



Plata Latina Minerals Corporation

**Condensed Consolidated Interim Financial Statements
For the Six months ended June 30, 2023**

(Unaudited)

Notice of No Auditor Review

In accordance with National Instrument 51-102, the Company discloses that the accompanying unaudited condensed consolidated interim 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 consolidated interim financial statements in accordance with standards established by the Canadian Professional Accountants of Canada.

Plata Latina Minerals Corporation

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

As at	Note	June 30, 2023 \$	December 31, 2022 \$
Assets			
Current assets			
Cash		369,624	348,813
Amounts receivable	3	12,543	5,054
Prepaid expenses		3,661	-
Total assets		385,828	353,867
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	5	11,557	20,039
Shareholders' equity			
Share capital	6	11,490,446	11,490,446
Reserves	6	728,449	693,874
Deficit		(11,844,624)	(11,850,492)
Total liabilities and shareholders' equity		385,828	353,867

Nature of operations and going concern 1

Approved by the Board of Directors on August 10, 2023:

"Margaret Brodie"
Audit Committee Chair

"Letitia Wong"
Director

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

Plata Latina Minerals Corporation

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - expressed in Canadian Dollars)

	Note	Three months ended		Six months ended	
		June 30, 2023 \$	June 30, 2022 \$	June 30, 2023 \$	June 30, 2022 \$
Expenses					
Filing fees and transfer agent		490	3,654	10,922	9,835
Investor relations		-	1,621	-	1,621
Office administration		5,035	4,388	9,524	7,839
Professional fees	7	31,479	32,977	56,215	56,523
Salaries and benefits	7	5,979	5,766	12,032	11,462
		(42,983)	(48,406)	(88,693)	(87,280)
Other income (expenses)					
Royalty income	4	-	-	132,803	126,110
Foreign exchange loss		(17,096)	7,981	(38,242)	(973)
(Loss) income for the period		(60,079)	(40,425)	5,868	37,857
Other comprehensive income (loss)					
Item that may be reclassified to income or loss:					
Foreign currency translation adjustment		10,568	5,509	34,575	8,382
(Loss) and comprehensive income for the period		(49,511)	(34,916)	40,443	46,239
Weighted average number of shares outstanding					
Basic and diluted #		79,034,671	79,034,671	79,034,671	79,034,671
Basic and diluted loss per share \$		(0.00)	(0.00)	0.00	0.00

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

Plata Latina Minerals Corporation

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Unaudited - expressed in Canadian Dollars)

	Share Capital (Note 6)		Reserves				Total Shareholders' Equity
	Number of Shares	Amount	Accumulated Other Comprehensive Loss	Options and Warrants	Total Reserves	Deficit	
	#	\$	\$	\$	\$	\$	\$
December 31, 2022	79,034,671	11,490,446	(926,642)	1,620,516	693,874	(11,850,492)	333,828
Income for the period	-	-	-	-	-	5,868	5,868
Foreign currency translation adjustment	-	-	34,575	-	34,575	-	34,575
June 30, 2023	79,034,671	11,490,446	(892,067)	1,620,516	728,449	(11,844,624)	374,271
December 31, 2021	79,034,671	11,490,446	(957,100)	1,620,516	663,416	(11,793,894)	359,968
Income for the period	-	-	-	-	-	37,857	37,857
Foreign currency translation adjustment	-	-	8,382	-	8,382	-	8,382
June 30, 2022	79,034,671	11,490,446	(948,718)	1,620,516	671,798	(11,756,037)	406,207

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

Plata Latina Minerals Corporation

Condensed Consolidated Interim Statements of Cash Flows (Unaudited - expressed in Canadian Dollars)

	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	\$	\$	\$	\$
Operating activities				
(Loss) income for the period	(60,079)	(40,425)	5,868	37,857
Changes in non-cash working capital:				
Amounts receivable	(729)	(1,667)	(7,489)	1,522
Prepaid expenses	1,830	1,830	(3,661)	3,660
Accounts payable and accrued liabilities	4,622	(227)	(8,482)	2,025
	(54,356)	(40,489)	(13,764)	45,064
Effect of foreign exchange on cash	10,568	5,509	34,575	8,382
Change in cash	(43,788)	(34,980)	20,811	53,446
Cash, beginning of the period	413,412	455,426	348,813	367,000
Cash, end of the period	369,624	420,446	369,624	420,446

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

Plata Latina Minerals Corporation

Notes to the Consolidated Financial Statements

For the Six months ended June 30, 2023

(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

1. NATURE OF OPERATIONS AND GOING CONCERN

Plata Latina Minerals Corporation (“Plata” or the “Company”) was incorporated under the laws of British Columbia, Canada. Plata’s registered and records office is at 1100 – 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6. On April 11, 2012, the Company’s common shares commenced trading on the TSX Venture Exchange under the symbol “PLA”. The consolidated financial statements as at December 31, 2022, included 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.

