOME TAXES

The following reconciles the expected income tax recovery at Canadian statutory income tax rates to the amounts recognized in the consolidated statements of and comprehensive income (loss) for the year ended December 31, 2021, six months ended December 31, 2020 and the year ended June 30, 2020:

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Net income (loss) before taxes	**$ 3,575**	$ (7,108)	$ 730
Statutory tax rate	**27%**	27%	27%
Expected income tax expense (recovery)	**965**	(1,919)	197
Non-deductible items	**(941)**	1,023	307
Foreign exchange	**14**	(803)	(78)
Foreign tax rate difference	**(19)**	16	79
Change in estimate	**(1,328)**	2,551	(2,558)
Change in deferred tax assets not recognized	**1,309**	(868)	2,053
Total income tax recovery	**$ -**	$ -	$ -

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their corresponding values for tax purposes. Deferred tax assets (liabilities) as at December 31, 2021, December 31, 2020 and June 30, 2020 are as follows:

	December 31, 2021	December 31, 2020	June 30, 2020
Tax loss carryforwards	**$ 16,770**	$ 12,418	$ 13,320
Convertible debentures	**(505)**	(596)	(217)
Property and equipment	**(79)**	(1)	(9,806)
Mining interests	**(15,031)**	(13,390)	(3,469)
Silver stream obligation	**(1,257)**	808	-
Gold Call Options	**102**	761	172
Net deferred tax asset (liability)	**$**	$ -	$ -

The unrecognized deductible temporary differences are as follows:

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

20. INCOME TAXES – *continued*

		December 31, 2021		December 31, 2020		June 30, 2020
Property and equipment	**$**	**2,839**	$	-	$	2,840
Financing costs		**3,370**		599		778
Provision for reclamation and remediation		**-**		-		2,720
Streaming obligation		**30,320**		28,713		18,870
Derivatives		**-**		-		1,808
Other		**408**		246		188
Tax loss carryforwards		**18,049**		6,991		12,507
Unrecognized deductible temporary differences	**$**	**54,986**	$	36,549	$	39,711

As at December 31, 2021, the Company had non-capital tax loss carry-forwards in Canada of $16,542, which can be applied to reduce future Canadian taxable income and will expire between 2032 and 2041. In addition, the Company had net operating tax loss carry-forwards in the United States of $52,837, which can be applied to reduce future US taxable income which have an unlimited expiry period.

The Canadian tax loss carry-forwards include $471 of available non-capital losses generated by Eclipse subsequent to a change of control in 2021 and $4,767 of non-capital losses that arose prior to the change of control and are only available to the extent they are not considered property losses. Business losses arising prior to the change of control may only be used to offset taxable income from the same or similar business. The amount of US tax loss carry-forwards that can be used in a particular year may be limited to the extent the Company or its subsidiaries underwent a change of control.

21. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash working capital items included in mineral properties, plant and equipment were as follows:

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Accounts payable and accrued liabilities	**$**	**(1,060)**	$	1,402	$	(164)

22. RELATED PARTY TRANSACTIONS

Related party transactions were incurred in the normal course of business and initially measured at their fair value which is the amount of consideration established and agreed to by the parties. Amounts due to or from related parties are non-interest bearing, unsecured and due on demand.

As disclosed in Note 11, the silver stream agreement is held by Maverix Metals Inc., a company with a director in common with Elevation.

Related party balances are as follows:

		December 31, 2021		December 31, 2020		June 30, 2020
Shared office expenses receivable	**$**	**-**	$	11	$	8
Short term loan (Note 9 vii)		**394**		-		-
Consulting fees payable	**$**	**-**	$	-	$	7

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

22. RELATED PARTY TRANSACTIONS – *continued*

Related party transactions are as follows:

		Year Ended December 31, 2021		Six Months Ended December 31, 2020		Year Ended June 30, 2020
Consulting fees	**$**	17	$	48	$	89
Shared office recovery	**$**	(28)	$	(23)	$	(24)

Consulting fees charged by companies controlled by certain former directors of the Company are included in employee compensation and benefits expenses, mineral properties, plant and equipment, and financing costs netted against debt.

Shared office expenses recovered from and charged to a company with former directors in common are recorded in corporate administrative expenses.

Convertible Debt With a Significant Shareholder

On December 1, 2020, the Company repaid a convertible debenture with a significant shareholder. Balances due to the significant shareholder are as follows:

As at:		**December 31, 2021**		December 31, 2020		June 30, 2020
Convertible debenture – 2019 (Note 9)	**$**	**-**	$	-	$	8,119

Transactions with the significant shareholder were as follows:

		Year Ended December 31, 2021		Six Months December 31, 2020		Year Ended June 30, 2020
Principal repayments	**$**	**-**	$	8,500	$	500
Conversion rights waiver		**-**		2,000		-
Interest expense	**$**	**-**	$	426	$	1,329

23. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management includes the Company's directors (executive and non-executive) and executive officers including its President, Chief Financial Officer, General Manager of the Moss Mine, and former Chief Executive Officer of the Company. The remuneration of the Company's key management personnel is as follows:

		Year Ended December 31, 2021		Six Months December 31, 2020		Year Ended June 30, 2020
Salaries and short-term benefits	**$**	**1,798**	$	1,112	$	786
Directors fees		**129**		141		127
Share-based payments	**$**	**481**	$	311	$	769

Included in salaries and short-term benefits for the year ended December 31, 2021 was $677 of termination payments made to the former Chief Executive Officer of the Company.

