



**Plata Latina Minerals Corporation**

Management's Discussion & Analysis

**For the three and nine months ended September, 30, 2015**

## **INTRODUCTION**

This management's discussion and analysis ("MD&A") of Plata Latina Minerals Corporation ("Plata" or the "Company") for the three and nine months ended September 30, 2015, takes into account information available up to and including November 27, 2015. This MD&A should be read in conjunction the condensed consolidated interim financial statements (unaudited) for the three and nine months ended September 30, 2015 and the audited consolidated financial statements for the year ended December 31, 2014, which are available on the Company's website at [www.plminerals.com](http://www.plminerals.com) and on the SEDAR website at [www.sedar.com](http://www.sedar.com). The Company has prepared the condensed consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements including IAS 34, *Interim Financial Reporting*. The information provided herein supplements, but does not form part of, the condensed consolidated interim financial statements for the three and nine months ended September 30, 2015. This discussion covers the three months ended September 30, 2015, and the subsequent period up to the date of this MD&A.

Throughout this document the terms we, us, our, the Company and Plata refer to Plata Latina Minerals Corporation and its subsidiaries in the year. All financial information in this document is presented in Canadian dollars unless otherwise indicated.

Additional information about the Company can be requested from Ms. Margaret Brodie, Chief Financial Officer at +1 604-562-3205, located at PO Box 20629, Howe Street PO, Vancouver, BC, V6Z 2N8.

## **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 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.

## **ABOUT RESERVES AND RESOURCES**

National Instrument 43-101 ("NI 43-101") of the Canadian Securities Administrators – Standards of Disclosure for Mineral Projects – requires that each category of mineral reserves and mineral resources be reported separately. Readers should refer to the Company's continuous disclosure documents available at [www.sedar.com](http://www.sedar.com) for this detailed information, which is subject to the qualifications and notes set forth therein.

## **DESCRIPTION OF BUSINESS**

Plata was incorporated pursuant to the *Business Corporations Act* (British Columbia) on April 1, 2010. The Company's registered and records office is located at c/o Blakes, Cassels & Graydon LLP Suite 2600 – 595 Burrard Street, Vancouver, BC V7X 1L3 Canada. The Company 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"). Plaminco is organized under the laws of Mexico and holds the Company's interest in the Naranjillo Property, the Vaquerias Property and holds the two other properties in the Mexican Silver Belt. MCV, MEC and Servicio were incorporated in Mexico in 2013. Plata US is organized under the laws of Colorado and was incorporated for administrative purposes. On April 11, 2012, Plata began trading on the TSX Venture Exchange ("TSX-V") under the symbol "PLA".

Plata and its wholly-owned subsidiary, Plaminco, are engaged in mineral exploration, principally in the Mexican Silver Belt in the states of Guanajuato, Aguascalientes and Jalisco, Mexico.

### **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 and is in the process of expanding its focus to the Vaquerias Property as well as the other properties.

### **Naranjillo Property**

The Company began its focus on the exploration of its 100% owned Naranjillo Property ("Naranjillo" or the "Naranjillo Property"), which is situated in Guanajuato, Mexico. Naranjillo consists of four government mineral exploration concessions issued by the Mexican General Directorate of Mines ("GDM"), La Sibila, La Sibila I, La Sibila II and La Sibila III (the "Concessions"), totaling 29,541 hectares in area. The Company holds its interest in the Concessions through Plaminco. Under Mexican law, the Company may retain the mineral rights for 50 years from issue of the title.

The mineral exploration concessions were issued by the GDM as follows:

<b>Licence</b>	<b>Hectares</b>	<b>Date received</b>	<b>Licence valid until</b>
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	18,059	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](http://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.