The Company and its subsidiaries were in the business of acquiring, exploring and evaluating mineral property assets, principally in Mexico. Through its wholly owned subsidiary, Plaminco, the Company held interests in four Mexican mineral properties – Naranjillo, Vaquerias, Palo Alto and La Joya. In February 2020, the Company sold the Naranjillo property to Fresnillo and retains a 3% net smelter return royalty (“Royalty”) in Naranjillo. In mid-2020, the Company submitted applications to terminate the mineral licenses for the remaining three properties. During the year ended December 31, 2022, a company expressed interest in acquiring the mineral license of La Joya. Consequently, Plata submitted paperwork to revoke the termination of the La Joya license. During the six months ended June 30, 2023, the Direccion General de Minas (“DGM”) of Mexico acknowledged that the termination of the La Joya license had been withdrawn and a confirmation letter is following. The Company continues to consider a variety of longer-term strategic alternatives for its business plan.

These condensed consolidated interim financial statements (the “Financial Statements”) have been prepared on a going concern basis which assumes that the Company will be able to continue its operations and meet its obligations as they become due. As at June 30, 2023, Plata had a deficit of \$11,844,624 (December 31, 2022 - \$11,850,492) and working capital of \$374,271 (December 31, 2022 - \$333,828). To continue its operations and develop its business plan, the Company may be required to raise additional equity financing. With current record high inflation and the economic slowdown, there is no assurance that such financing will be available with acceptable terms. These uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

These 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.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, “IFRS”) as issued by the International Accounting Standards Board (“IASB”) and comply with IAS 34, *Interim Financial Reporting*.

These 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 most recent audited consolidated financial statements for the year ended December 31, 2022.

These Financial Statements have been prepared on the historical cost basis except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Plata Latina Minerals Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the Six months ended June 30, 2023

(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

These Financial Statements are presented in Canadian dollars, which is the Company's functional currency. The functional currencies of Plata's subsidiaries are: (a) U.S. dollar for Plata US; and (b) Mexican peso for Plaminco, MCV, MEC, and Servicio.

Principles of consolidation

These Financial Statements include the accounts of Plata and its wholly owned subsidiaries, Plaminco, MCV, MEC, Servicio and Plata US. Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of the five subsidiaries are included in the consolidated financial statements from the date which control is transferred to the Company until the date that control ceases. All intercompany transactions and balances have been eliminated on consolidation.

Critical accounting judgments, estimates and assumptions

The preparation of these Financial Statements 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. Actual outcomes could differ from these estimates. Revisions to these estimates are recognized in the period in which the estimates are revised and in future periods affected.

The significant judgments and estimates that affect these Financial Statements are as follows:

a) Going concern

The Company uses judgment in assessing its ability to continue as a going concern for the next twelve months. In considering the factors with respect to the adverse impacts from the pandemic, high inflation and interest rates, all these are affecting the Company's going concern as disclosed in Note 1. The Company concludes that there is a material uncertainty that may cast significant doubt about its ability to continue as a going concern.

b) Exploration and evaluation assets

In February 2020, the Company sold one of its four mineral assets, the Naranjillo property, to Fresnillo for \$663,950 (US \$500,000). Fresnillo granted the Company a 3% net smelter return ("NSR") royalty. Fresnillo is required to make advance royalty payments of US \$100,000 annually starting February 2021 until the earlier of (i) US \$1,000,000 of advance royalty payments have been paid, or (ii) Naranjillo commences commercial production of minerals (Note 4). As at June 30, 2023, the Company received three advance royalty payments totalling \$388,111 (US \$300,000) from Fresnillo.

In late 2020, the Company started the process of terminating the mineral licenses for its remaining three properties. During the year ended December 31, 2022, a company expressed interest in acquiring the mineral license held by La Joya. As such, an application to revoke the termination of the La Joya license was submitted to the DGM. In April 2023, DGM confirmed the cancellation of La Joya license had been withdrawn.

As of June 30, 2023, the Company had no active mineral assets and continues to seek a variety of longer-term business alternatives.

