LATIN AMERICAN MINERALS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE AND THREE MONTHS ENDED 30 SEPTEMBER 2016

Stated in Canadian Funds

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements.

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MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Latin American Minerals Inc.:

Management is responsible for the preparation and presentation of the accompanying condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the condensed interim consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Audit Committee has the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

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

28 November 2016

The condensed interim consolidated financial statements were approved by the Board of Directors on 28 November 2016 and were signed on its behalf by:

"Basil Botha"	*"Grant T. Smith"*
Basil Botha, CEO	Grant T. Smith, CFO

LATIN AMERICAN MINERALS INC.

Statement 2

Canadian Funds
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2016	As at 31 December 2015
ASSETS			
Current Assets			
Cash and cash equivalents		$ 2,331,867	$ 241,149
Sales tax recoverable		222,926	193,709
Prepaid expenses		210,580	117,316
		2,765,373	552,174
Non-current Assets			
Property, plant and equipment	(7)	1,153,773	1,125,989
Property rights, evaluation and exploration costs	(8)	18,200,837	17,278,889
		19,354,610	18,404,878
		$ 22,119,983	$ 18,957,052
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		$ 1,136,598	$ 738,285
Bank loans - current	(10)	156,108	171,723
		1,292,706	910,008
Non-current Liabilities			
Bank loans – non-current	(10)	481,960	583,007
Provision for environmental remediation and mineral property reclamation		246,630	240,163
		728,590	823,170
EQUITY *(STATEMENT 3)*			
Share capital		24,872,123	23,396,567
Warrants		4,477,678	2,717,122
Contributed surplus		12,360,911	10,510,133
Accumulated other comprehensive income		974,351	1,371,958
Deficit		(22,586,376)	(20,771,906)
		20,098,687	17,223,874
		$ 22,119,983	$ 18,957,052

Nature of operations and going concern	(1)	Capital management	(12)
Basis of preparation - Statement of Compliance	(2)	Contingency	(15)

The condensed interim consolidated financial statements were approved by the Board of Directors on 28 November 2016 and were signed on its behalf by:

"Basil Botha"
Basil Botha, Director

"Michael Hepworth"
Michael Hepworth, Director

LATIN AMERICAN MINERALS INC.

Statement 2

Canadian Funds
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

	Nine months ended 30 September 2016	Nine months ended 30 September 2015	**Three months ended 30 September 2016**	Three months ended 30 September 2015
CONTINUING OPERATIONS				
EXPENSES				
General and Administrative Expenses				
Share-based payments	**$ 1,308,456**	$ -	**$ 1,308,456**	$ -
General and administrative	**244,964**	140,054	**107,152**	20,675
Investor relations	**177,049**	22,483	**135,548**	5,019
Salaries and benefits	**97,997**	116,725	**47,149**	42,089
Professional fees	**58,135**	121,062	**(6,842)**	55,342
Depreciation	**3,087**	2,030	**2,482**	442
Net foreign exchange (gain) loss	**(75,218)**	237,606	**(2,053)**	111,514
Interest expense on notes payable	**-**	8,729	**-**	6,037
Gain on disposal of equipment	**-**	(20,883)	**-**	(18,369)
Operating Loss Before the Following Items:	**1,814,470**	627,806	**1,591,892**	222,749
Gain on settlement of debt	**-**	(14,700)	**-**	-
Realized loss on marketable securities	**-**	283,277	**-**	-
Net change in unrealised loss on marketable securities	**-**	(262,437)	**-**	-
Net loss for the period from continuing operations	**1,814,470**	633,946	**1,591,892**	222,749
Deferred income tax recovery	**-**	(57,630)	**-**	(57,630)
Net Loss From Continuing Operations	**1,814,470**	576,316	**1,591,892**	165,119
Net (Income) From Discontinued Operations		(41,763)		(37,353)
Other Comprehensive (Income) Loss				
Foreign currency translation adjustments	**397,607**	799,548	**(177,734)**	125,608
Net Comprehensive Loss	**$ 2,212,077**	$ 1,334,101	**$ 1,414,158**	$ 2,158
Net Loss per Common Share for Continuing operations – Basic and Diluted	**$ 0.04**	$ 0.00	**$ 0.02**	$ 0.00
Net Loss per Common Share for Discontinued Operations – Basic and Diluted	**$ 0.00**	$ 0.00	**$ 0.00**	$ 0.00
Weighted Average Number of Shares Outstanding	**41,756,022**	111,624,647	**64,736,457**	116,426,939