### **Vaquerias Project**

The Vaquerias project consists of the Vaquerias license held by way of an interest through a purchase option agreement between Plaminco and David Espinosa and Pedro Fernandez (the "Vendors") dated June 30, 2011 and extended on June 15, 2014. The option agreement gives Plaminco the right to purchase the Vaquerias licence, for US\$530,000 over 78 months from June 30, 2011, with the Vendors retaining a 2% net smelter return (the "Vaquerias Option"). Under the terms of the option, the final option payment is due in December 2017 for US\$330,000. In addition, the agreement provides Plaminco with the option of purchasing the net smelter return for US\$500,000 within 18 months of exercising the Vaquerias Option. The Vaquerias license covers 100 hectares and several old silver mines. An option payment was due for US\$20,000 in June 2015, but the Company has obtained verbal extension agreement for a delay of the option payment.

In addition to the Vaquerias Option, during the quarter ended September 30, 2015 the Company held three titled adjacent concessions, known as Sol, Luna and Tierra (collectively with the Vaquerias Option, the "Vaquerias Property" or "Vaquerias"). The Sol and Luna licenses were issued by the GDM to Plaminco on December 13, 2011 and December 8, 2011, respectively. Together, these two licenses cover 8,400 hectares and are valid for fifty years following issuance of title. The Tierra licence was issued on April 13, 2012 and was withdrawn by the Company in December 2014.

Vaquerias contains a historical shallow silver mine, on a major structural target, that was abandoned during the Mexican revolution with old workings exhibiting samples of up to 1,340 g/t silver<sup>1</sup>.

### **Other Mineral Exploration Interests**

In addition to Naranjillo and Vaquerias, the Company has mineral exploration interests in various early-stage exploration concessions:

#### *La Joya Project*

The La Joya project consists of the titled La Carmen license issued by the GDM to Plaminco on December 21, 2010. This licence and covers 5,635 hectares and is valid for fifty years following issuance of title.

#### *Palo Alto Project*

The Palo Alto project consists of the Catalina, Catalina II, Catalina III, and Catalina IV licenses. The Catalina, Catalina II, Catalina III, and Catalina IV licenses were titled and issued by the GDM to Plaminco

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<sup>1</sup> Samples from old workings are taken from 1983 Mexican Government Vaquerias Sampling and Report. These results have not been verified by Plata Latina or a Qualified Person.

on November 22, 2012, November 4, 2011, November 30, 2011, and October 11, 2014 respectively. Together, all four licenses cover 7,890 hectares and are valid for fifty years following issuance of title.

The project falls within a Protected Natural Area and requires a submission of an environmental impact assessment ("EIA") and state permission to drill.

## **QUARTER IN REVIEW - EXPLORATION**

### ***Exploration at the Naranjillo Property***

During the three months ended September 30, 2015, Plata has continued to evaluate its alternatives for securing financing whether through a financing or other alternative structure, including a strategic alliance. In addition, the Company has continued to analyse and interpret the exploration results to date.

## **PROPERTY DEVELOPMENTS IN THE QUARTER**

In August 2015 Fresnillo plc ("Fresnillo") announced their positive exploration results to date at the Cerro Blanco property that is located directly adjacent to the Naranjillo property. Fresnillo has announced that they are advancing development of a new mining district in Guanajuato, Mexico and aiming to build a 100Moz silver resource. Fresnillo has stated that it is currently drilling in five target areas and advancing drill permits in four further zones in the emerging district.

## **OUTLOOK**

The Company plans to continue to explore its properties in Mexico and intends to enhance its project portfolio through successful exploration. The Company's primary exploration focus in 2015 and into 2016 continues to be the advancement of the Naranjillo Property and Plata intends to perform a drill program, subject to financing.

In addition, the Company may commence a drill program on Vaquerias to explore the structure east of the historical shallow silver mine and under post-mineral cover.

In March 2013 the Mexican government denied the Company's initial application for a permit to drill at the Palo Alto Property. The Company is in an appeal process and has recently won an injunction which instructed the authority responsible to re-examine the legal merits of the permit to drill applications of the Company. The Company believes that the legal basis for the original denial is faulty and that the legal challenge will ultimately be successful. Resolution is expected in 2016, and assuming a favorable outcome 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.