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

24. FAIR VALUE MEASUREMENTS AND FINANCIAL RISK MANAGEMENT

The carrying values of cash, trade and other receivables, and trade and other payables approximate their fair values due to the short-term nature of these instruments. In evaluating fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and different valuation techniques may have a material effect on the estimated fair value amounts. Accordingly, the estimates of fair value presented herein may not be indicative of the amounts that could be realized in a current market exchange. The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value in the fair value hierarchy.

- 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/liability either directly or indirectly.
- Level 3 – Inputs that are not based on observable market data.

The following tables present the carrying amounts and fair values of the Company's financial assets and liabilities, including their levels within the fair value hierarchy. Fair value information for financial assets and financial liabilities not measured at fair value is not presented if the carrying amount is a reasonable approximation of fair value.

	Carrying value			Fair value		
As at December 31, 2021	Fair value through profit or loss	Amortized cost	Fair value through OCI	Level 1	Level 2	Level 3
Financial assets						
Cash	-	1,068	-	1,068	-	-
Restricted cash	-	1,770	-	1,770	-	-
	$ -	$ 2,838	$ -	$ 2,838	$ -	$ -
Financial liabilities						
Current and long term debt	-	(10,400)	-	-	(10,400)	-
Leases	-	(903)	-	-	(903)	-
Silver stream	-	(14,649)	-	-	(14,649)	-
Derivatives	(11,635)	-	-	-	-	(11,635)
	$ (11,635)	$ (25,952)	$ -	$ -	$ (25,952)	$ (11,635)

	Carrying value			Fair value		
As at December 31, 2020	Fair value through profit or loss	Amortized cost	Fair value through OCI	Level 1	Level 2	Level 3
Financial assets						
Cash	-	8,285	-	8,285	-	-
Restricted cash	-	2,340	-	2,340	-	-
	$ -	$ 10,625	$ -	$ 10,625	$ -	$ -
Financial liabilities						
Current and long term debt	-	(5,903)	-	-	(5,903)	-
Leases	-	(2,511)	-	-	(2,511)	-
Silver stream	-	(16,362)	-	-	(16,362)	-
Derivatives	(20,508)	-	-	-	-	(20,508)
	$ (20,508)	$ (24,776)	$ -	$ -	$ (24,776)	$ (20,508)

	Carrying value			Fair value		
As at June 30, 2020	Fair value through profit or loss	Amortized cost	Fair value through OCI	Level 1	Level 2	Level 3
Financial assets						
Cash	-	6,785	-	6,785	-	-
Restricted cash	-	1,430	-	1,430	-	-
	$ -	$ 8,215	$ -	$ 8,215	$ -	$ -
Financial liabilities						
Current and long term debt	-	(16,562)	-	-	(16,562)	-
Leases	-	(3,429)	-	-	(3,429)	-
Silver stream	-	(18,871)	-	-	(18,871)	-
Derivatives	(4,469)	-	-	-	-	(4,469)
	$ (4,469)	$ (38,862)	$ -	$ -	$ (38,862)	$ (4,469)

24. FAIR VALUE MEASUREMENTS AND FINANCIAL RISK MANAGEMENT – *continued*

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments.

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout the consolidated financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has implemented and monitors compliance with risk management policies.

Credit Risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations. The Company has credit risk in respect of its cash, trade and other receivables, and restricted cash. The Company considers the risk of loss relating to cash and restricted cash to be low because these instruments are held only with a Canadian Schedule I financial institution, a US-chartered commercial bank and a US government agency. Trade and other receivables at December 31, 2021 related primarily to goods and services tax which is expected to be collectible in full due to the nature of the counterparties and previous history of collectability.

Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

The Company manages its liquidity risk through the preparation of budgets and forecasts, which are regularly monitored and updated as management considers necessary and through the Company's capital management activities. A summary of contractual maturities of financial liabilities is included in Note 25.

Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns.

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

24. FAIR VALUE MEASUREMENTS AND FINANCIAL RISK MANAGEMENT – *continued*

Currency risk

Foreign currency exchange rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. Some of the Company's operating and corporate administration expenditures are incurred in Canadian dollars and the fluctuation of the CAD in relation to US$ will have an impact on the Company's profitability and the Company's financial assets and liabilities. The Company has assessed the impact to be low. At December 31, 2021 the Company held cash denominated in US Dollars of $800 and CAD $ of $211 (December 31, 2020: USD $4,955 and CAD $4,241, June 30, 2020: USD $6,667 and CAD $160). With other variables unchanged, a 1% increase on the USD/CAD exchange rate would increase debt by $78. The Company has not entered into any formal arrangements to hedge currency risk but does maintain cash balances within each currency.

