



**Plata Latina Minerals Corporation**

Condensed Consolidated Interim Financial Statements (unaudited)  
**For the Three Months Ended March 31, 2016**

## Plata Latina Minerals Corporation

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

	March 31, 2016	December 31, 2015
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 60,392	\$ 55,270
Amounts receivable (notes 4 and 8)	736,656	885,832
Prepaid expenses (note 8)	5,469	1,846
	<u>802,517</u>	<u>942,948</u>
Exploration and evaluation expenditures (note 5)	7,669,767	7,994,641
Property, plant and equipment	914	1,301
	<u>7,670,681</u>	<u>7,995,942</u>
<b>Total assets</b>	<b>\$ 8,473,198</b>	<b>\$ 8,938,890</b>
<b>Shareholders' equity:</b>		
Common shares (note 7)	\$ 11,072,622	\$ 11,072,622
Reserves (note 7)	1,340,072	1,742,138
Deficit	(5,885,470)	(5,733,907)
	<u>6,527,224</u>	<u>7,080,853</u>
<b>Liabilities:</b>		
Deferred tax liability	959,560	1,025,013
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities (note 8)	713,428	566,357
Loan to related party (note 6)	272,986	266,667
	<u>986,414</u>	<u>833,024</u>
<b>Total shareholders' equity and liabilities</b>	<b>\$ 8,473,198</b>	<b>\$ 8,938,890</b>

These consolidated financial statements have been authorized for issue by the Board of Directors on May 31, 2016.

APPROVED BY THE DIRECTORS

/signed/ Michael Clarke  
Michael Clarke, President and Chief Executive  
Officer

/signed/ Gilmour Clausen  
Gilmour Clausen, Chairman

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

## Plata Latina Minerals Corporation

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)  
(Expressed in Canadian Dollars)

	Three months ended March 31, 2016	Three months ended March 31, 2015
Expenses:		
Salaries and benefits	\$ 83,554	\$ 118,901
Office and administration (note 8)	22,241	10,862
Professional services	37,998	19,819
Rent	265	7,517
Share-based payments (note 7)	906	5,770
Investor relations	-	9,886
Exploration	2,962	9,840
Filing and regulatory	1,300	1,173
Fiscal and advisory services	861	1,368
Travel	3,891	5,251
Depreciation	196	2,338
Loss from operations	(154,174)	(192,725)
Interest income	369	834
Foreign exchange gain	8,893	1,558
Finance costs (note 6)	(6,651)	(381)
Net loss before tax	(151,563)	(190,714)
Income tax expense	-	-
<b>Net loss for the period</b>	<b>(151,563)</b>	<b>(190,714)</b>
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Foreign currency translation differences	(402,972)	369,204
<b>Comprehensive loss for the period</b>	<b>\$ (554,535)</b>	<b>\$ 178,490</b>
Basic and diluted net loss per share	\$ (0.002)	\$ (0.003)
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 (unaudited).

## Plata Latina Minerals Corporation

### Condensed Consolidated Interim Statements of Changes in Equity (unaudited)

(Expressed in Canadian Dollars)

	Share capital (note 7)		Reserves				Total Equity
	Number of Shares	Amount	Accumulated other comprehensive income (loss)	Options and warrants	Reserves Total	Deficit	
Balance, January 1, 2016	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 income (loss)	-	-	-	-	(402,972)	(151,563)	(554,535)
<b>Balance, March 31, 2016</b>	<b>67,432,826</b>	<b>\$ 11,072,622</b>	<b>\$ 128,484</b>	<b>\$ 1,614,560</b>	<b>\$ 1,340,072</b>	<b>(5,885,470)</b>	<b>\$ 6,527,224</b>

	Share capital (note 7)		Reserves				Total Equity
	Number of Shares	Amount	Accumulated other comprehensive income (loss)	Options and warrants	Reserves Total	Deficit	
Balance, January 1, 2015	67,432,826	\$ 11,072,622	\$ (3,661)	\$ 1,599,705	\$ 1,596,044	(4,873,002)	\$ 7,795,664
Share-based payments expense	-	-	-	5,770	5,770	-	5,770
Comprehensive income (loss)	-	-	369,204	-	(369,204)	(190,714)	178,490
<b>Balance, March 31, 2015</b>	<b>67,432,826</b>	<b>\$ 11,072,622</b>	<b>\$ (365,543)</b>	<b>\$ 1,605,475</b>	<b>\$ 1,971,018</b>	<b>(5,063,715)</b>	<b>\$ 7,979,924</b>