The Company intends to have an exploration program at the La Joya Project, subject to financing. The Company continues prospecting and placing exploration licenses on any promising ground of interest. Negotiations for prospective ground will proceed as opportunities arise.

To support these activities, in the short-term the Company is evaluating its options with respect to a securing additional financing whether through a financing or other alternative structure, including a strategic alliance. The Company intends to move forward prudently taking into account the current cash position and working capital.

## FINANCIAL REVIEW AND RESULTS OF OPERATIONS

The following summary of financial information has been derived from the condensed consolidated interim financial statements (unaudited) of the Company which have been prepared in accordance with IFRS as noted in the 'Introduction'.

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
<b>Expenses:</b>				
Loss on termination of management company agreement	\$ -	\$ -	\$ 112,661	\$ -
Salaries and benefits	93,911	109,334	301,969	261,177
Office and administration	19,490	17,538	82,202	72,320
Rent	(3,725)	22,222	2,035	61,963
Professional services	15,428	19,825	50,433	47,037
Share-based payments	1,344	917	11,553	15,184
Filing and regulatory	1,600	1,875	9,056	7,035
Exploration	576	14,839	11,911	34,470
Fiscal and advisory services	1,814	6,157	7,775	10,156
Travel	8,106	6,851	21,016	11,807
Investor relations	-	296	12,371	8,958
Depreciation	1,943	377	6,666	1,130
Gain on sale of property, plant and equipment	(6,080)	-	(6,080)	-
Loss from operations	(134,407)	(200,231)	(623,568)	(531,237)
Interest income	4,068	969	1,036	3,617
Foreign exchange loss (gain)	(1,277)	(381)	7,944	(1,451)
Finance costs	(10,419)	(8,323)	(11,237)	(10,185)
Net loss before tax	(142,035)	(207,966)	(625,775)	(539,256)
Income tax expense	-	(1,228)	-	(3,636)
Net loss for the period	(142,035)	(209,194)	(625,775)	(542,892)
<b>Other comprehensive income:</b>				
Items that may be reclassified to profit or loss:				
Foreign currency translation differences	(335,389)	91,417	33,815	169,966
Comprehensive loss for the period	\$ (477,424)	\$ (117,777)	\$ (591,960)	\$ (372,926)
Basic and diluted net loss per share	\$ (0.002)	\$ (0.003)	\$ (0.009)	\$ (0.009)
Weighted average number of shares outstanding	67,432,826	60,353,043	67,432,826	57,601,434

*The three and nine months ended September 30, 2015 compared to the three and nine months ended September 30, 2014*

For the three and nine months ended September 30, 2015, the Company incurred a net loss before tax of \$142,035 and \$625,775 as compared to a \$209,194 and \$542,892 net loss before tax for the three and nine months ended September 30, 2014. In the quarter ended September 30, 2015, Plata continued to reduce its costs as much as possible. Salaries and benefits were accrued, but not paid to officers and directors.

In addition, \$134,187 of the President's salary was capitalized to exploration and evaluation expenditures in nine months ended September 30, 2015, and therefore, was not included in salaries and benefits expense.

*Other Comprehensive Income (Loss)*

The 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 three and nine months ended September 30, 2015, the impact of the foreign currency translation differences was a comprehensive loss of \$335,389 and comprehensive income of \$33,815, respectively.

**PROJECT COSTS CAPITALIZED**

As at September 30, 2015, the carrying value of exploration and evaluation assets was \$7,780,412 which increased by \$397,434 from \$7,382,978 as at December 31, 2014 as follows:

