Plata Latina Minerals Corporation

Condensed Consolidated Interim Financial Statements
For the Three and Six Months ended June 30, 2017

(Unaudited)

Plata Latina Minerals Corporation

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

		June 30, 2017		December 31, 2016
Assets				
Current assets				
Cash and cash equivalents	$	247,600	$	166,718
Amounts receivable (Note 4)		31,664		241,426
Prepaid expenses		3,031		7,397
		282,295		415,541
Non-current assets				
Exploration and evaluation assets (Note 5)		3,499,903		3,417,067
Property, plant and equipment		-		327
Total assets	$	3,782,198	$	3,832,935
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (Note 6)		432,526		497,236
Loan payable (Note 7 and 9)		304,653		292,083
		737,179		789,319
Deferred tax liability		192,074		174,150
Shareholders' equity				
Share capital (Note 8)	$	11,072,622	$	11,072,622
Reserves (Note 8)		760,007		529,416
Deficit		(8,979,684)		(8,732,572)
		2,852,945		2,869,466
Total liabilities and shareholders' equity	$	3,782,198	$	3,832,935

Nature of operations and going concern (Note 1)

Commitment (Note 10)

Approved and authorized by the Board of Directors on August 14, 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 June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Expenses:				
Salaries and benefits (Note 9)	$ 18,181	$ 73,016	$ 21,831	$ 146,870
Directors' fees (Note 9)	15,000	11,250	30,000	22,500
Professional fees (Note 9)	67,308	40,468	127,491	88,166
Office and administration	9,288	4,772	14,955	16,360
Investor relations	6,001	-	6,252	-
Filing and regulatory services	3,954	3,266	11,936	5,427
Travel	6,720	730	8,258	4,621
Project investigation costs (Note 5)	9,736	565	12,592	3,527
Share-based payments (Note 8)	1,664	-	1,664	906
Depreciation	131	196	327	392
Loss from operations	(137,983)	(134,263)	(235,306)	(288,769)
Interest income	611	-	5,126	369
Foreign exchange gain	(9,752)	758	(4,403)	9,651
Interest expense (Note 7)	(6,320)	(6,320)	(12,570)	(12,639)
Net loss before tax	(153,444)	(139,825)	(247,153)	(291,388)
Income tax expense	(8,398)	-	41	-
Net loss for the period	**(161,842)**	**(139,825)**	**$ (247,112)**	**$ (291,388)**
Other comprehensive income				
Items that may be reclassified to profit or loss:				
Foreign currency translation differences	39,086	(467,661)	228,927	(870,633)
Comprehensive loss for the period	**$ (122,756)**	**$ (607,486)**	**$ (18,185)**	**$ (1,162,021)**
Basic and diluted net loss per share	$ (0.002)	$ (0.002)	$ (0.004)	$ (0.004)
Weighted average number of shares outstanding	67,432,826	67,432,826	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	-	-	-	-	1,664	-	1,664
Comprehensive income (loss)	-	-	228,927	-	228,927	(247,112)	(18,185)
Balance, June 30, 2017	**67,432,826**	**$ 11,072,622**	**$ (860,509)**	**$ 1,618,852**	**$ 760,007**	**$ (8,979,684)**	**$ 2,852,945**

	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	-	-	-	906	906	-	906
Comprehensive loss	-	-	(870,633)	-	(870,633)	(291,388)	(1,162,021)
Balance, June 30, 2016	**67,432,826**	**$ 11,072,622**	**$ (742,149)**	**$ 1,614,560**	**$ 872,411**	**$ (6,025,295)**	**$ 5,919,738**

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 June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Operating activities				
Net loss before tax	$ (153,444)	$ (139,825)	$ (247,153)	$ (291,388)
Items not affecting cash:				
Share-based payments	1,664	-	1,664	906
Depreciation	131	196	327	392
Interest expense	6,320	6,320	12,570	12,639
Unrealized foreign exchange (gain) loss	(113,432)	187,881	(29,236)	103,747
	(258,761)	54,572	(261,828)	(173,704)
Net changes in non-cash working capital items:				
Amounts receivable	211,572	47,173	189,249	139,742
Prepaid expenses	2,177	(3,157)	4,366	(6,780)
Accounts payable and accrued liabilities	(53,785)	29,265	63,465	228,659
Cash (used in) provided by operating activities	**(98,797)**	**127,853**	**(4,748)**	**187,917**
Investing activities				
Exploration and evaluation expenditures	(94,677)	(167,214)	(211,874)	(219,953)
Property option payments	268,992	-	268,992	-
Cash provided by (used in) investing activities	**174,315**	**(167,214)**	**57,118**	**(219,953)**
Effect of exchange rate changes on cash	**54,082**	-	28,512	(2,203)
Increase (decrease) in cash	**129,600**	**(39,361)**	**80,882**	**(34,239)**
Cash, beginning of period	118,000	60,392	166,718	55,270
Cash, end of period	**$ 247,600**	$ **21,031**	**$ 247,600**	**$ 21,031**

