



**Plata Latina Minerals Corporation**

**Condensed Interim Consolidated Financial Statements  
For the Six Months ended June 30, 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	June 30, 2018	December 31, 2017
<b>Assets</b>		
Current assets		
Cash	\$ 368,218	\$ 172,557
Amounts receivable (Note 4)	19,867	33,846
Prepaid expenses	21,537	7,463
	409,622	213,866
Non-current assets		
Exploration and evaluation assets (Note 5)	2,286,007	2,446,785
Equipment (Note 6)	50,807	-
<b>Total assets</b>	<b>\$ 2,746,436</b>	<b>\$ 2,660,651</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 7, 10)	\$ 363,678	\$ 391,003
Loan payable (Note 8, 10)	-	313,958
Deferred rent (Note 11)	124,480	-
Deferred benefit obligations (Note 11)	135,500	-
	623,658	704,961
Non-current liabilities		
Deferred benefit obligations (Note 11)	39,059	-
Deferred tax liability	178,431	170,673
<b>Total liabilities</b>	<b>841,148</b>	<b>875,634</b>
<b>Equity</b>		
Share capital (Note 9)	11,386,580	11,072,622
Reserves (Note 9)	631,514	523,913
Deficit	(10,112,806)	(9,811,518)
<b>Total equity</b>	<b>1,905,288</b>	<b>1,785,017</b>
<b>Total liabilities and equity</b>	<b>\$ 2,746,436</b>	<b>\$ 2,660,651</b>

Nature of operations (Note 1)

Commitment (Note 11)

Approved by the Board of Directors on August 10, 2018:

/s/ Gilmour Clausen  
Director

/s/ W. Durand Eppler  
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 June 30,		Six months ended June 30,	
	2018	2017	2018	2017
<b>Expenses</b>				
Salaries and benefits (Note 10)	\$ 60,215	\$ 18,181	\$ 77,379	\$ 21,831
Directors' fees (Note 10)	15,000	15,000	30,000	30,000
Professional fees (Note 10)	63,395	67,308	123,090	127,491
Office and administration	17,988	9,288	24,056	14,955
Investor relations	7,427	6,001	8,642	6,252
Filing fees and transfer agent	6,133	3,954	12,294	11,936
Travel	1,000	6,720	2,703	8,258
Property investigations (Note 5)	(2,126)	9,736	16,990	12,592
Share-based compensation	-	1,664	-	1,664
Depreciation	1,860	131	1,860	327
<b>Total expenses</b>	(170,892)	(137,983)	(297,014)	(235,306)
Interest income	130	611	130	5,126
Foreign exchange (loss) gain	10,105	(9,752)	(2,318)	(4,403)
Interest expense (Note 8)	-	(6,320)	-	(12,570)
<b>Loss before income taxes</b>	(160,657)	(153,444)	(299,202)	(247,153)
Income tax expense	(2,086)	(8,398)	(2,086)	41
<b>Loss for the period</b>	(162,743)	(161,842)	\$ (301,288)	\$ (247,112)
<b>Other comprehensive income</b>				
Items that may be reclassified to profit or loss				
Foreign currency translation adjustment	(207,656)	39,086	107,601	228,927
<b>Comprehensive loss for the period</b>	\$ (370,399)	\$ (122,756)	\$ (193,687)	\$ (18,185)
Basic and diluted loss per share	\$ (0.002)	\$ (0.002)	\$ (0.004)	\$ (0.004)
Weighted average number of shares outstanding	68,006,265	67,432,826	74,409,671	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 9)		Reserves				Deficit	Total Equity
	Number of Shares	Amount	Accumulated other comprehensive income (loss)	Options and Warrants	Total Reserves			
Balance, December 31, 2017	67,432,826	\$ 11,072,622	\$ (1,096,603)	\$ 1,620,516	\$ 523,913	\$ (9,811,518)	\$ 1,785,017	
Settlement of loan payable (Note 8)	6,976,845	313,958	-	-	-	-	313,958	
Loss for the period	-	-	-	-	-	(301,288)	(301,288)	
Foreign currency translation adjustment	-	-	107,601	-	107,601	-	107,601	
<b>Balance, June 30, 2018</b>	<b>74,409,671</b>	<b>\$ 11,386,580</b>	<b>\$ (989,002)</b>	<b>\$ 1,620,516</b>	<b>\$ 631,514</b>	<b>\$ (10,112,806)</b>	<b>\$ 1,905,288</b>	