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## Plata Latina Minerals Corporation

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

	Three months ended March 31, 2016	Three months ended March 31, 2015
Cash provided by (used in):		
<b>Operating activities:</b>		
Net loss before tax	\$ (151,563)	\$ (190,714)
Adjustments to reconcile loss before tax to net cash flows:		
Share-based payments	906	5,770
Unrealized foreign exchange loss	(84,134)	(36,354)
Interest expense	6,319	-
Depreciation	196	2,338
	(228,276)	(218,960)
Net changes in non-cash working capital items:		
Amounts receivable	92,569	163,648
Prepaid expenses	(3,623)	39,764
Accounts payable and accrued liabilities	199,394	39,900
Deferred rent – current portion	-	(13,990)
<b>Cash used in operating activities</b>	<b>60,064</b>	<b>10,362</b>
<b>Cash provided by (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>Investing activities:</b>	<b>-</b>	<b>-</b>
Exploration and evaluation expenditures	(52,738)	(179,877)
<b>Cash used in investing activities</b>	<b>(52,738)</b>	<b>(179,877)</b>
Effect of exchange rate changes on cash and cash equivalents	(2,204)	24,637
<b>Increase in cash and cash equivalents</b>	<b>5,122</b>	<b>(144,878)</b>
Cash and cash equivalents, beginning of period	55,270	220,202
<b>Cash and cash equivalents, end of period</b>	<b>\$ 60,392</b>	<b>\$ 75,324</b>
Cash and cash equivalent balances, end of period comprise:		
Cash	\$ 60,392	\$ 63,732
Guaranteed Investment Certificates	-	11,592
<b>Total cash and cash equivalents</b>	<b>\$ 60,392</b>	<b>\$ 75,324</b>

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

# Plata Latina Minerals Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2016

(Expressed in Canadian Dollars, unless otherwise stated)

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## 1. Nature of operations and going concern

Plata Latina Minerals Corporation ("Plata") 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 (unaudited) as at March 31, 2016 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 ("TSX-V") under the symbol "PLA".

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

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title.

The Company has not generated revenue from operations. At March 31, 2016, the Company had cash and cash equivalents of \$60,392, negative working capital of \$183,897, a net loss for the three months ended March 31, 2016 of \$151,563, and a deficit of \$5,885,470. On May 4, 2015 Plata received a loan from a Director of the Company for \$250,000 with terms described in note 6 (the "Loan") and has periodically received refunds associated with the Mexican value added tax recoverable. Notwithstanding the Loan, the Company does not have sufficient working capital to fund operations for the next 12 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 and the Company is dependent on raising additional financing. Plata has historically raised funds principally 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 obtain it on acceptable terms. These consolidated 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 consolidated financial statements.

## 2. Basis of Presentation

### *Statement of compliance*

These condensed consolidated interim financial statements (unaudited) have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, they do not include all of the information and notes to the consolidated financial statements required by IFRS for complete financial statements and should be read in conjunction with the Company's most recent audited consolidated financial

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Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

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statements. These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application used in the Company's audited consolidated financial statements as at and for the year ended December 31, 2015. The Board of Directors authorized these financial statements for issuance on May 31, 2016.

### 3. Changes in Accounting Policies

#### a) *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: Classification and Measurement* is a new standard on classification and measurement of financial assets that will replace IAS 39; *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value through profit or loss. The IASB has deferred the mandatory effective date for annual periods beginning on or after January 1, 2018 and has left it open pending the finalization of the impairment and classification and measurement requirements. The Company has not yet assessed the impact of this standard on its financial reporting.

On July 13, 2016, the IASB issued IFRS 16, *Leases* ("IFRS 16"), according to which, all leases will be on the balance sheet of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has not yet assessed the impact of this standard on its financial reporting.

