Plata Latina Minerals

Plata Latina Minerals Corporation

Condensed Consolidated Interim Financial Statements
For the Three Months ended March 31, 2017

(Unaudited)

Plata Latina Minerals Corporation

Condensed Consolidated Interim Statements of Financial Position (unaudited)
(Expressed in Canadian Dollars)

	March 31, 2017	December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	$ 118,000	$ 166,718
Amounts receivable (Note 4)	57,697	241,426
Prepaid expenses	5,208	7,397
	180,905	415,541
Non-current assets		
Exploration and evaluation assets (Note 5)	3,738,799	3,417,067
Property, plant and equipment	131	327
Total assets	$ 3,919,835	$ 3,832,935
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	457,747	497,236
Loan payable (Note 7 and 9)	298,333	292,083
	756,080	789,319
Deferred tax liability	189,718	174,150
Shareholders' equity		
Share capital (Note 8)	$ 11,072,622	$ 11,072,622
Reserves (Note 8)	719,257	529,416
Deficit	(8,817,842)	(8,732,572)
	2,974,037	2,869,466
Total liabilities and shareholders' equity	$ 3,919,835	$ 3,832,935

Nature of operations and going concern (Note 1)
Commitments (Note 10)
Subsequent event (Note 13)

Approved and authorized by the Board on May 29, 2017:

/s/ Gilmour Clausen
Director

/s/ Michael Clarke
Director

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Plata Latina Minerals Corporation
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2017	Three months ended March 31, 2016
Expenses:		
Salaries and benefits (Note 9)	$ 3,650	$ 73,854
Directors' fees (Note 9)	15,000	11,250
Professional fees (Note 9)	60,183	47,698
Office and administration	5,667	11,588
Investor relations	251	-
Filing and regulatory services	7,982	2,161
Travel	1,538	3,891
Project investigation costs (Note 5)	2,856	2,962
Share-based payments (Note 8)	-	906
Depreciation	196	196
Loss from operations	(97,323)	(154,506)
Interest income	4,515	369
Foreign exchange gain	5,349	8,893
Interest expense (Note 7)	(6,250)	(6,319)
Net loss before tax	(93,709)	(151,563)
Income tax recovery	8,439	-
Net loss for the period	**$ (85,270)**	**$ (151,563)**
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Foreign currency translation differences	189,841	(402,972)
Comprehensive income (loss) for the period	**$ 104,571**	**$ (554,535)**
Basic and diluted net loss per share	$ (0.001)	$ (0.002)
Weighted average number of shares outstanding	67,432,826	67,432,826

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Plata Latina Minerals Corporation
Condensed Consolidated Interim Statements of Changes in Equity (unaudited)
(Expressed in Canadian Dollars)

	Share Capital (Note 8)		Reserves				
	Number of Shares	Amount	Accumulated other comprehensive income (loss)	Options and Warrants	Total Reserves	Deficit	Total Equity
Balance, December 31, 2016	67,432,826	$ 11,072,622	$ (1,089,436)	$ $ 1,618,852	$ 529,416	$ (8,732,572)	$ 2,869,466
Share-based payments expense	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	(85,270)	(85,270)
Comprehensive loss	-	-	189,841	-	189,841	-	189,841
Balance, March 31, 2017	**67,432,826**	**$ 11,072,622**	**$ (899,595)**	**$ 1,618,852**	**$ 719,257**	**$ (8,817,842)**	**$ 2,974,037**

	Share Capital (Note 8)		Reserves				
	Number of Shares	Amount	Accumulated other comprehensive income (loss)	Options and Warrants	Total Reserves	Deficit	Total Equity
Balance, December 31, 2015	67,432,826	$ 11,072,622	$ 128,484	$ $ 1,613,654	$ 1,742,138	$ (5,733,907)	$ 7,080,853
Share-based payments expense	-	-	-	906	906	-	906
Comprehensive loss	-	-	(402,972)	-	(402,972)	(151,563)	(554,535)
Balance, March 31, 2016	**67,432,826**	**$ 11,072,622**	**$ (274,488)**	**$ 1,614,560**	**$ 1,340,072**	**$ (5,885,470)**	**$ 6,527,224**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Plata Latina Minerals Corporation