	Naranjillo Project	Vaquerias Project	Palo Alto Project	Total
Balance, January 1, 2015	\$ 6,386,460	\$ 878,835	\$ 117,683	\$ 7,382,978
Field work phase:				
Contractor and general labour	-	-	1993	1993
Travel, food and accommodations	8,035	-	499	8,534
Camp costs, supplies and other	-	-	521	521
Vehicles and related costs	-	-	464	464
Drilling phase:				
Assaying	1,489	-	-	1,489
Contract drilling	-	-	-	-
Contractor and general labour	70,791	17,292	-	88,083
Travel, food and accommodations	9,402	8,427	-	17,829
Camp costs, supplies and other	12,153	3,021	-	15,175
Vehicles and related costs	5,011	1,102	-	6,113
Equipment rentals	-	-	-	-
Other	-	-	-	-
Claims, taxes and acquisitions costs	34,701	14,784	8,664	58,149
Salaries, benefits and share-based payments	116,297	8,946	8,946	134,189
Legal	3,927	931	6,529	11,386
Depreciation	3,150	-	-	3,150
Environmental	1,662	-	-	1,662
Foreign exchange movements	42,217	5,787	693	48,697
Subtotal additions	308,835	60,290	28,309	397,434
Balance, September 30, 2015	\$ 6,695,295	\$ 939,125	\$ 145,992	\$ 7,780,412

During the nine months ended September 30, 2015 there was limited activity with respect to the properties other than the payment of semi-annual land taxes and on-going analysis and interpretation of the exploration results to date.

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.

## EXPLORATION EXPENSES

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

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Contractor and general labour	\$ 576	\$ -	\$ 2,135	\$ 4,278
Travel, food and accommodations		692		3,505
Camp costs, supplies and other	-	-	-	1,392
Vehicles and related costs	-	-	83	364
Claims and taxes	-	14,021	9,693	16,962
Legal	-	126	-	1,018
Total	\$ 576	\$ 14,839	\$ 11,911	\$ 27,519

As noted above under the sections 'Quarter in Review - Exploration' and 'Project Costs Capitalized' the primary focus of Plata has been on Naranjillo where the exploration and evaluation costs are being capitalized. The exploration expenses incurred in the year relate most significantly to the on-going requirements associated with maintaining the La Joya property.

## LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2015 the Company had cash and cash equivalents of \$72,636 (December 31, 2014 – \$220,202) and working capital of \$255,256 (December 31, 2014 – \$1,193,186). Cash and working capital decreased \$20,426 and \$937,930, respectively for the nine months to September 30, 2015. Amounts receivable as at September 30, 2015 totaled \$899,230 (December 31, 2014 - \$1,088,442) of which over 98 percent is made up of IVA recoverable to the Company from the Government of Mexico, for which the Company expects a full recovery. In the nine months to September 30, 2015, Plata received \$69,299 of IVA refunds. During the first quarter, there was \$145,996 received which related to the assumption of an office lease as described in Note 9 to the condensed consolidated interim financial statements.

Operating activities for the three and nine months ended September 30, 2015 used cash in the amount of \$46,495 and \$205,438 compared to \$224,466 and \$456,222 in the same periods in 2014.

In May 2015 a director of the company provided the Loan to the Company in the amount of \$250,000.

Investing activity was limited to the exploration and evaluation costs associated with payment of semi-annual land taxes and on-going analysis and interpretation on Naranjillo. In the three months to September 30, 2015, the company received cash from investing activities of \$21,633 and used cash of \$221,945 as compared to using cash of \$349,868 and \$612,293 in the three and nine months to September 30, 2014 with changes largely due to the annual increases in mining licence rent payments to the Mexican mining authority and timing of activities on the properties.

## GOING CONCERN

The Company has not generated revenue from operations. At September 30, 2015, the Company had cash and cash equivalents of \$72,636, working capital of \$255,266, a net loss for the nine months ended September 30, 2015 of \$625,775, and a deficit of \$5,498,777. On May 4, 2015 Plata received the Loan from a director of the Company for \$250,000. On August 27, 2014, Plata closed a non-brokered private placement for \$1,123,000 (the "August Offering"). Notwithstanding the Loan and the August Offering, the Company does not have sufficient working capital to fund operations for the next 12 months.