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Notes to the Condensed Consolidated Interim Financial Statements

For the Six months ended June 30, 2023

(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

3. AMOUNTS RECEIVABLE

	June 30, 2023 \$	December 31, 2022 \$
Mexican value added tax ("IVA") recoverable	2,308	4,140
Goods and services tax receivable	1,064	914
Other receivable	9,171	-
	<u>12,543</u>	<u>5,054</u>

4. EXPLORATION AND EVALUATION ASSETS

Through its wholly owned subsidiary, Plaminco, the Company held four mineral properties in Mexico.

Naranjillo Property – Acquired by Fresnillo

In February 2017, the Company entered into an option agreement (the "Naranjillo Option Agreement") with a wholly owned subsidiary of Fresnillo PLC ("Fresnillo") granting Fresnillo the option to explore the Naranjillo Property for a total of cash consideration of US \$1,650,000 over three years. In addition, Fresnillo was required to spend US \$3,000,000 in exploration expenditures on the Naranjillo Property over the option period.

At the end of the three-year period, Fresnillo had the option to acquire the Naranjillo Property for additional US \$500,000 and to grant the Company a 3% net smelter return royalty ("Royalty") on the Naranjillo Property.

On February 24, 2020, Fresnillo exercised its option to acquire the Naranjillo Property for \$663,950 (US \$500,000). The Company recognized a gain of \$135,492 on the sale transaction in 2020.

Under the Naranjillo Option Agreement, Fresnillo is required to pay an annual advance royalty payment of US \$100,000 (the "Advanced Royalty Payment"), until the earlier of (a) a maximum of US \$1,000,000 in the Advance Royalty Payments have been paid, or (b) Naranjillo commences commercial production.

Fresnillo has the option to reduce the Royalty by 1% by paying an additional US \$1,000,000 and may further reduce the remaining 2% Royalty to \$nil by paying an additional US \$5,000,000.

Royalty Income from the Naranjillo Property

During the six months June 30, 2023, the Company received from Fresnillo an advance royalty payment of \$132,803 (US \$100,000) (2022 - \$126,110 (US \$100,000)) which was recorded as royalty income in the statement of income (loss).

As at June 30, 2023, the Company has received three advance royalty payments totalling \$388,111 (US \$300,000) from Fresnillo.

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Notes to the Condensed Consolidated Interim Financial Statements

For the Six months ended June 30, 2023

(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Vaquerias, Palo Alto and La Joya (the “Three Properties”)

The Three Properties together comprise six mineral concession licenses which are valid until 2060 and 2062. To maintain the licenses in good standing, annual concession fees and land taxes were submitted to the Mexican authority.

In mid-2020, the Company elected not to continue with the required payments of land taxes and concession fees for the Three Properties and submitted applications to terminate their mineral licenses.

During the year ended December 31, 2022, after a company expressed interest in acquiring the mineral license of La Joya, Plata applied for a withdrawal of terminating the La Joya license. During the six months ended June 30, 2023, the Direccion General de Minas (“DGM”) of Mexico confirmed the termination of the La Joya license has been revoked and a “Cancelling Resolution” letter will be issued. Upon the receipt of DGM’s letter on the “Cancelling Resolution”, Plata and the interested company will advance negotiations to enter into an agreement on the acquisition of the La Joya license.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2023	December 31, 2022
	\$	\$
Trade payables	11,557	1,039
Accrued liabilities	-	19,000
	<u>11,557</u>	<u>20,039</u>

6. SHARE CAPITAL AND RESERVES

Authorized - unlimited number of common shares without par value

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.

Reserves

Stock option plan

The Company has a 10% rolling stock option plan with the maximum number of options granted not to exceed 10% of the total number of common shares issued and outstanding at the grant date. Options granted to directors, officers, employees and consultants have a term up to five years and the exercise prices and the vesting periods are determined by the Board of Directors.

Options and warrants

As at June 30, 2023 and December 31, 2022, the Company did not have any outstanding stock options or warrants.