	Share Capital (Note 9)		Reserves				Deficit	Total Equity
	Number of Shares	Amount	Accumulated other comprehensive income (loss)	Options and Warrants	Total Reserves			
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 compensation	-	-	-	1664	1,664	-	1,664	
Loss for the period	-	-	-	-	-	(247,112)	(247,112)	
Foreign currency translation adjustment	-	-	228,927	-	228,927	-	228,927	
<b>Balance, June 30, 2017</b>	<b>67,432,826</b>	<b>\$ 11,072,622</b>	<b>\$ (860,509)</b>	<b>\$ 1,620,516</b>	<b>\$ 760,007</b>	<b>\$ (8,979,684)</b>	<b>\$ 2,852,945</b>	

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

# Plata Latina Minerals Corporation

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2018	2017	2018	2017
<b>Operating activities</b>				
Loss for the period	\$ (160,657)	\$ (153,444)	\$ (299,202)	\$ (247,153)
Items not affecting cash:				
Share-based compensation	-	1,664	-	1,664
Depreciation	1,860	131	1,860	327
Accrued interest expense	-	6,320	-	12,570
Unrealized foreign exchange gain (loss)	3,952	(113,432)	(15,784)	(29,236)
Impairment on exploration and evaluation assets	-	-	-	-
Income taxes paid	(2,086)	-	(2,086)	-
Changes in non-cash working capital items:				
Amounts receivable	(5,950)	211,572	15,907	189,249
Prepaid expenses	(16,943)	2,177	(14,074)	4,366
Accounts payable and accrued liabilities	(9,306)	(53,785)	(16,317)	63,465
Deferred rent	124,480	-	124,480	-
Deferred benefits obligations	135,500	-	135,500	-
<b>Cash used in operating activities</b>	<b>70,850</b>	<b>(98,797)</b>	<b>(69,716)</b>	<b>(4,748)</b>
<b>Financing activities</b>				
Deferred rent	39,059	-	39,059	-
<b>Cash provided by financing activities</b>	<b>39,059</b>	<b>-</b>	<b>39,059</b>	<b>-</b>
<b>Investing activities</b>				
Exploration and evaluation expenditures	(2,639)	(94,677)	(50,314)	(211,874)
Option receipts on exploration and evaluation assets	(18,788)	268,992	310,197	268,992
Purchase of equipment	(52,672)	-	(52,672)	-
<b>Cash (used in) provided by investing activities</b>	<b>(74,099)</b>	<b>174,315</b>	<b>207,211</b>	<b>57,118</b>
Effect of exchange rate changes on cash	9,931	54,082	19,107	28,512
<b>Change in cash</b>	<b>45,741</b>	<b>129,600</b>	<b>195,661</b>	<b>80,882</b>
Cash, beginning of period	322,477	118,000	172,557	166,718
<b>Cash, end of period</b>	<b>\$ 368,218</b>	<b>\$ 247,600</b>	<b>\$ 368,218</b>	<b>\$ 247,600</b>

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

# Plata Latina Minerals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the Six months ended June 30, 2018

(Expressed in Canadian Dollars, unless otherwise stated)

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## 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 June 30, 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 June 30, 2018, Plata had a deficit of \$10,112,806 and working capital deficiency of \$214,036. 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.

# Plata Latina Minerals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the Six months ended June 30, 2018

(Expressed in Canadian Dollars, unless otherwise stated)

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## 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 ACCOUNTING PRONOUNCEMENTS

IFRS 9, *Financial Instruments*, replaces IAS 39 and is effective on January 1, 2018. The standard requires all financial assets be measured at amortized cost or fair value. The measurement approach is based on how the Company manages its financial instruments in its business model and the contractual cash flows characteristics of the financial assets. It provides an irrevocable option for equity instruments to present changes in fair value through other comprehensive income ("FVTOCI").

IFRS 9 also introduces a new "expected credit loss" impairment model for financial assets. It no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit loss when the financial instruments are initially accounted for and to update the amount of expected credit losses at each reporting period to reflect changes in the credit risk of the financial instruments. The Company is in the process of evaluating the standard and does not expect it to have any significant impact on its condensed interim consolidated financial statements.