This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and the Company is dependent on raising additional financing. Plata has historically raised funds principally through the sale of securities. The Company expects that it

will obtain funding through equity financing, debt financing or some other means depending on market conditions and other relevant factors at the time. However, there can be no assurance that the Company will be able to obtain such additional funding or obtain it on acceptable terms. The condensed consolidated interim financial statements do not give effect to any adjustment which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the condensed consolidated interim financial statements.

The Company will continue to rely on equity subscriptions to funds its ongoing operating and capital requirements. Access to funding to finance its operations is dependent on a number of factors, some of which is beyond the Company's control, which may impede access to the equity markets. As a result, there is no assurance that the Company can continue to access the equity markets to raise sufficient capital to fund its operating and capital requirements.

### CONTRACTUAL OBLIGATIONS

As at September 30, 2015, the Company's contractual obligations were as follows:

	< 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Operating leases obligations and other commitments	\$ 136,700	\$ 26,600	\$ -	\$ -	\$ 163,300
Accounts payable and accrued liabilities	288,905	-	-	-	288,905
Loan payable to related party	260,278	-	-	-	260,278
	<u>\$ 685,883</u>	<u>\$ 26,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 712,483</u>

In November 2015, the building lease was terminated and the \$163,300 commitment has been extinguished.

In addition to the above, Plata has certain optional mineral property acquisition payments relating to the Vaquerias Option and associated net smelter return.

### SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

The following table is a summary of the Company's results for the eight most recently completed quarters.

	Net loss			Loss per share		
	2015	2014	2013	2015	2014	2013
Q1	\$ (190,714)	\$ (171,529)	\$ (235,183)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Q2	(293,026)	(162,169)	(163,994)	(0.01)	(0.01)	(0.01)
Q3	(142,035)	(209,194)	(183,860)	(0.01)	(0.01)	(0.01)
Q4	NA	(377,185)	(850,965)	NA	(0.01)	(0.015)
Total	<u>\$ (625,775)</u>	<u>\$ (920,077)</u>	<u>\$ (1,434,002)</u>	<u>\$ (0.01)</u>	<u>\$ (0.015)</u>	<u>\$ (0.026)</u>

Factors that can cause fluctuations in the Company's quarterly results include: the timing of stock option grants, exploration costs expensed, corporate activity to support the exploration programs and foreign exchange gains or losses related to the Company's holding of US dollars denominated working capital items. Since Plata does not yet have any mining assets in production, the Company believes that its losses and loss per share is not a primary concern to investors in the Company.

## SHARE CAPITAL INFORMATION

The Company's authorized capital consists of an unlimited number of common shares without par value. As at November 27, 2015, the following common shares, stock options and warrants are outstanding:

	Number of units	Exercise Price
Common shares	67,432,826	
Stock Options: <sup>(1)</sup>		
Expiring - April 11, 2017	1,265,000	\$0.50
Expiring – March 3, 2020	225,000	\$0.06
Expiring – May 29, 2020	75,000	\$0.06
Expiring – June 9, 2020	75,000	\$0.06
Warrants:		
Expiring – August 27, 2016	5,615,000	\$0.25

<sup>(1)</sup>The Company's outstanding stock options were issued to directors, officers, consultants, and employees.

## PROPOSED TRANSACTIONS

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

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any material off balance sheet arrangements.

## SUBSEQUENT EVENTS

Refer to above under 'Contractual Obligations' with respect to the office lease.

## RELATED PARTY TRANSACTIONS

### *Management company agreement*

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

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Salaries and benefits	\$ -	\$ 88,457	\$ 125,149	\$ 200,036
Office and administrative	-	29,477	39,464	96,241
	<u>\$ -</u>	<u>\$ 117,904</u>	<u>\$ 164,613</u>	<u>\$ 296,277</u>

On May 22, 2015 Plata terminated its agreement with the management company whereby it relinquished its share of the jointly owned assets (primarily security deposits, leasehold improvements, and furniture and equipment) held by the management company which resulted in a loss on termination of management agreement of \$112,661. Accompanying this relinquishment, Plata was released and indemnified from its obligations under the office leases.

