Plata Latina Minerals Corporation

Condensed Interim Consolidated Financial Statements
For the Three Months ended March 31, 2018

(Unaudited)

Notice of No Auditor Review

In accordance with National Instrument 51-102, the Company discloses that the accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management. They have been reviewed and approved by the Company's Audit Committee and the Board of Directors.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Professional Accountants of Canada.

Plata Latina Minerals Corporation

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

As at		March 31, 2018		December 31, 2017
Assets				
Current assets				
Cash	$	322,477	$	172,557
Amounts receivable (Note 4)		14,900		33,846
Prepaid expenses		4,594		7,463
		341,971		213,866
Non-current assets				
Exploration and evaluation assets (Note 5)		2,355,566		2,446,785
Total assets	$	2,697,537	$	2,660,651
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (Note 6, 9)	$	368,182	$	391,003
Loan payable (Note 7, 9)		313,958		313,958
		682,140		704,961
Deferred tax liability		189,238		170,673
Shareholders' equity				
Share capital (Note 8)		11,072,622		11,072,622
Reserves (Note 8)		703,600		523,913
Deficit		(9,950,063)		(9,811,518)
		1,826,159		1,785,017
Total liabilities and shareholders' equity	$	2,697,537	$	2,660,651

Nature of operations (Note 1)
Commitment (Note 10)

Approved by the Board of Directors on May 4, 2018:

/s/ Gilmour Clausen	*/s/ W. Durand Eppler*
Director	Director

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

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

	Three months ended March 31, 2018	Three months ended March 31, 2017
Expenses		
Salaries and benefits (Note 9)	$ 17,164	$ 3,650
Directors' fees (Note 9)	15,000	15,000
Professional fees (Note 9)	59,695	60,183
Office and administration	6,068	5,667
Investor relations	1,215	251
Filing fees and transfer agent	6,161	7,982
Travel	1,703	1,538
Property investigations (Note 5)	19,116	2,856
Depreciation	-	196
	(126,122)	(97,323)
Other items		
Interest income	-	4,515
Foreign exchange (loss) gain	(12,423)	5,349
Interest expense (Note 7)	-	(6,250)
Loss before tax	(138,545)	(93,709)
Income tax recovery	-	8,439
Loss for the period	$ (138,545)	**$** (85,270)
Other comprehensive income (loss)		
Item that may be reclassified to profit or loss:		
Foreign currency translation adjustment	179,687	189,841
Comprehensive income for the period	$ 41,142	**$** 104,571
Basic and diluted loss per share	$ (0.002)	**$** (0.001)
Weighted average number of shares outstanding - basic and diluted	67,432,826	67,432,826

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

Plata Latina Minerals Corporation

Condensed Interim Consolidated Statements of Changes in Shareholders' 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, 2017	67,432,826	$ 11,072,622	$ (1,096,603)	$ $ 1,620,516	$ 523,913	$ (9,811,518)	$ 1,785,017
Loss for the period	-	-	-	-	-	(138,545)	(138,545)
Foreign currency translation adjustment	-	-	179,687	-	179,687	-	179,687
Balance, March 31, 2018	**67,432,826**	**$ 11,072,622**	**$ (916,916)**	**$ 1,620,516**	**$ 703,600**	**$ (9,950,063)**	**$ 1,826,159**

	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
Loss for the period	-	-	-	-	-	(85,270)	(85,270)
Foreign currency translation adjustment	-	-	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**

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

(Expressed in Canadian Dollars)

	Three months ended March 31, 2018	Three months ended March 31, 2017
Operating activities		
Loss for the period	$ (138,545)	$ (85,270)
Items not affecting cash:		
Depreciation	-	196
Interest expense (Note 7)	-	6,250
Unrealized foreign exchange (loss) gain	(19,736)	84,196
Income tax recovery	-	(8,439)
Changes in non-cash working capital items:		
Amounts receivable	21,857	(22,323)
Prepaid expenses	2,869	2,189
Accounts payable and accrued liabilities	(7,011)	117,250
Net change from operating activities	(140,566)	94,049
Investing activities		
Expenditures on exploration and evaluation assets	(47,675)	(117,197)
Option receipts on exploration and evaluation assets (Note 5)	328,985	-
Net change from investing activities	281,310	(117,197)
Effect of exchange rate changes on cash	9,176	(25,570)
Change in cash during the period	149,920	(48,718)
Cash, beginning of the period	172,557	166,718
Cash, end of the period	$ 322,477	$ 118,000

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

1. NATURE OF OPERATIONS

Plata Latina Minerals Corporation ("Plata" or the "Company") was incorporated on April 1, 2010 under the laws of British Columbia, Canada. Plata's registered and records office is 1100 – 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6. The condensed interim consolidated financial statements as at March 31, 2018, consisted 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"), which are 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, U.S. On April 11, 2012, Plata began trading on the TSX Venture Exchange under the symbol "PLA".