Condensed Consolidated Interim Statements of Cash Flows (unaudited)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2017	Three months ended March 31, 2016
Cash provided by (used in):		
Operating activities		
Net loss before tax	$ (93,709)	$ (151,563)
Items not affecting cash:		
Share-based payments	-	906
Depreciation	196	196
Interest expense	6,250	6,319
Unrealized foreign exchange gain	84,196	(84,134)
	(3,067)	(228,276)
Net changes in non-cash working capital items:		
Amounts receivable	(22,323)	92,569
Prepaid expenses	2,189	(3,623)
Accounts payable and accrued liabilities	117,251	199,394
Cash provided (used in) by operating activities	**94,049**	**60,064**
Investing activities		
Exploration and evaluation expenditures	(117,197)	(52,738)
Cash used in investing activities	**(117,197)**	**(52,738)**
Effect of exchange rate changes on cash	(25,570)	(2,204)
(Decrease) increase in cash	**(48,718)**	**5,122**
Cash and cash equivalents, beginning of period	166,718	55,270
Cash and cash equivalents, end of period	**$ 118,000**	**$ 60,392**

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

1. Nature of Operations and Going Concern

Plata Latina Minerals Corporation ("Plata" or the "Company") was incorporated on April 1, 2010 and is organized under the laws of British Columbia, Canada. Plata's registered and records office is located at Suite 2600 – 595 Burrard Street, Vancouver, British Columbia Canada, V7X 1L3. The condensed consolidated interim financial statements as at March 31, 2017 consist of Plata and its five wholly-owned subsidiaries: Plaminco S.A. de C.V. ("Plaminco"), Minera Central Vaquerias S.A. de C.V. ("MCV"), Minera Exploradora del Centro S.A. de C.V. ("MEC"), Servicio PLMC ("Servicio") and Plata Latina US Ltd. ("Plata US"), collectively referred to as the "Company". Plaminco, MCV, MEC and Servicio are organized under the laws of Mexico and Plata US is organized under the laws of Colorado. On April 11, 2012, Plata began trading on the TSX Venture Exchange under the symbol "PLA".

The Company is in the business of acquiring and exploring mineral property interests and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The amounts of exploration and evaluation expenditures represent acquisition and exploration costs and do not necessarily represent current values. Recoverability of the exploration and evaluation costs is dependent upon: the discovery of economically viable mineral reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing to carry out exploration and development of its mineral properties, future profitable production or proceeds from the disposition of the mineral properties.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operations for the foreseeable future and meet its obligations in the normal course of business. Plata has incurred ongoing losses and will continue to incur further losses in the course of developing its business. At March 31, 2017, Plata had a working capital deficiency of $575,175 and a deficit of $8,817,842 (December 31, 2016 - $8,732,572). In May 2015, Plata received a loan from a director of the Company for $250,000 with terms described in Note 7 and has periodically received refunds associated with the Mexican value added tax recoverable ("IVA"). On February 8, 2017, Plata entered into a definitive option agreement with Fresnillo PLC ("Fresnillo"). Under the agreement, Plata will receive a total cash payment of US $1,650,000 (US $400,000 have been received). Over the next three years, Fresnillo will make five instalments of US $250,000 with the first instalment due on August 8, 2017. However, notwithstanding Fresnillo's semi-annual option payments and the remaining IVA receivable, Plata will not have sufficient working capital to fund its operations for the next twelve months. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Plata has historically raised funds through the sale of securities. The Company expects that it will obtain funding through equity financing, debt financing or some other means depending on market conditions and other relevant factors at the time. However, there can be no assurance that the Company will be able to obtain such additional funding or on acceptable terms. These condensed consolidated interim financial statements do not give effect to any adjustment which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the condensed consolidated interim financial statements.

2. Basis of Presentation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and comply with IAS 34, *Interim Financial Reporting*.

