Plata Latina Minerals Corporation

Management's Discussion & Analysis
For the Six Months ended June 30, 2018

INTRODUCTION

This management's discussion and analysis ("MD&A") of Plata Latina Minerals Corporation ("Plata" or the "Company") for the six months ended June 30, 2018, is prepared as of August 10, 2018 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the six months ended June 30, 2018 and the audited consolidated financial statements for the year ended December 31, 2017 of Plata Latina Minerals Corporation ("Plata" or the "Company"). The financial statements referred to above are available on the Company's website at www.plminerals.com and on the SEDAR website at www.sedar.com. The information provided herein supplements, but does not form part of, the consolidated interim condensed financial statements for the six months ended June 30, 2018.

The financial information disclosed in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and comply with International Accounting Standard, IAS 34, *Interim Financial Reporting.*

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information which deals with intentions, beliefs, expectations and future results as they pertain to the Company and the Company's industry. This forward-looking information also includes information regarding the financial condition and business of the Company, as they exist at the date of this MD&A. Forward-looking information is often, but not always, identified by the use of words such as "seeks", "believes", "plans", "expects", "intends", "estimates", "anticipates", "objective", "strategy" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. This forward-looking information includes, without limitation, information about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results. In particular, and without limiting the generality of the foregoing, this MD&A contains forward-looking information concerning its exploration of the Naranjillo Property (defined herein) and the Company's other properties, which information has been based on exploration on the Naranjillo Property to date, the exploration of other properties of the Company, the proposed expenditures for exploration work and ability to raise further capital. Forward-looking information is information about the future and is inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, such as business and economic risks and uncertainties, including, without limitation, those referred to under the heading "Risks and Uncertainties". The forward-looking information is based on a number of assumptions, including assumptions regarding general market conditions, the availability of financing for proposed transactions and programs on reasonable terms, the ability of outside service providers to deliver services in a satisfactory and timely manner, prevailing commodity prices and exchange rates and prevailing regulatory, tax and environmental laws and regulations. The Company's forward-looking information is based on the beliefs, expectations and opinions of management of the Company on the date the information is provided. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

The Company undertakes no obligation to reissue or update any forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements and information herein are qualified by this cautionary statement.

This MD&A includes many cautionary statements, including those stated under the heading "Risks and Uncertainties". You should read these cautionary statements as being applicable to all related forward-looking information wherever it appears in this MD&A.

DESCRIPTION OF BUSINESS

Plata is a Canadian based resources exploration company and has 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"). On April 11, 2012, Plata began trading on the TSX Venture Exchange under the symbol "PLA".

Plata and its subsidiary, Plaminco, are engaged in mineral exploration, principally in the Mexican Silver Belt in the states of Guanajuato, Aguascalientes and Jalisco, Mexico. Plaminco holds mineral interests in four properties in Mexico: Naranjillo, Vaquerias, Palo Alto and La Joya.

STRATEGY

The Company's objective is the discovery of one or more new silver-gold vein districts in the style of the historical San Dimas, Fresnillo, Zacatecas, Guanajuato and Pachuca-Real del Monte districts of Mexico. To achieve this objective, the Company is pursuing a strategy that focuses its efforts on the Mexican Silver Belt and applying knowledge gained from experience working with this deposit style to identify and discover sub-cropping or non-outcropping ore deposits. The Company intends to identify and explore a number of prospects and commenced its initial efforts on the Naranjillo Property where it has discovered a blind, high-grade epithermal silver-gold vein system. Plata continues its focus in the Vaquerias Property and other two properties. In addition, the Company is actively pursuing other project opportunities.

QUARTER HIGHLIGHTS

On May 31, 2018, the Company completed a restructuring of debt to equity by issuing 6,976,845 common shares to settle a loan of $313,958 due to a related party.