The Company is in the business of acquiring, exploring and evaluating mineral property assets. Plata has not yet determined whether its 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.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated 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 interim consolidated 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, 2017.

Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to continue its operations and meet its obligations as they become due. Plata has incurred ongoing losses and will continue to incur further losses in the course of developing its business. To date, Plata has not generated revenue from operations as it is in the exploration stage. As at March 31, 2018, Plata had a deficit of $9,950,063 and working capital deficiency of $340,169. Plata will require to raise further funding through equity financing, debt financing and/or loans from related parties to continue its operations. However, there is no assurance that Plata 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 interim consolidated financial statements. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of Plata and its wholly owned subsidiaries, Plaminco, MCV, MEC, Servicio and Plata US. The Company consolidates these subsidiaries on the basis that it controls them through its ability to affect its financial and operating policies. All intercompany transactions and balances have been eliminated on consolidation.

(Expressed in Canadian Dollars, unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

Critical Accounting Judgments, Estimates and Assumptions

The preparation of these condensed interim consolidated financial statements under IFRS requires management to make certain judgments, estimates and assumptions that impact the Company's reported financial position. Judgment and estimates are based on historical experience and expectation of future events within reasonable circumstances. Uncertainty on these estimates and assumptions could result in material adjustments to the carrying amounts in the financial results. Revisions to these estimates are recognized in the period in which the estimates are revised and in future periods affected.

The significant judgments, estimates and assumptions made by management in preparing these condensed interim consolidated financial statements were the same as those applied to the audited consolidated financial statements for the year ended December 31, 2017.

3. NEW, AMENDED AND FUTURE ACCOUTNING PRONOUNCEMENTS

IFRS 9, *Financial Instruments,* was issued in July 2014 and replaces IAS 39 by providing a revised model for classification and measurement, introducing a new "expected credit loss" impairment model for financial assets and a reformed approach to hedge accounting. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, as such, the accounting policy with respect to financial liabilities is unchanged. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has assessed the standard and does not expect it to have any significant impact on its condensed interim consolidated financial statements from this standard.

IFRS 16, *Leases*, was issued in January 2016 and replaces IAS 17. The standard requires lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect any significant impact on its condensed interim consolidated financial statements from this standard.

4. AMOUNTS RECEIVABLE

		March 31, 2018		December 31, 2017
Mexican value added tax ("IVA") recoverable	$	11,951	$	24,528
Good and services tax receivable		2,949		4,150
Other receivable		-		5,168
	$	14,900	$	33,846

5. EXPLORATION AND EVALUATION ASSETS

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

Naranjillo Project

The Company holds four mineral concession licenses under the Naranjillo project. The four licenses - La Sibila, La Sibila I, La Sibila II and La Sibila III – were issued by the Mexican General Directorate of Mines ("GDM") on April 20, 2011, September 23, 2011, August 26, 2011 and April 10, 2013, respectively. These licenses are valid for fifty years until 2061 to 2063.

(Expressed in Canadian Dollars, unless otherwise stated)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

On February 8, 2017, Plata entered into an option agreement (the "Naranjillo Option Agreement") with a wholly owned subsidiary of Fresnillo PLC ("Fresnillo"). The Naranjillo Option Agreement (which superseded the Letter of Intent signed on July 12, 2016) granted Fresnillo the option to explore the Naranjillo property (the "Naranjillo Property") for a total cash payment of US $1,650,000 over three years (the "Option Payment"). In addition, Fresnillo is required to spend US $3,000,000 in exploration on the Naranjillo Property over the three-year period. If Fresnillo fails to meet the obligations of the Naranjillo Option Agreement, it will forfeit all rights to the Naranjillo Property.