These condensed consolidated interim financial statements do not include all the information and notes to the annual consolidated financial statements required by IFRS and should be read together with the Company's audited consolidated financial statements for the year ended December 31, 2016.

(Expressed in Canadian Dollars, unless otherwise stated)

3. Changes in Accounting Policies

New accounting standards, amendments and interpretations

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC. Some updates that are not applicable or are not consequential to the Company may have been excluded.

IFRS 9, *Financial Instruments* addresses classification, measurement and recognition of financial assets and financial liabilities. In July 2014, IASB completed the final version of the Standard which replaces IAS 39, *Financial Instruments: Recognition and Measurement.* IFRS 9 provides a revised model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a reformed approach to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company does not expect any impact from this standard.

IAS 7, *Statement of Cash Flows* was amended in January 2016 requiring entities to provide disclosures facilitating users of financial statements to evaluate changes in liabilities resulting from financial activities. The amendment is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company is reviewing the impact of this amendment on its financial reporting.

IAS 12, *Income Taxes* was amended in January 2016. The amendment clarifies the accounting for deferred tax assets related to debt instruments measured at fair value. The amendment is effective for annual periods beginning on or after January 1, 2017. The Company has not yet assessed the impact of this standard on its financial reporting.

4. Amounts Receivable

		March 31, 2017		December 31, 2016
Mexican value added tax ("IVA") recoverable	$	55,337	$	239,772
Input tax credits		2,360		1,654
	$	57,697	$	241,426

During the three months ended March 31, 2017, the Company received IVA refunds of $183,923. Plata anticipates full recovery of the amounts within the next twelve months, as a result, no impairment has been recorded against these receivables. Plata holds no collateral for any receivable amounts outstanding as at March 31, 2017.

5. Exploration and Evaluation Assets

The Company holds interest in its mineral properties through its wholly-owned subsidiary, Plaminco.

On February 8, 2017, Plata entered into a definitive Option Agreement ("Agreement") with a wholly-owned subsidiary of Fresnillo PLC ("Fresnillo") on the terms based on the Letter of Intent ("LOI") signed on July 12, 2016. Under the Agreement, Fresnillo has the option to explore and acquire the Naranjillo property ("Property") for a total cash payment of US $1,650,000 (US $200,000 was received in 2016 upon signing of the LOI and US $200,000 subsequent to the execution of the definitive agreement in April 2017) over 3 years. In addition, Fresnillo is required to spend in exploration of US $3,000,000 on the Property over the period. If Fresnillo fails to meet the obligations of the Agreement, it will forfeit all rights to the Property. At the end of the three-year period, if Fresnillo wishes to acquire the Property, it will pay the Company an additional US $500,000 and grant the Company with a 3% net smelter return royalty ("Royalty") on the Property. Fresnillo will be required to pay advance royalty payments of US $100,000 annually, until the earlier of (a) a maximum of US $1,000,000 in advance royalty payments having been paid, or (b) commercial production of minerals commences from the

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Property. Fresnillo has the option to reduce the Royalty to 2% by paying an additional US $1,000,000, and, thereafter, may reduce the remaining 2% Royalty to nil by paying an additional US $5,000,000. On April 3, 2017, the transaction received the required approval from the TSX Venture Exchange.

Subsequent to the quarter ended March 31, 2017, Fresnillo expressed its intent to reduce the Naranjillo claims parcel by excluding La Sibila III license, one of the four licenses, from the Agreement. According to the Agreement, the reduced claim package does not impact Fresnillo's purchase price of the Naranjillo property; the acquisition costs for the three licenses remains the same at US$500,000. The amendment was executed on May 2, 2017.