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 1100 – 1111 Melville Street, Vancouver, British Columbia Canada, V6E 3V6. The condensed consolidated interim financial statements as at June 30, 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 June 30, 2017, Plata had a working capital deficiency of $454,884 and a deficit of $8,979,684 (December 31, 2016 - $8,732,572).

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 were received as of June 30, 2017 and another US $250,000 received on August 8, 2017) over three years. Notwithstanding the option payments to be received from Fresnillo in 2017, the Company will not have sufficient working capital to fund its operations for the current fiscal year. This indicates the existence of a material uncertainty about the Company's ability to continue as a going concern. The Company recognizes that it will require to raise further funding through equity financing and/or debt financing. However, there is 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 adjustments 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.

IFRS 2 – *Share-based Payment* has been revised to address the accounting for cash-settled, share-based payments and equity-settled awards that include a 'net settlement' feature in respect of withholding taxes. The amendments are effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has not yet assessed the impact of these amendments on its financial reporting.

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 does not expect any impact from 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

		June 30, 2017		December 31, 2016
Mexican value added tax ("IVA") recoverable	$	29,144	$	239,772
Input tax credits		2,520		1,654
	$	31,664	$	241,426

During the six months ended June 30, 2017, the Company received IVA refunds of $183,923. Plata anticipates full recovery of the amounts within this fiscal year, as a result, no impairment has been recorded against these receivables. Plata holds no collateral for any receivable amounts outstanding as at June 30, 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 an 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 the Naranjillo property ("Property") for a total cash payment of US $1,650,000 (US $400,000 have been received) over 3 years. Subsequent to the six months ended June 30, 2017, on August 8, 2017, the Company received another option payment of US $250,000. 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 additional US $500,000 and the Company retains 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 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.

(Expressed in Canadian Dollars, unless otherwise stated)

On May 2, 2017, Fresnillo and the Company signed an amendment to the Agreement which reduced the Naranjillo claims parcel by excluding La Sibila III license, one of the four licenses, from the Agreement. The reduced claim package does not impact Fresnillo's purchase price of the Naranjillo property with the acquisition costs for the three licenses remaining the same at US $500,000.

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

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 June 30, 2017, the Company paid the vendors US $200,000 on the License with the final payment of US $330,000 due on December 31, 2017. The Company intends to carry out a drilling program later in 2017 to test the lateral extension of the mineralization exploited in the historic mine.

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 is in the state of Aguas Calientes, Mexico and drill permitting is currently underway. Palo Alto 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 Company is currently in the process of obtaining the necessary approvals to commence drilling. Assuming permits are received later in 2017 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.

(Expressed in Canadian Dollars, unless otherwise stated)

Capitalized

Exploration and evaluation expenditures for the six months ended June 30, 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				
Assaying			564	564
Contractor and general labour	-	-	1,127	1,127
Travel and vehicle costs	-	-	2,973	2,973
Drilling phase				
Contractor and general labour	18,182	7,725	-	25,907
Camp costs, supplies and other	5,849	1,529	-	7,378
Travel and vehicle costs	1,863	1,082	-	2,945
Other				
Claims, taxes and acquisitions costs	-	40,688	11,092	51,780
Salaries and benefits	18,920	1,455	1,455	21,830
Legal fees	4,371	-	-	4,371
	49,185	52,479	17,211	118,875
Option payment (1)	(268,992)	-		(268,992)
Foreign exchange movements	137,613	83,701	11,639	232,953
Subtotal additions	(82,194)	136,180	28,850	82,836
Balance, June 30, 2017	**$ 2,242,841**	**$ 1,078,441**	**$ 178,621**	**$ 3,499,903**

(1) *The option payment (US $200,000) was related to the Agreement with Fresnillo signed in February, 2017.*

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 project along with additional new project investigation expenses for the three and six months ended June 30, 2017 and 2016 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Contractor and labour	$ 5,671	$ 565	$ 5,671	$ 565
Travel and vehicles costs	3,076	-	3,076	2,962
Claims and taxes	-	-	2,856	-
Assaying	989	-	989	-
Total	$ 9,736	$ 565	$ 12,592	$ 3,527