IFRS 16, *Leases*, replaces IAS 17 and is effective on January 1, 2019 with early adoption permitted. 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 Company does not expect any significant impact on its condensed interim consolidated financial statements from this standard.

## 4. AMOUNTS RECEIVABLE

	June 30, 2018	December 31, 2017
Mexican value added tax ("IVA") recoverable	\$ 14,670	\$ 24,528
Good and services tax receivable	5,197	4,150
Other receivable	-	5,168
	<u>\$ 19,867</u>	<u>\$ 33,846</u>

## 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.



## Plata Latina Minerals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the Six months ended June 30, 2018

(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
	<b>Total</b>	<b>\$1,650,000</b>

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 assessments on the Naranjillo Property*

During the years ended December 31, 2017 and 2016, the Company performed impairment assessments on the Naranjillo Property based on the terms of the Naranjillo Option Agreement with Fresnillo. The assessments determined that the carrying value of the Naranjillo Property was lower than its recoverable amount, which is its value in use and fair value less costs to sell. As such, the Naranjillo project was written down by \$82,810 and \$3,305,263 in profit and loss in 2017 and 2016 respectively.

#### *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 vein within the small optioned license. 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.

# Plata Latina Minerals Corporation

## Notes to the Condensed Interim Consolidated Financial Statements

For the Six months ended June 30, 2018

(Expressed in Canadian Dollars, unless otherwise stated)

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 June 30, 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 six months ended June 30, 2018, the exploration and evaluation expenditures were as follows:

	Naranjillo	Vaquerias	Palo Alto	Total
<b>Balance, December 31, 2017</b>	<b>\$ 1,775,223</b>	<b>\$ 494,574</b>	<b>\$ 176,988</b>	<b>\$ 2,446,785</b>
<i>Drilling phase</i>				
Contractor and general labour	-	6,228	-	6,228
Camp costs, supplies and other	-	2,216	-	2,216
Travel and vehicle costs	-	813	-	813
<i>Other</i>				
Claims, taxes and acquisitions costs	-	13,198	14,128	27,326
Salaries and benefits	-	13,731	-	13,731
	-	36,186	14,128	50,314
Option payments <sup>(1)</sup>	(310,197)	-	-	(310,197)
Foreign exchange movements	36,583	56,366	6,156	99,105
Incurred during the period	(273,614)	92,552	20,284	(160,778)
<b>Balance, June 30, 2018</b>	<b>\$ 1,501,609</b>	<b>\$ 587,126</b>	<b>\$ 197,272</b>	<b>\$ 2,286,007</b>

<sup>(1)</sup> Option payments of \$310,197 (US \$250,000) were related to the Naranjillo Option Agreement with Fresnillo entered in February 2017.

# Plata Latina Minerals Corporation

Notes to the Condensed interim consolidated financial statements

For the Six months Ended June 30, 2018

(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
<b>Balance, December 31, 2016</b>	<b>\$ 2,325,035</b>	<b>\$ 942,261</b>	<b>\$ 149,771</b>	<b>\$ 3,417,067</b>
<i>Field work phase</i>				
Assaying	-	-	1,309	1,309
Contractor and general labour	-	-	2,196	2,196
Travel and vehicle costs	-	-	2,528	2,528
Geophysical	-	-	795	795
<i>Drilling phase</i>				
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
<i>Other</i>				
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
	<u>82,810</u>	<u>114,986</u>	<u>29,473</u>	<u>227,269</u>
Option payments <sup>(1)</sup>	(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)
	<u>(549,812)</u>	<u>(447,687)</u>	<u>27,217</u>	<u>(970,282)</u>
<b>Balance, December 31, 2017</b>	<b>\$ 1,775,223</b>	<b>\$ 494,574</b>	<b>\$ 176,988</b>	<b>\$ 2,446,785</b>

<sup>(1)</sup> 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 six months ended June 30, 2018 and 2017 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Assaying	\$ -	\$ 989	\$ 1,122	\$ 989
Claims and taxes	-	-	5,448	2,856
Contractor and camp costs	(2,339)	5,671	7,240	5,671
Travel and vehicles costs	213	3,076	3,180	3,076
Total	<u>\$ (2,126)</u>	<u>\$ 9,736</u>	<u>\$ 16,990</u>	<u>\$ 12,592</u>

## Plata Latina Minerals Corporation

### Notes to the Condensed Interim Consolidated Financial Statements

For the Six months ended June 30, 2018

(Expressed in Canadian Dollars, unless otherwise stated)

#### 6. EQUIPMENT

On June 8 2018, the Company assumed the purchased assets of Brio Gold U.S. Inc. which include computers and servers (US \$30,000) and office furniture and equipment (US \$10,000) (Note 11).