On June 1, 2018, Michael Clarke retired from his role as President and Chief Executive Officer and director of the Company. W. Durand Eppler, a director and Chair of the Audit Committee, has assumed the role of Interim President and Chief Executive Officer until a new candidate is appointed.

EXPLORATION AND EVALUATION ASSETS

Naranjillo Property

The Naranjillo property ("Naranjillo") is situated in Guanajuato, Mexico and consists of four mineral exploration licenses issued by the Mexican General Directorate of Mines ("GDM"), La Sibila, La Sibila I, La Sibila II and La Sibila III. The four licenses total 20,655 hectares in area.

Under the Mexican law, the Company may retain the mineral rights for 50 years from issue of the title.

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

A Technical Report prepared by David S. Dunn, an independent "Qualified Person" as defined under NI 43-101 was completed with respect to the Naranjillo Property on February 27, 2012 (the "Technical Report"). The Technical Report recommended that the Company carry out a phase three diamond core drilling program of approximately 10,000 metres as well as a supporting ground-magnetic geophysical survey. Portions of the information identified and contained in this document are based on assumptions, qualifications and procedures which are not fully described herein. Reference can be made to the full text of the Technical Report, which is available for review under the Company's profile on the Sedar website at www.sedar.com.

Prior to the Company's involvement, there have been no known exploration drill holes and the amount of sampling and geological mapping carried out under previous owners is unknown.

Naranjillo Option Agreement with Fresnillo

On February 8, 2017, the Company 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) provides Fresnillo the right to explore the Naranjillo Property for a total cash payment of US $1,650,000 over three years (of which US $1,150,000 have been received as of the date of this MD&A). 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.

At the end of the three-year period, Fresnillo has the option to acquire the Naranjillo Property for an additional US $500,000 and grants the Company a 3% net smelter return royalty ("Royalty"). Fresnillo will be required to pay advance royalty payments of US $100,000 annually ("Advanced Royalty Payment"), until the earlier of (a) a maximum of US $1,000,000 in Advance Royalty Payment 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 in 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 Optioned Property

The Vaquerias optioned property consisted of the Vaquerias license held by way of an interest through a Purchase Option Agreement (the "Vaquerias Option Agreement") between the Company and the vendors entered on June 30, 2011. The Vaquerias license covered 100 hectares and several old silver mines. The Vaquerias Option Agreement gave the Company the right to purchase the Vaquerias licence for US $530,000 until December 31, 2017, with the vendors retaining a 2% net smelter return. 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 to test the lateral extent of mineralization exposed in historical mine workings. 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 notice to terminate 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 in November 2017, 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).

Vaquerias Property

Next to the Vaquerias optioned property, the Company 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. Together these two licenses total 4,411 hectares and cover several kilometres of the projected continuation of the Vaquerias vein beneath post-mineral cover to the east of the old workings and will be the subject of future exploration drilling. As of June 30, 2018, the carrying value of the Vaquerias Property represents total capitalized costs related to these two licenses.

Palo Alto Property

The Palo Alto property is in the state of Aguas Calientes, Mexico and drill permitting is currently underway. Palo Alto 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 between 2061 and 2062. The three licenses cover 4,722 hectares.

The Palo Alto property falls within a protected natural area in the state of Aguas Calientes and requires the submission of an environmental impact assessment ("EIA") and Federal permission to drill. The Company is currently in the process of obtaining the necessary approvals to commence drilling. Assuming permits are received in 2018 and subject to financing, the Company intends to carry out an initial drill program focused on exploring potential structures that have been identified through mapping and surface sampling.

Project Reconnaissance

La Joya Property

The La Joya property is located in the state of Hidalgo, Mexico, and is the same conceptual target as Naranjillo. The La Joya property consists of the La Carmen license issued by the GDM on December 21, 2010 and is valid until 2060. The property covers 924 hectares and surrounds a third-party license. The Company has been negotiating with the interior license owners before advancing to drilling on the property. The Company has carried out reconnaissance work on and around the licensed areas and such related costs are expensed as property investigations.