Plata Latina Minerals Corporation

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(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

7. RELATED PARTY TRANSACTIONS

Compensation of Key Management

Key management includes the Company's directors and officers. Their remuneration for the six months ended June 30, 2023 and 2022 was as follows:

	Nature of compensation	Six months ended June 30,		Balance outstanding June 30,	
		2023	2022	2023	2022
		\$	\$	\$	\$
Executive Chairman and CEO	Salaries and benefits	12,032	11,462	5,940	-
CFO and Corporate Secretary	Professional fees	21,000	21,000	-	-
Total		33,032	32,462	5,940	-

8. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

Fair value

At June 30, 2023, the carrying values of cash, amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company classifies its financial instruments into three levels of the fair value hierarchy according to the relative reliability of the inputs used to measure the fair values. The fair value hierarchy is as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – quoted prices in inactive markets or inputs are observable directly or indirectly for the asset or liability; and

Level 3 – inputs that are unobservable as there are little or no market activities.

Risk management

The Company is exposed to financial instrument related risks arising from its normal operations. The Company manages and mitigates these risk exposures as follows:

Foreign currency risk

The Company operates in Canada, United States and Mexico. It maintains Mexican Peso ("MXN") and US Dollar (US\$) bank accounts in Mexico and USA and is subject to currency gains or losses from these two currencies against the Canadian Dollar. The Company has no hedging against its foreign currency risk exposure.

At June 30, 2023 and December 31, 2022, the Company was exposed to currency risk through the following assets and liabilities denominated in US\$:

	June 30, 2023	December 31, 2022
Cash	US\$ 275,851	US\$ 254,859

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(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

8. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (CONTINUED)

Foreign currency risk (continued)

At June 30, 2023 and December 31, 2022, the Company was exposed to currency risk through the following assets and liabilities denominated in MXN:

	June 30, 2023		December 31, 2022	
Cash	MXN	10,481	MXN	9,954
Accounts payable and accrued liabilities		(142)		(143)
	MXN	10,339	MXN	9,811

A 10% change of the Canadian dollar against the US dollar at June 30, 2023 would have increased or decreased net loss by \$35,308 (December 31, 2022 – \$33,235) and would have increased or decreased the comprehensive loss by \$900 (December 31, 2022 – \$1,000). A 10% change of the Canadian dollar against the MXN at June 30, 2023 would have increased or decreased the comprehensive loss by \$81 (December 31, 2022 – \$69). This analysis assumes that all other variables, in particular interest rates, remain consistent.

Liquidity risk

Liquidity risk is the risk that the Company's financial assets are insufficient to meet its financial liabilities. The Company manages liquidity risk with budgets and cash forecasts to ensure there is sufficient cash to meet its obligations. At June 30, 2023, the Company had cash of \$369,624 (December 31, 2022 - \$348,813) to settle current liabilities of \$11,557 (December 31, 2022 - \$20,039).

In February 2020, the Company sold the Naranjillo property ("Naranjillo") to Fresnillo for \$663,950 (US \$500,000). Under the terms of the Naranjillo Option Agreement entered in February 2017, after the acquisition of Naranjillo, effective February 2021, Fresnillo is required to make an annual advance royalty payment of US \$100,000 until the earlier of (a) a maximum of US \$1,000,000 have been paid or (b) Naranjillo commences commercial mineral production. As of June 30, 2023, the Company has received three advance royalty payments of \$388,111 (US \$300,000).

The unprecedented pandemic has disrupted supply chains and pushed global inflation to a record high. The rising interest rates started in 2022, a measure to slow down inflation, have adversely impeded economic recovery. Under this economic environment, the Company manages liquidity risk and its cash resources by setting a prudent budget and keeping expenditures within the budget. Based on the 2023 annual budget approved by the board of directors, the Company has evaluated that it has sufficient liquidity for the next twelve months from the cash flows generated from the sale proceed and future advance royalty payments on the Naranjillo property.

Commodity Price risk

The Company currently does not hold any mineral properties and is seeking new business transactions in the resource industry. The record high inflation and rising interest rates have impacted the global economic recovery, resulting in volatile fluctuations in commodity prices. This presents challenges to the Company's outlook in searching for business opportunities.

Credit risk

Credit risk arises from cash held with 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. As at June 30, 2023, the Company's maximum exposure to credit risk was the carrying value of its cash.

Plata Latina Minerals Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the Six months ended June 30, 2023

(Unaudited - expressed in Canadian Dollars, unless otherwise stated)

8. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (CONTINUED)

Capital management

The Company's objectives when managing capital are to conserve cash, safeguard the Company's ability to continue as a going concern and 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. 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 for the six months ended June 30, 2023.

9. SEGMENT INFORMATION

The Company operates in one reportable and operating segment, being the exploration and evaluation of mineral resources properties in Mexico.

As at June 30, 2023 and December 31, 2022, the Company did not hold any exploration and evaluation assets.