The schedule of the cash payments is as follows:

Commitment Timeline	Due Date	Cash in US$	
Letter of Intent signed on July 12, 2016	July 29, 2016	$100,000	(received - CAD$120,961)
	September 12, 2016	$100,000	(received - CAD$120,962)
Option Agreement signed on February 8, 2017	April 5, 2017	$200,000	(received - CAD$232,490)
	August 8, 2017	$250,000	(received - CAD$290,612)
	February 8, 2018	$250,000	(received - CAD $328,985)
	August 8, 2018	$250,000	
	February 8, 2019	$250,000	
	August 8, 2019	$250,000	
	Total	**$1,650,000**	

At the end of the three-year period, if Fresnillo wishes to acquire 100% of the Naranjillo Property, it will pay the Company an additional US $500,000 and grant the Company a 3% net smelter return royalty ("Royalty") on the Naranjillo Property. Fresnillo will be required to pay advance royalty payments to the Company of US $100,000 annually (the "Advanced Royalty Payment"), until the earlier of (a) a maximum of US $1,000,000 in the Advance Royalty Payments having been paid, or (b) commercial production of minerals commences from the Naranjillo 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. The respective additional payments of US $500,000, US $1,000,000 and US $5,000,000 are collectively referred to as the "Additional Option Payments".

Impairment assessment on the Naranjillo Property

During the year ended December 31, 2017, the Company reviewed impairment on the Naranjillo project. Based on Fresnillo's active exploration program on the Naranjillo Property in 2017, the Company concluded that Fresnillo will continue its commitments and obligations pursuant to the terms of the Naranjillo Property Agreement. As such, the Company determined that there was no impairment on the property for 2017. However, the Company incurred $82,810 in exploration expenditures during the year of 2017. As these costs were not expected to be recovered under the Naranjillo Option Agreement, the Company wrote off $82,810 in profit or loss of fiscal year 2017 (2016 - $3,305,263).

Vaquerias Project

On June 30, 2011, the Company entered into a Vaquerias Option Agreement with the vendors of the Vaquerias license. The Vaquerias Option Agreement gave the Company the right to purchase the Vaquerias license for US $530,000 until December 31, 2017, with the vendors retaining a 2% net smelter return (the "Vaquerias Option"). In addition, the Company had the option to purchase the 2% net smelter return for US $500,000 within 18 months of exercising the Vaquerias Option.

At December 31, 2017, the Company had paid the vendors US $200,000 (CAD $213,195) on the Vaquerias license. In October 2017, the Company completed a small drilling program on the optioned Vaquerias property. The assaying results showed minimal potential on the Vaquerias optioned property. As a result, on November 20, 2017, the Company provided the vendors a termination notice on the Vaquerias Option Agreement effectively immediately, and the final option payment of US $330,000 was cancelled accordingly. Upon the termination of the Vaquerias Option Agreement, the Company recognized an impairment loss of $546,834 which represented the total capitalized costs related to the optioned Vaquerias property, to profit or loss of fiscal year 2017 (2016 - $nil).

(Expressed in Canadian Dollars, unless otherwise stated)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Besides the optioned Vaquerias property, the Company also holds two titled adjacent concessions: Sol and Luna. The Sol and Luna licenses were issued by the GDM on December 13, 2011 and December 8, 2011, respectively and are valid until 2061. As of March 31, 2018, the carrying value of the Vaquerias Project represents total capitalized costs related to these two licenses.

Palo Alto Project

The Palo Alto project consists of three licenses: Catalina, Catalina II, and Catalina III. The Catalina, Catalina II and Catalina III licences were issued by the GDM on November 22, 2012, November 4, 2011, and November 30, 2011, respectively and are valid until 2061 to 2062.

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.

Exploration and Evaluation Expenditures

For the three months ended March 31, 2018, the exploration and evaluation expenditures were as follows:

	Naranjillo	Vaquerias	Palo Alto	Total
Balance, December 31, 2017	**$ 1,775,223**	**$ 494,574**	**$ 176,988**	**$ 2,446,785**
Drilling phase				
Drilling and assaying	-	-	-	-
Contractor and general labour	-	3,492	-	3,492
Camp costs, supplies and other	-	1,006	-	1,006
Travel and vehicle costs	-	465	-	465
Other				
Claims, taxes and acquisitions costs	-	13,998	14,983	28,981
Salaries and benefits	-	12,873	858	13,731
	-	31,834	15,841	47,675
Option payments (1)	(328,985)	-	-	(328,985)
Foreign exchange movements	85,644	89,708	14,739	190,091
Incurred during the period	(243,341)	121,542	30,580	(91,219)
Balance, March 31, 2018	**$ 1,531,882**	**$ 616,116**	**$ 207,568**	**$ 2,355,566**