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices for gold and silver. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation and political and economic conditions. The value of the silver stream embedded derivative will fluctuate with changes in the price of silver which will affect future earnings. Management closely monitors trends in commodity prices of gold and other precious and base metals as part of its routine activities, as these trends could significantly impact future cash flows.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates. Interest rate risk arises from the interest rate impact on cash, which is held at variable market rates, and is exposed to interest rate risk on its outstanding borrowings. With other variables unchanged, a 1% increase on the Company's floating rate debt would increase annual interest expense by $75. The Company closely monitors its exposure to interest rate risk and has not entered into any derivative contracts to manage this risk.

25. COMMITMENTS

At December 31, 2021, the Company had the following contractual obligations outstanding:

	Within 1 year	2–3 years	4-5 years	5+ years	Total
Debt[1]	$ 4,922	$ 1,014	$ 4,157	$ 2,071	**$ 12,164**
Trade and other payables	10,677	-	-	-	**10,677**
Lease commitments[2]	450	482	9	-	**941**
Silver stream	2,271	3,683	2,384	-	**8,338**
Provision for reclamation[3]	-	-	-	2,982	**2,982**
	$ 18,320	$ 5,179	$ 6,550	$ 5,053	**$ 35,102**

(1) Includes interest due on convertible debenture and debt.
(2) Includes lease obligation (Note 10) and lease commitments.
(3) Represents the undiscounted value of the reclamation provision.

(All dollar amounts are expressed in thousands of United States Dollars, except per share amounts, unless otherwise noted)

26. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition, exploration, development and production of precious metals. The consolidated statements of income (loss) and comprehensive income (loss) are composed substantially of activity in the United States of America (USA) except for corporate administrative expenses. Reporting by geographical area follows the same accounting policies as those used to prepare the consolidated financial statements. Non-current assets (other than financial instruments) by geographic location are as follows:

As at:						**December 31, 2021**
		Canada		**USA**		**Total**
Mineral properties	$	-	$	63,273	**$**	**63,273**
Plant and equipment		302		47,074		**47,376**
Restricted cash		-		1,770		**1,770**
	$	302	$	108,125	**$**	**108,427**

As at:						**December 31, 2020**
		Canada		**USA**		**Total**
Mineral properties	$	-	$	30,526	**$**	**30,526**
Plant and equipment		10		40,598		**40,608**
Restricted cash		-		2,340		**2,340**
	$	10	$	73,464	**$**	**73,474**

As at:						**June 30, 2020**
		Canada		**USA**		**Total**
Mineral properties	$	-	$	27,427	**$**	**27,427**
Plant and equipment		12		40,254		**40,266**
Restricted cash		-		1,430		**1,430**
	$	12	$	69,111	**$**	**69,123**

27. SUBSEQUENT EVENTS

Closing of Marketed Public Offering (“Offering”)

On March 24, 2022, the Company completed an Offering, whereby a total of 43,301,000 units of the Company were used at a price of CAD $0.53 per unit for aggregate gross proceeds of CAD $22.9 million. Each unit consists of one common share in the capital of the Company and one common share purchase warrant, each warrant entitling the holder to acquire an additional common share of the Company at an exercise price of CAD $0.70 until March 24, 2027.

Concurrently, with the closing of the Offering, the Company issued an aggregate of 5,592,890 additional units (“Debt Settlement Units”) in settlement of certain short-term debts. The issuance of these Debt Settlement Units resulted in the elimination of CAD $3.0 million of principal and interest outstanding at December 31, 2021, CAD $0.5 million of which was owed to a director of the Company.

27. SUBSEQUENT EVENTS – *continued*

As consideration with services performed in connection with the Offering, certain agents received a cash commission equal to 6% of the gross proceeds of the Offering (other than from the issue and sale of units to certain purchase on a president's list – for which a 3% fee was paid in units), and common share purchase warrants equal to 6% of the number of units issued in the offering (reduced to 3% for the president's list), with each agent warrant being exercisable to acquire one common share of the Company at an exercise price of CAD $0.53 until March 24, 2024. Additionally, in consideration for their services in connection with the debt settlement transaction, the agents were issued additional units equal to 3% of the number of Debt Settlement Units, and additional agent warrants also equal to 3% of the number of Debt Settlement Units.

The Company intends to use the net proceeds of Offering to further advance its Moss Mine project and for general working capital purposes beginning in Q2 2022.

Short Term Loan Repayment

In April 2022, the Company repaid the remaining balance of the short-term loan originally entered into on November 23, 2021 that was not converted into the Company's Offering discussed immediately above. The Company paid a total of CAD $2.7 million in principal and interest to repay the short-term loans left outstanding following the completion of the Offering.

Prepaid Gold Facility

The Company entered into a prepaid gold facility, in which for consideration of $6.0 million, the Company has agreed to sell and deliver a specified amount of refined gold, with deliveries of such amounts and an additional $1.0 million of refined gold quarterly beginning March 28, 2022 until expiry of the agreement on June 28, 2023. The prepaid gold facility is held by Maverix Metals Inc., a company with a director in common with Elevation.