OUTLOOK

From the option agreement with Fresnillo on the Naranjillo property entered in April 2017, the Company will receive a total sum of US $1,650,000 over three years until August 2019 (as at the date of this MD&A, US $1,150,000 have been received). Plata intends to continue prospecting and placing exploration licenses on any promising ground of interest. Negotiations for prospective ground will proceed as opportunities arise.

In the second quarter of 2018, the Company commenced a strategic plan to explore base metal opportunities by evaluating projects for potentials of expanding its existing mineral resources assets.

SUMMARY OF QUARTERLY RESULTS

The following summarizes the Company's quarterly results for the last eight quarters:

	2018		2017				2016	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net loss	$ (162,743)	$ (138,545)	$ (725,403)	$ (106,431)	$ (161,842)	$ (85,270)	$ (2,694,869)	$ (12,408)
Total comprehensive (loss) income	$ (234,829)	$ 41,142	$ (1,047,827)	$ (20,101)	$ (122,756)	$ 104,571	$ (2,811,959)	$ (242,605)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.04)	$ (0.00)

In the fourth quarter of fiscal year 2017 and 2016, upon impairment assessments on its exploration and evaluation assets, the Company wrote off $629,644 and $3,305,263, respectively from the carrying values of the mineral property assets.

RESULTS OF OPERATIONS

In April 2018, the Company undertook a strategic objective to explore the base metal opportunities in addition to its current silver exploration targets. As such, the Company embarked on an initiative in assessing exploration/development assets in the U.S. for prospects of joint venture, option agreement or merger and acquisition. In order to achieve these objectives, the Company retained additional personnel and consultants and expanded its presence in Denver, Colorado by assuming office space from Leagold Mining Corporation ("Leagold"). The Company expects to partially offset the Denver office and human resources costs through a cost sharing arrangement with a third party, which it is currently in discussions with.

The following financial information is derived from the Company's condensed interim consolidated financial statements for the six months ended June 30, 2018 and 2017.

Three months ("Q2") ended June 30, 2018 vs. three months ended June 30, 2017

Loss before tax for the three months ended June 30, 2018 was $160,657 as compared to $153,444 for the same quarter in 2017. Details of the variances are described below.

- In 2018 Q2, salaries and benefits were $60,215 (2017 – $18,181). In May 2018, the Company's US subsidiary has added part-time consultants and an employee to assess certain corporate development opportunities for the Company. The increased payroll costs were largely offset by the retirement of the Chief Executive Officer as of June 1, 2018.

- Office and administration for 2018 Q2 were $17,988 (2017 - $9,288). The higher administrative costs in 2018 was due to the assumption of Leagold's US office lease in May 2018. The Company received a payment equivalent to one year's lease payments from Leagold and assumed the obligations under the office lease, which expires in November 2021.

- Filing fees and transfer agent for the second quarter of 2018 were $6,133 (2017 - $3,954). The higher expenses in 2018 Q2 were attributed to the filings and agent fees related to the conversion of debt to common shares of the Company in May 2018.

Six months ended June 30, 2018 vs. six months ended June 30, 2017

Loss before tax for the six months ended June 30, 2018 was $299,202 comparing to $247,153 for the same period in 2017. Variance details are as below.

- Salaries and benefits were $77,379 (2017 – $21,831), the increase was a result of retaining part-time consultants and an administrative staff in May 2018. The higher salaries in 2018 were also due to a lower portion of the CEO's salaries being capitalized to exploration and evaluation assets for the six months ended June 30, 2018 as compared to the same period in 2017.

- Office and administration for the first six months of 2018 were $24,056 (2017 - $14,955). The increase was attributed to the US office expansion in May 2018.

- Filing fees and transfer agent were $12,294 (2017 - $11,936). In 2018, additional filing activities were incurred relating to the debt conversion to shares whereas in 2017 they were related to the option agreement with Fresnillo on the Naranjillo property.