(1) *Option payments of $328,985 (US $250,000) were related to the Naranjillo Option Agreement with Fresnillo entered in February 2017.*

(Expressed in Canadian Dollars, unless otherwise stated)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

For the year ended December 31, 2017, the exploration and evaluation expenditures 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	-	-	1,309	1,309
Contractor and general labour	-	-	2,196	2,196
Travel and vehicle costs	-	-	2,528	2,528
Geophysical	-	-	795	795
Drilling phase				
Drilling and assaying	-	28,888	-	28,888
Contractor and general labour	22,162	23,331	-	45,493
Camp costs, supplies and other	7,367	7,130	-	14,497
Travel and vehicle costs	2,080	3,195	-	5,275
Other				
Claims, taxes and acquisitions costs	-	48,531	19,180	67,711
Salaries and benefits	45,045	3,465	3,465	51,975
Legal fees	6,156	446	-	6,602
	82,810	114,986	29,473	227,269
Option payments [1]	(523,102)	-	-	(523,102)
Foreign exchange movements	(26,710)	(15,839)	(2,256)	(44,805)
Impairment on exploration and evaluation assets	(82,810)	(546,834)	-	(629,644)
	(549,812)	(447,687)	27,217	(970,282)
Balance, December 31, 2017	**$ 1,775,223**	**$ 494,574**	**$ 176,988**	**$ 2,446,785**

[1] *Option payments of $523,102 (US $450,000) were related to the Naranjillo Option Agreement with Fresnillo entered in February 2017.*

Property Investigations

The Company holds title to the La Carmen license for its La Joya project. The La Carmen license was issued by the GDM on December 21, 2010 and is valid until 2060.

The La Joya project surrounds a third-party license. The Company has been negotiating with the interior license owners before advancing to drilling on the property. The Company carries out reconnaissance work on and around the licensed areas and such related costs are expensed as property investigations.

The cumulative reconnaissance costs incurred on the La Joya project and outside the licensed area for the three months ended March 31, 2018 and 2017 were as follows:

	2018	2017
Assaying	$ 1,122	$ -
Claims and land taxes	5,449	-
Contractor and general labour	9,578	2,856
Travel and vehicle costs	2,967	-
	$ 19,116	$ 2,856

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2018	December 31, 2017
Trade payables	$ 43,372	$ 81,193
Accrued liabilities	324,810	309,810
	$ 368,182	$ 391,003

(Expressed in Canadian Dollars, unless otherwise stated)

7. LOAN PAYABLE

In May 2015, the Company received from a director (the "Director") of the Company a loan of $250,000 bearing interest at 10% per annum. subject to any prepayment by the Company, payable on the earlier of: i) December 31, 2015; ii) the date the Company completes a financing by way of sale of securities greater than $2,000,000 or iii) 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 December 31, 2016 and in November 2016, the term was further extended to December 31, 2017.

In November 2017, the Director agreed to stop accruing interest charges on the loan as of November 16, 2017. At March 31, 2018, interest payable on the loan was $63,958 (December 31, 2017 - $63,958) and the loan interest expense for the three months ended March 31, 2018 was nil (March 31, 2017 - $6,250).

On March 12, 2018, the Company and the Director entered into a debt settlement agreement. Both parties agreed to settle the total loan and accrued interest in the amount of $313,958 with the issuance of 6,976,845 of the Company's common shares. The debt conversion to equity transaction is subject to the approvals of the shareholders and the TSX Venture Exchange.

8. SHARE CAPITAL AND RESERVES

a) *Share capital*

Authorized - unlimited number of common shares without par value

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, from the foreign operations' functional currency to the Company's presentation currency, as well as from the translation of inter-group loans that form the Company's net investment in its foreign subsidiaries.

c) *Options and warrants reserves*

Stock options

The Company has a stock option plan which provides directors, officers, employees and consultants the opportunity to acquire an ownership interest in the Company. The maximum number of options that may be granted under the plan is 10% of the total number of common shares issued and outstanding at the grant date. Options granted have a five-year term and the exercise prices and the vesting periods are determined by the Board of Directors.