(Expressed in Canadian Dollars, unless otherwise stated)

6. Accounts Payable and Accrued Liabilities

	June 30, 2017	December 31, 2016
Trade payables	$ 134,336	$ 161,292
Accrued liabilities	298,190	325,886
Income tax payable	-	10,058
	$ 432,526	$ 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, 2017 and in November 2016, the term was further extended to December 31, 2017. At June 30, 2017, interest payable on the loan was $54,653. 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 below were:

	June 30, 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
Expired	(890,000)	($0.50)	-	-
Granted	75,000	$0.06	100,000	$0.06
Balance, end of period	550,000	$0.06	1,365,000	$0.35

(Expressed in Canadian Dollars, unless otherwise stated)

At June 30, 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)
March 3, 2020	$0.06	225,000	2.67
May 25, 2020	$0.06	75,000	2.90
June 9, 2020	$0.06	75,000	2.94
August 1, 2021	$0.06	100,000	4.08
June 5, 2022	$0.06	75,000	4.43
		550,000	3.23

For the six months ended June 30, 2017, the Company recognized share-based payments of $1,664 (June 30, 2016 - $906) against its income. No amount was capitalized to exploration and evaluation assets during the six months ended June 30, 2017 (June 30, 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.

Options expired

On April 11, 2017, 890,000 stock options with an exercise price of $0.50 expired. These options were fully vested prior to expiry.

Options granted

On June 5, 2017, the Company granted 75,000 options to an officer with an exercise price at $0.06 per share for 5 years from the date of grant of such options, pursuant to the terms of the stock option plan. The fair value of the 75,000 options granted was estimated at $1,664. The assumptions used in the pricing model were: an expected life of 5 years; annualized volatility of 95%; a risk-free interest rate of 0.94%; and zero expected dividend yield.

Warrants

At June 30, 2017, the Company had nil warrants outstanding (June 30, 2016 – 5,615,000).

(Expressed in Canadian Dollars, unless otherwise stated)

9. Related Party Transactions

Compensation of Key Management

Key management includes the Company's directors and officers. Their compensation paid or payable for the three and six months ended June 30, 2017 and 2016 was as follows:

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Salaries	$ 18,181	$ 73,016	$ 21,831	$ 146,870
Salaries capitalized to exploration and evaluation assets	3,577	-	21,830	-
Directors' fees	15,000	11,250	30,000	22,500
Professional fees	16,000	-	28,000	-
Share-based payments	1,664	-	1,664	-
Total	$ 54,422	$ 84,266	$ 103,325	$ 169,370

As at June 30, 2017, included in accounts payable and accrued liabilities were $279,872 (June 30, 2016 - $225,774) due to directors and a former officer. Amounts due to related parties are non-interest bearing and have no fixed terms of repayment.

In May 2015, a director of the Company provided a $250,000 loan to the Company bearing interest at 10% per annum. For the six months ended June 30, 2017, interest payable on the loan was $54,653 (December 31, 2016 - $42,083) (Note 7).

10. Commitment

The Company has a commitment relating to the final option payment of US $330,000 on the Vaquerias project due on December 31, 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	June 30, 2017	December 31, 2016
Cash	Loans and receivables	$ 247,600	$ 166,718
Amounts receivable	Loans and receivables	$ 31,664	$ 241,426
Accounts payable and accrued liabilities	Other financial liabilities	$ (432,526)	$ (497,236)
Loan payable	Other financial liabilities	$ (304,653)	$ (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 balances (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.

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 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 June 30, 2017 was the carrying value of its cash, 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. 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. No changes were made in the objectives, policies or procedures during the period ended June 30, 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.

(Expressed in Canadian Dollars, unless otherwise stated)

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:				
June 30, 2017	$ 1,180,364	$ 2,319,539	$ -	$ 3,499,903
December 31, 2016	$ 1,153,924	$ 2,263,470	$ -	$ 3,417,394
Net (loss) income before tax for the three months ended:				
June 30, 2017	$ (126,947)	$ (36,820)	$ 1,925	$ (161,842)
June 30, 2016	$ (123,661)	$ (23,343)	$ 7,179	$ (139,825)
Net (loss) income before tax for the six months ended:				
June 30, 2017	$ (188,485)	$ (62,646)	$ 4,019	$ (247,112)
June 30, 2016	$ (243,334)	$ (60,825)	$ 12,771	$ (291,388)