Naranjillo Project

Issued by the Mexican General Directorate of Mines ("GDM"), the mineral exploration concessions of Naranjillo project are as follows:

Licence	Hectares	Date received	Licence valid until
La Sibila	4,749	April 20, 2011	April 19, 2061
La Sibila I	2,957	September 23, 2011	September 22, 2061
La Sibila II	3,776	August 26, 2011	August 25, 2061
La Sibila III	9,173	April 10, 2013	April 9, 2063

Impairment assessment

During the year ended December 31, 2016, the Company performed an impairment assessment of the Naranjillo project based on the terms of the option agreement with Fresnillo signed on February 8, 2017. The assessment determined that Naranjillo's carrying value at December 31, 2016, was not likely to be recovered from the aggregate of the probability weighted and discounted cash flow of the option payments, advance royalties and net smelter royalties to be received from Fresnillo. As a result, the Company recognized an impairment loss of $3,305,263 to the consolidated statement of loss and comprehensive loss.

Vaquerias Project

On June 30, 2011, the Company entered into a Purchase Option Agreement (the "Agreement") with the vendors of Vaquerias. The Agreement gives the Company the right to purchase the Vaquerias License (the "License") for US$530,000 over six and half years until December 31, 2017, with the vendors retaining a 2% net smelter return ("Vaquerias Option"). In addition, the Company has the option to purchase the net smelter return for US$500,000 within 18 months of exercising the Vaquerias Option. As of March 31, 2017, the Company has paid the vendors US$179,655 on the License with US $20,345 due in June 2017 and US $330,000 in December 2017.

In addition to the Vaquerias Option, the Company holds three titled adjacent concessions: Sol, Luna and Vaquerias. The Sol and Luna licenses were issued by the GDM to Plaminco on December 13, 2011 and December 8, 2011, respectively. Together, the two licenses of Sol and Luna cover 4,411 hectares and are valid for fifty years following issuance of title.

Palo Alto Project

The Palo Alto project consists of the Catalina, Catalina II, and Catalina III licenses. The Catalina, Catalina II and Catalina III licences were issued by the GDM to Plaminco on November 22, 2012, November 4, 2011, and November 30, 2011 respectively. Together, all three licenses cover 4,722 hectares and are valid for fifty years following issuance of mineral concession title.

The Palo Alto project falls within a Protected Natural Area in the state of Aguas Calientes and requires the submission of an environmental impact assessment ("EIA") and Federal permission to drill. The initial submission for this permit was rejected by the Mexican Environmental agency (SEMARNAT) in

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2013. The company appealed this rejection and in 2015 the company won this appeal before the Federal Tribunal for environmental matters, but this decision was reversed later in the same year. Because the designation of the protected area exists by voluntary acceptance from the surface owner, the Palo Alto land commune (Ejido), and because the Palo Alto Ejido in a 2011 general assembly vote gave its overwhelming support for the company's program, the company's legal counsel recommends that the company obtain the drill permit through the intervention of the Palo Alto Ejido. Alternatively, a new Aguas Calientes state governor believed to be mining friendly took office in early 2017, and the company is studying the additional possibility of making another Tribunal appeal with the support of the new state government. Resolution is not expected until 2017, and assuming a favorable outcome and subject to financing, the Company intends to carry out an initial drill program focused on exploring potential structures that have been identified through mapping and surface sampling.

Capitalized

Exploration and evaluation expenditures for the three months ended March 31, 2017 were as follows:

	Naranjillo	Vaquerias	Palo Alto	Total
Balance, December 31, 2016	**$ 2,325,035**	**$ 942,261**	**$ 149,771**	**$ 3,417,067**
Field work phase				
Contractor and general labour	-	-	104	104
Vehicles and related costs	-	-	181	181
Drilling phase				
Contractor and general labour	14,232	3,967	-	18,199
Travel, food and accommodations	839	-	-	839
Camp costs, supplies and other	3,528	1,499	-	5,027
Vehicles and related costs	683	529	-	1,212
Other				
Claims, taxes and acquisitions costs	47,870	14,556	10,957	73,383
Salaries and benefits	15,819	1,217	1,217	18,253
Legal fees	2,177	-	-	2,177
	85,148	21,768	12,459	119,375
Foreign exchange movements	119,536	72,707	10,114	202,357
Subtotal additions	204,684	94,475	22,573	321,732
Balance, March 31, 2017	**$ 2,529,719**	**$ 1,036,736**	**$ 172,344**	**$ 3,738,799**

Project Investigation Costs

La Joya Project

The GDM issued title to the La Carmen license for the La Joya Project on December 21, 2010. The La Carmen concession covers 924 hectares, and is valid until December 20, 2060.