### 4. Amounts receivable

	March 31, 2016	December 31, 2015
Mexican value added tax ("IVA") recoverable	\$ 735,790	\$ 876,978
Other receivables (note 8)	-	8,854
Sales tax receivable	866	-
	<u>\$ 736,656</u>	<u>\$ 885,832</u>

The Company anticipates full recovery of the amounts within the next 12 months, and therefore no impairment has been recorded against these receivables. The Company holds no collateral for any receivable amounts outstanding as at March 31, 2016.

At March 31, 2016, 99% of the receivables that were outstanding over one month are comprised of IVA recoverable in Mexico.

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### 5. Exploration and evaluation expenditures

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

#### **Capitalized**

The following is a summary of movements in exploration and evaluation expenditures during the period ended March 31, 2016:

	Naranjillo Project	Vaquerias Project	Palo Alto Project	Total
Balance, January 1, 2016	\$ 6,867,730	\$ 966,746	\$ 160,165	\$ 7,994,641
<i>Field work phase:</i>				
Contractor and general labour	-	-	294	294
Vehicles and related costs	-	-	67	67
<i>Drilling phase:</i>				
Contractor and general labour	19,276	7,079	-	26,355
Travel, food and accommodations	4,438	11	-	4,449
Camp costs, supplies and other	4,340	681	-	5,021
Vehicles and related costs	553	273	-	826
<i>Other</i>				
Claims, taxes and acquisitions costs	25,217	7,294	7,526	40,037
Salaries, benefits and share-based payments	29,081	2,237	2,237	33,555
Depreciation	180	-	-	180
<i>Foreign exchange movements</i>	(374,517)	(53,379)	(7,762)	(435,658)
Subtotal additions	(291,432)	(35,804)	2,362	(324,874)
Balance, March 31, 2016	\$ 6,576,298	\$ 930,942	\$ 162,527	\$ 7,669,767

#### *Naranjillo Project*

The mineral exploration concessions were issued by the Mexican General Directorate of Mines ("GDM") 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*

The Company has the right to purchase the core Vaquerias license, consisting of 100 hectares, through a purchase option agreement dated June 30, 2011 and extended on June 15, 2014. The option agreement gives the Company the right to purchase the Vaquerias license for US\$530,000 over 78 months from June 30, 2011, with the vendors retaining a 2% net smelter return ("Vaquerias Option"). In addition, the Company has the option of purchasing the net smelter return for US\$500,000 within 18 months of exercising the Vaquerias Option. During the year ended December 31, 2015, the Company paid the vendors US\$nil (cumulative to December 31, 2015 – US\$100,000) although in accordance the terms of the option agreement the amount of US\$40,000 was due. Payments totalling US\$430,000 remain outstanding to purchase the Vaquerias license. In April 2016, the Company obtained an



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extension agreement for the option payments and made a payment of US\$5,000 in April and US\$5,000 in May.

In addition to the Vaquerias Option, during the period the Company held three titled adjacent concessions, known as Sol and Luna. The Sol and Luna licenses were issued by the GDM to Plaminco on December 13, 2011 and December 8, 2011, respectively. Together, these two licenses 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 title. During the year ended December 31, 2015 the Catalina IV licence was withdrawn by the Company.

## **Expensed**

The following is a summary of exploration and evaluation expenditures expensed by category:

	Three months ended March, 31,	
	2016	2015
Contractor and general labour	\$ -	\$ 386
Claims and taxes	2,962	9,454
Total	<u>\$ 2,962</u>	<u>\$ 9,840</u>

## *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.

## **6. Loan Payable**

On May 5, 2015, the Company received the Loan from a Director of the Company in the amount of \$250,000 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 million or the issuance of any debt instrument by the Company, unless consented by the Director. In December 2015, the Loan term was extended until March 31, 2016. In March 2016, the Loan was extended until December 31, 2016. As at March 31, 2016 there was interest payable accrued on the Loan totalling \$22,986.

## Plata Latina Minerals Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2016

(Expressed in Canadian Dollars, unless otherwise stated)

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### 7. Capital and reserves

#### a) Authorized share capital

At March 31, 2016, the authorized share capital comprised of an unlimited number of common shares. The common shares do not have a par value and all issued common shares are fully paid.