Cost	Computer Equipment	Office Furniture and Equipment	Total
December 31, 2017	\$ -	\$ -	\$ -
Addition	39,504	13,168	52,672
June 30, 2018	\$ 39,504	\$ 13,168	\$ 52,672
Accumulated depreciation			
December 31, 2017	\$ -	\$ -	\$ -
Depreciation	(1,646)	(219)	(1,865)
June 30, 2018	\$ (1,646)	\$ (219)	\$ (1,865)
<b>Net book value</b>			
December 31, 2017	\$ -	\$ -	\$ -
June 30, 2018	\$ 37,858	\$ 12,949	\$ 50,807

#### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2018	December 31, 2017
Trade payables	\$ 23,867	\$ 81,193
Accrued liabilities	339,810	309,810
	<u>\$ 363,677</u>	<u>\$ 391,003</u>

At June 30, 2018, accrued liabilities of \$339,810 (December 31, 2017 - \$309,810) were amounts due to directors and a former officer (Note 10).

#### 8. 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. 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 waived interest charges on the loan as of November 16, 2017. At June 30, 2018, interest payable on the loan was nil (December 31, 2017 - \$63,958) and the loan interest expense for the six months ended June 30, 2018 was nil (June 30, 2017 - \$12,570).

On March 12, 2018, the Company and the Director entered into a debt restructuring 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. On May 31, 2018, upon receiving the approvals of both the shareholders and the TSX Venture Exchange, the Company issued 6,976,845 common shares to the Director at a deemed price of \$0.045 (Note 10).

# Plata Latina Minerals Corporation

## Notes to the Condensed Interim Consolidated Financial Statements

For the Six months ended June 30, 2018

(Expressed in Canadian Dollars, unless otherwise stated)

### 9. EQUITY

a) *Share capital*

Authorized - unlimited number of common shares without par value

b) *Share issuance*

On May 31, 2018, the Company issued 6,976,845 common shares for a debt settlement of \$313,958 due to a related party (Note 8).

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, 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.

d) *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.

Stock option activities for the periods ended June 30, 2018 and December 31, 2017 were as follows:

	June 30, 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

At June 30, 2018, the following options were outstanding and exercisable:

Expiry date	Exercise price	Options outstanding and excisable	Weighted average remaining contractual life (year)
March 3, 2020	\$0.06	225,000	1.67
May 25, 2020	\$0.06	75,000	1.90
June 9, 2020	\$0.06	75,000	1.94
August 1, 2021	\$0.06	100,000	3.08
June 5, 2022	\$0.06	75,000	3.93
		550,000	2.30

For the six months ended June 30, 2018, the Company recognized share-based compensation of \$nil (2017 - \$1,664). The fair values of stock options are calculated using the Black-Scholes option pricing model which requires judgment and assumptions on the expected life of options, expected volatility, expected dividend yield and the risk-free interest rate. The assumptions used in the 2017 option grant of 75,000 were: expected life of 5 years, annualized volatility of 95%, risk-free interest rate of 0.94% and zero dividend yield.

## Plata Latina Minerals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the Six months ended June 30, 2018

(Expressed in Canadian Dollars, unless otherwise stated)

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### 9. EQUITY (CONTINUED)

#### *Option expired*

During the six months ended June 30, 2018, no options were expired (2017 – 890,000).

#### *Warrants*

No warrants were outstanding at June 30, 2018 and 2017.

### 10. RELATED PARTY TRANSACTIONS

#### *Compensation of Key Management*

Key management includes the Company's directors and officers. Their compensation paid or accrued for the six months ended June 30, 2018 and 2017 was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Salaries	\$ 35,792	\$ 18,181	\$ 52,955	\$ 21,831
Salaries capitalized to exploration and evaluation assets	-	3,577	17,164	21,830
Directors' fees	15,000	15,000	30,000	30,000
Professional fees	15,000	16,000	30,000	28,000
Share-based compensation	-	1,664	-	1,664
Total	<u>\$ 65,792</u>	<u>\$ 54,422</u>	<u>\$ 130,119</u>	<u>\$ 103,325</u>

At June 30, 2018, included in accounts payable and accrued liabilities were \$339,810 (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. On May 31, 2018, the Company settled the loan and accrued interest totalling \$313,958 with the issuance of 6,976,845 common shares of the Company (Note 8).