- Project investigations in 2018 were $16,990 (2017 - $12,592). In 2018, the increased expenses were due to higher land tax payments and increased activities in the La Joya project and general prospecting on other properties.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) with respect to foreign currency translation difference varies at each reporting date given the fluctuations between the Canadian Dollar and the Mexican Peso and United States Dollar. This foreign currency translation difference includes the impact of foreign exchange on intercompany loans whose retranslation is treated as equity (until the foreign operation is disposed of) and the translation of the foreign operation from its functional currency into Canadian Dollars. For the six months ended June 30, 2018, the impact of the foreign currency translation differences was comprehensive income of $107,601 (2017 – $228,927).

EXPLORATION AND EVALUATION EXPENDITURES

At June 30, 2018, the carrying value of exploration and evaluation assets was $2,286,007 (December 31, 2017 - $2,446,785). For the six months ended June 30, 2018, the value of the exploration and evaluation assets was reduced by $160,778 mainly due to the costs recovery from Fresnillo's option payment of $310,197 (US $250,000) on the Naranjillo project offsetting by i) expenditures of $50,314 incurred during the six months and ii) foreign exchange addition of $99,105 due to the stronger Canadian dollars versus the Mexican Peso.

Foreign exchange movements represent the non-cash impact of the retranslation of Plaminco's exploration and evaluation expenditures, denominated in Mexican pesos. The exchange variations resulting from the retranslation at closing rate are recognized in other comprehensive income as part of the foreign currency translation reserve.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2018, the Company had cash of $368,218 (December 31, 2017 – $172,557) and working capital deficiency of $214,036 (December 31, 2017 – negative working capital of $491,095).

The Company is at exploration stage and has not generated revenue from operations. It has incurred ongoing losses and will continue to incur further losses in the course of developing its business. In February 2017, the Company executed an option agreement with Fresnillo. Under the agreement, the Company will receive a total cash payment of US $1,650,000 (as of the MD&A date, US $1,150,000 have been received). Based on the annual budget of 2018, the Company will have sufficient working capital to fund its operations for the fiscal year 2018.

Cash Flows

Under operating activities, for the six months ended June 30, 2018, $69,716 was used for the operations whereas for the same period in 2017, $4,748 was used. The lower cash outflow in 2017 was the result of refunds from the Mexican value added taxes.

In the investing area, Plata spent $50,314 on exploration and evaluation assets in 2018 (2017 – $211,874). The expenditures for both periods were mainly payments on land taxes, property options and on-going analysis and interpretation on the properties. The Company received from Fresnillo on the Naranjillo property option payments of $310,197 (US $250,000) in 2018 and $268,992 (US $200,000) in 2017.

GOING CONCERN

As at June 30, 2018, the Company had an accumulated deficit of $10,112,806 and working capital deficiency of $214,036. The Company recognizes that it will require to raise additional funding through equity financing and/or debt financing. However, there is no assurance that the Company will be able to obtain such additional funding or obtain it on acceptable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The condensed interim consolidated 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 consolidated financial statements.

OUTSTANDING SHARE DATA

As at August 10, 2018, the Company's issued and outstanding common shares were 74,409,671; stock options outstanding were 550,000 with a weighted average exercise price at $0.06 per share with expiry dates between 2020 and 2022.

PROPOSED TRANSACTIONS

There are no undisclosed proposed transactions that will materially affect the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have off balance sheet arrangements as at the report date of this MD&A.

CORPORATE MANAGEMENT CHANGE

On June 1, 2018, Michael Clarke, the President and Chief Executive Officer, announced his retirement. W. Durand Eppler, a director and Chair of the Audit Committee, has assumed the role of Interim President and Chief Executive Officer until the appointment of a successor.