At September 30, 2015, there was a balance of \$8,843 (December 31, 2014 – \$39,841) receivable by Plata from the former management company.

#### *Related party transactions*

Plata charged in the three and nine months, respectively \$18,076 and \$60,012 to a related party for their share of an office lease (to September 30, 2014 - \$nil and \$nil). In addition, in the three and nine months ended September 30, 2015 Plata was charged by a former related company \$6,361 and \$17,625, respectively for administrative services (to September 30, 2014 - \$nil and \$nil). At September 30, 2015, there is an amount due to a former related company of \$13,019 (December 31, 2014 – \$nil) included in accounts payable and accrued liabilities with respect to these arrangements. Amounts are due on demand, unsecured, and have no terms of repayment.

#### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the condensed consolidated interim financial statements (unaudited) requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Management considers the policies described in Note 2 of the audited consolidated financial statements for the year ended December 31, 2014 to be the most critical in understanding the judgments that are involved in the preparation of the Company's condensed consolidated interim financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows.

#### **RECENT ACCOUNTING PRONOUNCEMENTS**

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

IFRS 9, *Financial Instruments: Classification and Measurement* is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value through profit or loss. The standard was initially effective for annual periods beginning on or after January 1, 2013, but the complete version of IFRS 9, issued in July 2014, moved the mandatory effective date to January 1, 2018. The Company expects to adopt this standard effective January 1, 2018 and has not yet assessed the impact on its financial reporting.

## FINANCIAL INSTRUMENTS

### FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's financial instruments are classified into the following categories of financial assets and liabilities (shown at carrying value):

Category	Measurement	September 30, 2015	December 31, 2014
Cash and cash equivalents	Loans and receivables	\$ 72,636	\$ 220,202
Amounts receivable	Loans and receivables	\$ 899,230	\$ 1,088,422
Accounts payable and accrued liabilities	Other financial liabilities	\$ (288,905)	\$ (77,905)
Deferred rent – current portion	Other financial liabilities	\$ (170,827)	\$ (147,959)
Deferred rent	Other financial liabilities	\$ (28,471)	\$ (135,629)
Loan payable to related party	Other financial liabilities	\$ (260,278)	\$ -

#### 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, 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 incurs expenditures in Canadian dollars, US dollars and Mexican pesos. The functional and reporting currency of the parent company is Canadian dollars. Foreign exchange risk arises due to the amount of the Mexican pesos and US dollar cash, receivables or payables that will vary in Canadian dollar terms due to changes in exchange rates. The Company has not hedged its exposure to currency fluctuations.

At September 30, 2015, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars ("US\$"):

	September 30, 2015	December 31, 2014
Cash	US\$ 50,435	US\$ 8,287
Accounts payable and accrued liabilities	(1,504)	(13,504)
	US\$ 48,931	US\$ (5,217)

A 10% change of the Canadian dollar against the US dollar at September 30, 2015 would have increased or decreased net loss by \$6,432 (December 31, 2014 – \$605) and would have increased or decreased the comprehensive loss by \$22,701 (December 31, 2014 – \$5,420). A 10% change of the Canadian dollar against the Mexican peso at September 30, 2015 would have increased or decreased the comprehensive loss by \$296,469 (December 31, 2014 – \$621,192). 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 and cash equivalents (see discussion on going concern in condensed consolidated interim financial statements).

#### *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 and long-term recoverable tax. Credit risk exposure on bank accounts and short-term investments 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. A full recovery is expected by management.

The Company's maximum exposure to credit risk as at September 30, 2015 is the carrying value of its cash, amounts receivable and IVA recoverable.

### **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 and cash equivalents. 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 and cash equivalents. No changes were made in the objectives, policies or procedures during the period ended September 30, 2015.

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 year ended December 31, 2014, 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 year ended December 31, 2014, which is available on the Company's website at [www.plminerals.com](http://www.plminerals.com) and SEDAR at [www.sedar.com](http://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 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.

**PLATA LATINA MINERALS CORPORATION**

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