Expenditures of La Joya have not been capitalized as the board of directors had not approved a spending plan for the property and until such time the project costs are expensed as project investigation costs.

La Joya's project costs for the three months ended March 31, 2017 and 2016 were as follows:

	2017	2016
Contractor and general labour	$ -	$ -
Claims and taxes	2,856	2,962
Total	$ 2,856	$ 2,962

(Expressed in Canadian Dollars, unless otherwise stated)

6. Accounts Payable and Accrued Liabilities

	March 31, 2017	December 31, 2016
Trade payables	$ 151,447	$ 161,292
Accrued liabilities	304,703	325,886
Income tax payable	1,597	10,058
	$ 457,747	$ 497,236

7. Loan Payable

In May 2015, the Company received a $250,000 loan from a director of the Company bearing interest at 10% per annum, subject to any prepayment by the Company, payable on the earlier of December 31, 2015; the date the Company completes a financing by way of sale of securities greater than $2,000,000 or the issuance of any debt instrument by the Company, unless consented by the Director. In March 2016, the term of the loan was extended to March 31, 2017and in November 2016, the term was further extended to December 31, 2017. At March 31, 2017, interest payable on the loan was $48,333. Refer also to note 9.

8. Capital and Reserves

a) Share capital

Authorized - unlimited number of common shares without par value

Issued and outstanding – see condensed consolidated interim statements of changes in equity

b) Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the foreign operations, as well as from the translation of inter-group loans that form the Company's net investment in a foreign subsidiary.

c) Options and warrants reserves

Stock options

The Company has a stock option plan which provides directors, officers, employees and consultants with the opportunity to acquire an ownership interest in the Company and is the basis for the Company's long-term incentive scheme.

The Company's stock options during the periods ended were as follows:

	March 31, 2017		December 31, 2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, start of period	1,365,000	$0.35	1,265,000	$0.37
Granted	-	-	100,000	$0.06
Balance, end of period	1,365,000	$0.35	1,365,000	$0.35

(Expressed in Canadian Dollars, unless otherwise stated)

At March 31, 2017, the Company's outstanding and exercisable options were as follows:

Expiry date	Exercise price	Options outstanding and excisable	Weighted average remaining contractual life (year)
April 11, 2017	$0.50	890,000	0.03
March 3, 2020	$0.06	225,000	2.92
May 25, 2020	$0.06	75,000	3.15
June 9, 2020	$0.06	75,000	3.19
August 1, 2021	$0.06	100,000	4.33
		1,365,000	1.17

For the three months ended March 31, 2017, the Company recognized share-based payments of $nil (March 31, 2016 - $nil) against its income. No amount was capitalized to exploration and evaluation assets during the three months ended March 31, 2017 (March 31, 2016 – $nil).

The fair value of stock options is determined on the grant date. In order to compute this fair value, the Company uses the Black-Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life of options, expected volatility, expected dividend yield and the risk-free interest rate, as well as the number of options expected to be exercised. Comparative companies in the process of exploring mineral resource properties were used to determine the historical volatility of Plata.

Option-pricing models require the input of highly subjective assumptions including the expected share price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's incentive stock options.

Warrants

All warrants had been expired in 2016.

9. Related Party Transactions

Compensation of Key Management

Key management includes the Company's Directors, the Chief Executive Officer and Chief Financial Officer. Their remuneration for the three months ended March 31, 2017 and 2016 was as follows:

	March 31, 2017	March 31, 2016
Salaries	$ 3,650	$ 33,555
Salaries capitalized to exploration and evaluation assets	45,728	33,555
Directors' fees (1)	15,000	11,250
Professional fees (2)	12,000	-
Total	$ 76,378	$ 78,360

(1) Directors' fees were accrued and have not been remunerated.