The stock option activities and numbers outstanding for the periods ended below were as follows:

	March 31, 2018		December 31, 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	550,000	$0.06	1,365,000	$0.35
Expired	-	-	(890,000)	($0.50)
Granted	-	-	75,000	$0.06
Outstanding, end of the period	550,000	$0.06	550,000	$0.06

(Expressed in Canadian Dollars, unless otherwise stated)

8. SHARE CAPITAL AND RESERVES (CONTINUED)

At March 31, 2018, 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	1.92
May 25, 2020	$0.06	75,000	2.15
June 9, 2020	$0.06	75,000	2.19
August 1, 2021	$0.06	100,000	3.33
June 5, 2022	$0.06	75,000	4.18
		550,000	2.55

Option grant

No options were granted during the three months ended March 31, 2018 and 2017.

Warrants

At March 31, 2018, no warrants were outstanding (2017 – nil).

9. RELATED PARTY TRANSACTIONS

Compensation of Key Management

Key management includes the Company's directors and officers. Their compensation paid or accrued for the three months ended March 31, 2018 and 2017 was as follows:

	2018	2017
Salaries	$ 17,164	$ 3,650
Salaries capitalized to exploration and evaluation assets	13,730	45,728
Salaries expensed to project investigations	3,433	-
Directors' fees	15,000	15,000
Professional fees	15,000	12,000
Total	$ 64,327	$ 76,378

At March 31, 2018, included in accounts payable and accrued liabilities were $324,810 (December 31, 2017 - $309,810) 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. In November 2017, the director agreed to stop accruing interest charges on the loan as of November 16, 2017. At March 31, 2018, interest payable on the loan was $63,958 (December 31, 2017 - $63,958) and the loan interest expense for the three months ended March 31, 2018 was $nil (March 31, 2017 - $6,250). On March 12, 2018, the Company and the director agreed to settle the total indebtedness of $313,958 with the issuance of 6,976,845 common shares of the Company.

10. COMMITMENT

The Company does not have any commitments except to certain land taxes payments in order to maintain its titles in good standing.

11. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

Financial Instruments

The carrying values of cash, 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:

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, 2018		December 31, 2017
Cash	Loans and receivables	$	322,477	$	172,557
Amounts receivable	Loans and receivables	$	14,900	$	33,846
Accounts payable and accrued liabilities	Other financial liabilities	$	(368,182)	$	(391,003)
Loan payable	Other financial liabilities	$	(313,958)	$	(313,958)

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 Company maintains Mexican Peso and US Dollar bank accounts in Mexico and USA. The Company is subject to gains and losses from fluctuations in the Mexican Peso and US Dollar against the Canadian Dollar. The Company does not hedge its exposure to currency fluctuations.

At March 31, 2018 and December 31, 2017, the Company was exposed to currency risk through the following assets and liabilities denominated in US dollars ("US$"):

		March 31, 2018		December 31, 2017
Cash	US$	245,849	US$	99,639
Accounts payable and accrued liabilities		-		(272)
	US$	245,849	US$	(99,367)

At March 31, 2018 and December 31, 2017, the Company was exposed to currency risk through the following assets and liabilities denominated in Mexican Pesos ("MXN"):

		March 31, 2018		December 31, 2017
Cash	MXN	4,184	MXN	512,451
Accounts payable and accrued liabilities		(276,199)		(761,301)
	MXN	(272,015)	MXN	(248,850)

A 10% change of the Canadian dollar against the US dollar at March 31, 2018 would have increased or decreased net loss by $31,509 (2017 – $1,733) and would have increased or decreased the comprehensive loss by $1,907 (2017 – $7,906). A 10% change of the Canadian dollar against the Mexican peso at March 31, 2018 would have increased or decreased the comprehensive loss by $1,924 (2017 – $5,444). This analysis assumes that all other variables, in particular interest rates, remain consistent.

(Expressed in Canadian Dollars, unless otherwise stated)

11. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk arises through the 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.

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. 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. In 2017, the Company had received the majority of the IVA refunds. The Company's maximum exposure to credit risk as at March 31, 2018 was the carrying value of its cash and amounts receivable.

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 three months ended March 31, 2018.

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 reportable and operating segment, being the exploration and evaluation of mineral resource properties in Mexico. Geographic information for the years ended below was as follows:

	Canada	Mexico	United States	Total
Non-current assets as at:				
March 31, 2018	$ 1,043,515	$ 1,312,051	$ -	$ 2,355,566
December 31, 2017	$ 1,029,784	$ 1,417,001	$ -	$ 2,446,785
Net (loss) income before tax for the three months ended:				
March 31, 2018	$ (89,652)	$ (53,070)	$ 4,177	$ (138,545)
March 31, 2017	$ (61,538)	$ (25,826)	$ 2,094	$ (85,270)