#### b) Reconciliation of changes in share capital

	March 31, 2016		December 31, 2015	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning and end of period	67,432,826	\$ 11,072,622	67,432,826	\$ 11,072,622

#### c) 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.

#### d) Options and warrants reserve

##### Stock options

On March 1, 2012, the Company's stock option plan was approved by the Board of Directors of the Company which provides eligible 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 following table shows the change in the Company's stock options during the period ended:

	Three months ended March 31, 2016		Year ended December 31, 2015	
	Number of Options	Weighted Average Exercise Price (in CAD)	Number of Options	Weighted Average Exercise Price (in CAD)
Balance, start of period	1,265,000	\$0.37	1,055,000	\$0.50
Granted	-	-	375,000	\$0.06
Forfeited	-	-	(165,000)	\$0.50
Expired	-	-	-	\$0.50
Balance, end of period	1,265,000	\$0.37	1,265,000	\$0.37

## Plata Latina Minerals Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2016

(Expressed in Canadian Dollars, unless otherwise stated)

The following table provides information on stock options outstanding and exercisable at March 31, 2016:

Grant Date	Exercise Price	Options Outstanding		Options Exercisable	
		Number of Options	Weighted average remaining contractual life (years)	Number of Options	Weighted average remaining contractual life (years)
April 11, 2012	\$0.50	890,000	1.03	890,000	1.03
March 2, 2015	\$0.06	225,000	3.92	225,000	3.92
May 29, 2015	\$0.06	75,000	4.15	75,000	4.15
June 9, 2015	\$0.06	75,000	4.19	75,000	4.19
		<u>1,265,000</u>	<u>1.92</u>	<u>1,265,000</u>	<u>1.92</u>

For the three months ended March 31, 2016, the Company recognized a share-based payments charge against income of \$nil (March 31, 2015 - \$5,770).

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*

The following summarizes the Company's warrants at March 31, 2016:

Date of Issue	Exercise Price	Expiry Date	December 31, 2015	Issued	Exercised	Expired	March 31, 2016
August 27, 2014	\$0.25	August 27, 2016	5,615,000	-	-	-	5,615,000
			<u>9,984,850</u>	<u>-</u>	<u>-</u>	<u>(4,369,850)</u>	<u>5,615,000</u>

## 8. Related parties

### *Management company agreement*

Until May 22, 2015 when the arrangement was terminated, the Company shared office space, equipment, personnel and various administrative services with other companies related by virtue of certain common directors and management. These services have been mainly provided through a management company equally owned by the related companies. Costs incurred by the management company were allocated between the related companies based on the time incurred and use of services and charged at cost. In addition, certain other professional administrative services have been provided by other related companies and charged at cost. The Company was charged for the following with respect to these arrangements:

## Plata Latina Minerals Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2016

(Expressed in Canadian Dollars, unless otherwise stated)

	Three months ended March 31,	
	2016	2015
Salaries and benefits	\$ -	\$ 86,668
Office and administrative	-	24,079
Other assets	-	-
	<u>\$ -</u>	<u>\$ 110,747</u>

On May 22, 2015 Plata terminated its agreement with the management company whereby it relinquished its share of the jointly owned assets (primarily security deposits, leasehold improvements, and furniture and equipment) held by the management company which resulted in a loss on termination of management agreement of \$112,198. Accompanying this relinquishment, Plata was released and indemnified from its obligations under the office leases.

At March 31, 2016, there was a balance of \$nil (December 31, 2015 – \$8,794) receivable by Plata from the management company. At March 31, 2016, there is an amount owing with respect of former related companies associated with these arrangements of \$10,506 (December 31, 2015 – \$17,936) included in accounts payable and accrued liabilities. Amounts are due on demand, unsecured, and have no terms of repayment.

### 9. 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, 2016	\$ 1,211,667	\$ 6,459,014	\$ -	\$ 7,670,681
December 31, 2015	\$ 1,174,417	\$ 6,821,525	\$ -	\$ 7,995,942
Net income (loss) before tax for the three months ended:				
March 31, 2016	\$ (118,073)	\$ (37,482)	\$ 5,592	\$ (151,563)
March 31, 2015	\$ (224,285)	\$ (25,640)	\$ 59,211	\$ (190,714)