(2) Professional fees were related to the services provided by the Chief Financial Officer under contract effective August 2016.

In May 2015, a director of the Company provided a $250,000 loan to the Company bearing interest at 10% per annum. For the three months ended March 31, 2017, interest payable on the loan was $48,333 (December 31, 2016 - $42,083) (Note 7).

10. Commitments

The Company has commitments relating to option payments on the Vaquerias project with a payment of US $20,345 due in June 2017 and the final payment of US $330,000 due in December 2017 (Note 5).

11. Financial Instrument and Risk Management

Financial Instruments

The carrying values of amounts receivable, accounts payable and accrued liabilities, and loan payable approximate fair value due to the short-term to maturity of these financial instruments.

The financial instruments are classified into the following categories of financial assets and liabilities and shown at carrying values which approximate fair values:

Category	Measurement		March 31, 2017		December 31, 2016
Cash and cash equivalents	Loans and receivables	$	118,000	$	166,718
Amounts receivable	Loans and receivables	$	57,697	$	241,426
Accounts payable and accrued liabilities	Other financial liabilities	$	(457,747)	$	(497,236)
Loan payable	Other financial liabilities	$	(298,333)	$	(292,083)

Risk management

The main risks that could adversely affect the Company's financial assets, liabilities and future cash flows are foreign currency risk, liquidity risk, commodity price risk and credit risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Company manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Foreign currency risk

The Company's operations are in Canada, United States and Mexico. The functional and reporting currency of the parent company is Canadian dollars. Exploration activities in Mexico are denominated in Mexican pesos and US dollars. Consequently, the Company's assets and expenditures are subject to currency translation risk. The fluctuation of the Canadian dollar against the US dollars and Mexican pesos will have an impact upon the profitability as well as the value of the Company's assets and liabilities. The Company does not hedge its exposure to currency fluctuations.

Liquidity risk

Liquidity risk arises through excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company seeks to achieve this by maintaining sufficient cash and cash equivalents (refer to Note 1 on going concern).

Commodity Price risk

While no resource estimate has yet been prepared for the Company's core mineral resource properties, the market value of the Company is related to the price of silver and the outlook for this mineral. The Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect of its operational activities.

(Expressed in Canadian Dollars, unless otherwise stated)

Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure on amounts receivable and long-term recoverable tax. Credit risk exposure on cash and cash equivalents is limited through maintaining the Company's balances with high-credit quality financial institutions and assessing institutional exposure. IVA recoverable (Note 4) represents value added tax receivables generated on the purchase of supplies and services, which are refundable from the Mexican government. A full recovery is expected by management. The Company's maximum exposure to credit risk as at March 31, 2017 was the carrying value of its cash and cash equivalents, amounts receivable and IVA recoverable.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to continue the exploration of mineral properties and to maintain flexible capital which optimizes the costs of capital at an acceptable risk level.

In assessing the capital structure of the Company, management includes in its assessment the components of shareholders' equity and cash and cash equivalents. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. No changes were made in the objectives, policies or procedures during the period ended March 31, 2017.

In order to maximize funds available for its exploration efforts, the Company does not pay out dividends. The Company is not subject to any externally imposed capital requirements.

12. Segment Information

The Company operates in one industry segment, being mining. Geographic information is as follows:

	Canada	Mexico	United States	Total
Long-term assets as at:				
March 31, 2017	$ 1,174,158	$ 2,564,772	$ -	$ 3,738,930
December 31, 2016	$ 1,153,924	$ 2,263,470	$ -	$ 3,417,394
Net (loss) income before tax for the three months ended:				
March 31, 2017	$ (61,538)	$ (25,826)	$ 2,094	$ (85,270)
March 31, 2016	$ (119,673)	$ (37,482)	$ 5,592	$ (151,563)

13. Subsequent Event

On May 2, 2017, the Company and Fresnillo signed an amendment to the Option Agreement on the Naranjillo Property. The amendment excluded La Sibila III license, one of the four licenses in the Naranjillo claim parcel (Note 5).