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 acquisition 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 received from Leagold are:

2019	$	80,113
2020		139,756
2021		130,274
	$	350,143

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

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, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 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	$ 65,792	$ 54,422	$ 130,119	$ 103,325

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. In November 2017, the director agreed to stop accruing interest charges on the loan as of November 16, 2017. 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. On May 31, 2018, upon receiving all the required approvals, the Company issued 6,976,845 common shares to the director increasing his holdings to 27.10% of the Company's issued and outstanding common shares.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements requires management to make certain judgments, estimates and assumptions that impact the Company's reported financial position. Actual outcomes could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in future periods affected.

In particular, the significant judgments and estimates considered by management in preparing the consolidated financial statements is described below.

a) *Carrying value of exploration and evaluation expenditures*

The carrying values and assessment of impairment of exploration and evaluation assets are based on costs incurred and management's estimate of net recoverable value. Estimates may not necessarily reflect actual recoverable value as this will be dependent on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to achieve commercial production. The recoverable amount of the Naranjillo project is dependent on the probabilities assigned to the various option payments and discount rates used in the discounted cash flows calculation. The recoverable value of the Vaquerias project represents historical costs incurred on the two licenses which the Company currently holds.

b) *Going concern*

The Company uses judgment in assessing its ability to continue as a going concern for the next 12 months. In considering the factors affecting its going concern as disclosed in Note 2 of the condensed interim consolidated financial statements for the six months ended June 30, 2018, the Company concluded that there is a material uncertainty that may cast significant doubt on its ability to continue as a going concern.

c) *Options and warrants*

The fair value of options and warrants is determined on the grant date. To compute the fair value, the Company uses the Black-Scholes option pricing model which requires management to make certain assumptions in relation to the expected life of options and warrants, future volatility of the stock price, expected dividend yield, risk-free interest rate and future forfeiture rate of options.

d) *Income taxes*

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

RECENT ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations and amendments to existing standards have been issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC"). Some updates that are not applicable or are not consequential to the Company may have been excluded.

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.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instrument

The Company's financial instruments are classified into the following categories:

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.

Liquidity risk

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

Commodity price risk

While no resource estimate has yet been prepared for the Company's core mineral resource property, 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 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 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.

RISKS AND UNCERTAINTIES

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described in the Company's Management's Discussion and Analysis for the six months ended June 30, 2018, and the other information filed with the Canadian securities regulators before investing in the Company's common shares. Plata's business is subject to a number of risks and uncertainties including those described in the Company's Management's Discussion and Analysis for the six months ended June 30, 2018, which is available on the Company's website at www.plminerals.com and SEDAR at www.sedar.com. Any of the risks and uncertainties described in the above-noted document could have a material adverse effect on the Company's business and financial condition and accordingly, should be carefully considered in evaluating the Company's business.

REVIEW BY QUALIFIED PERSON, QUALITY CONTROL AND REPORTS

The technical information contained in this document has been reviewed, approved and verified by Michael Clarke, a Qualified Person as defined under NI 43-101. Mr. Clarke is the advisor and former President and CEO of Plata and has been a geologist for more than 40 years, which includes work on numerous epithermal gold and silver vein deposits.

QUALITY ASSURANCE AND QUALITY CONTROL

Commercially obtained standards were inserted between every tenth core sample as were blanks obtained from barren rock in nearby road material quarries. Chemex laboratory also inserted a blank and a standard every 20 samples. Rejects and pulps from the high-grade intersection in hole BDD-N-10 were both re-assayed at Act Labs and the average of these two assays and the original Chemex assay are included in the results as previously reported.

Chemex has no relationship with Plata beyond commercially providing analytical services to the Company. The Chemex North Vancouver, Canada, analytical facility is certified to standards within ISO 9001:2008 and has received accreditation to ISO/IEC 17025:2005 from the Standards Council of Canada (SCC) for the analytical methods used on Plata samples. Both the Chemex Guadalajara and Zacatecas, Mexico, prep labs are certified to standards within ISO 9001:2008.

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