### 11. COMMITMENT

On June 8, 2018, the Company completed an agreement with Brio Gold USA Inc. ("Brio"), whereby the Company assumes Brio's office lease, its office assets in Colorado, U.S., and the executives' benefit obligations resulting from Brio Gold Inc.'s amalgamation with Leagold Mining Corporation ("Leagold"). With the assumption of the lease and benefit obligations, the Company received a payment of \$252,288 (US \$191,592), being a year of lease payments net of security deposit of \$116,678 (US \$88,607), benefit obligations to May 31, 2020 of \$188,282 (US \$142,985) less office asset purchases of \$52,672 (US \$40,000).

As of June 1, 2018, the Company assumed an operating lease from Brio and the annual commitments net of the payments from Leagold are:

2019	\$ 80,113
2020	139,756
2021	130,274
	<u>\$ 350,143</u>

# Plata Latina Minerals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars, unless otherwise stated)

## 12. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

### 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 due to their short-term maturity:

Category	Measurement		June 30, 2018	December 31, 2017
Cash	Loans and receivables	\$	368,218	\$ 172,557
Amounts receivable	Loans and receivables	\$	19,867	\$ 33,846
Accounts payable and accrued liabilities	Other financial liabilities	\$	(363,678)	\$ (391,003)
Loan payable	Other financial liabilities	\$	-	\$ (313,958)
Deferred rent	Other financial liabilities	\$	(124,480)	\$ -
Deferred benefit obligations	Other financial liabilities	\$	(135,500)	\$ -

### 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 June 30, 2018 and December 31, 2017, the Company was exposed to currency risk through the following assets and liabilities denominated in US dollars ("US\$"):

	June 30, 2018	December 31, 2017
Cash	US\$ 267,668	US\$ 99,639
Accounts payable and accrued liabilities	(2,184)	(272)
	US\$ 265,484	US\$ 99,367

At June 30, 2018 and December 31, 2017, the Company was exposed to currency risk through the following assets and liabilities denominated in Mexican Pesos ("MXN"):

	June 30, 2018	December 31, 2017
Cash	MXN 165,356	MXN 512,451
Accounts payable and accrued liabilities	(209,505)	(761,301)
	MXN (44,149)	MXN (248,850)

A 10% change of the Canadian dollar against the US dollar at June 30, 2018 would have increased or decreased net loss by \$14,672 (2017 – \$23,538) and would have increased or decreased the comprehensive loss by \$288 (2017 – \$2,371). A 10% change of the Canadian dollar against the Mexican peso at June 30, 2018 would have increased or decreased the comprehensive loss by \$294 (2017 – \$12,180). This analysis assumes that all other variables, in particular interest rates, remain consistent.

## Plata Latina Minerals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the Six months ended June 30, 2018

(Expressed in Canadian Dollars, unless otherwise stated)

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### 12. 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 received the majority of the IVA refunds. The Company's maximum exposure to credit risk as at June 30, 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 six months ended June 30, 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.



## Plata Latina Minerals Corporation

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars, unless otherwise stated)

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### 13. 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 periods ended below was as follows:

	Canada	Mexico	United States	Total
Non-current assets as at:				
June 30, 2018	\$ 1,043,515	\$ 1,242,492	\$ 50,807	\$ 2,336,814
December 31, 2017	\$ 1,029,784	\$ 1,417,001	\$ -	\$ 2,446,785
Net (loss) income before tax for the three months ended:				
June 30, 2018	\$ (151,368)	\$ (15,178)	\$ 5,889	\$ (160,657)
June 30, 2017	\$ (118,549)	\$ (36,820)	\$ 1,925	\$ (153,444)
Net (loss) income before tax for the six months ended:				
June 30, 2018	\$ (241,020)	\$ (68,248)	\$ 10,066	\$ (299,202)
June 30, 2017	\$ (188,526)	\$ (62,646)	\$ 4,019	\$ (247,153)