Canadian Funds
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shares	Amount	Warrants	Contributed Surplus	AOCI	Obligation to Issue Shares	Deficit	Shareholders' Equity
BALANCE AT 1 JANUARY 2015	10,867,850	$ 22,329,531	$ 2,016,849	$ 9,981,054	$ 1,850,455	$ -	$ (19,351,535)	$ 16,826,354
Warrant modification	-	-	192,000	(192,000)	-	-	-	-
Other comprehensive income	-	-	-	-	834,781	-	-	834,781
Net loss for the period	-	-	-	-	-	-	(210,040)	(210,040)
BALANCE AT 31 MARCH 2015	10,867,850	$ 22,329,531	$ 2,208,849	$ 9,789,054	$ 2,685,236	$ -	$ (19,561,575)	$ 17,451,095
Shares and warrants issued on private placement	665,800	229,258	103,199	-	-	-	-	332,457
Warrants issued with promissory note	-	(98,126)	98,126	-	-	-	-	-
Shares issued for debt settlement	73,500	29,400	-	-	-	-	-	29,400
Shares issued for exercise of warrants	30,000	15,000	-	-	-	-	-	15,000
Value of warrants exercised	-	7,102	(7,102)	-	-	-	-	-
Other comprehensive income	-	-	-	-	(1,759,937)	-	-	(1,759,937)
Net loss for the period	-	-	-	-	-	-	(196,747)	(196,747)
BALANCE AT 30 JUNE 2015	11,637,150	$ 22,512,165	$ 2,403,072	$ 9,789,054	$ 925,299	$ -	$ (19,758,322)	$ 15,871,268
Shares issued for exercise of warrants	10,000	7,000	-	-	-	-	-	7,000
Value of warrants exercised	-	1,550	(1,550)	-	-	-	-	-
Expiry of warrants	-	-	(434,941)	377,311	-	-	-	(57,630)
Other comprehensive income	-	-	-	-	125,608	-	-	125,608
Net loss for the period	-	-	-	-	-	-	(127,766)	(127,766)
BALANCE AT 30 SEPTEMBER 2015	11,647,150	$ 22,520,715	$ 1,966,581	$ 10,166,365	$ 1,050,907	$ -	$ (19,886,088)	$ 15,818,480
Shares and warrants issued on private placement	16,855,987	777,726	750,541	-	-	-	-	1,528,267
Warrants issued with promissory note	-	98,126	-	-	-	-	-	98,126
Share-based payments	-	-	-	343,768	-	-	-	343,768
Other comprehensive income	-	-	-	-	321,051	-	-	321,051
Net loss for the period	-	-	-	-	-	-	(885,818)	(885,818)
BALANCE AT 31 DECEMBER 2015	28,503,137	$ 23,396,567	$ 2,717,122	$ 10,510,133	$ 1,371,958	$ -	$ (20,771,906)	$ 17,223,874

--The accompanying notes form an integral part of the condensed interim consolidated financial statements--

Canadian Funds
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share	Amount	Warrants	Contributed Surplus	AOCI	Obligation to Issue Shares	Deficit	Shareholders' Equity
BALANCE AT 1 JANUARY 2016	28,503,137	$ 23,396,567	$ 2,717,122	$ 10,510,133	$ 1,371,958	$ -	$ (20,771,906)	$ 17,223,874
Expiry of warrants	-	-	(677,323)	677,323	-	-	-	-
Other comprehensive loss	-	-	-	-	(739,954)	-	-	(739,954)
Net loss for the period	-	-	-	-	-	-	(109,265)	(109,265)
BALANCE AT 31 MARCH 2016	28,503,137	$ 23,396,567	$ 2,039,799	$ 11,187,456	$ 632,004	$ -	$ (20,881,171)	$ 16,374,655
Shares and warrants issued on private placement	10,580,000	600,015	496,284	-	-	-	-	1,096,299
Share issuance costs	-	(77,397)	-	-	-	-	-	(77,397)
Broker's warrants	-	(71,000)	71,000	-	-	-	-	-
Obligation to issue shares	-	-	-	-	-	81,025	-	81,025
Other comprehensive loss	-	-	-	-	164,613	-	-	164,613
Net loss for the period	-	-	-	-	-	-	(113,313)	(113,313)
BALANCE AT 30 JUNE 2016	39,083,137	$ 23,848,185	$ 2,607,083	$ 11,187,456	$ 796,617	$ 81,025	$ (20,994,484)	$ 17,525,882
Shares and warrants issued on private placement	27,335,000	1,102,477	1,656,023	-	-	-	-	2,758,500
Share issuance costs	-	(366,658)	-	-	-	-	-	(366,658)
Broker's warrants	-	(333,000)	333,000	-	-	-	-	-
Obligation to issue shares	-	-	-	-	-	(81,025)	-	(81,025)
Shares issued for exercise of warrants	2,450,696	340,691	-	-	-	-	-	340,691
Value of warrants exercised	-	118,428	(118,428)	-	-	-	-	-
Shares issued for exercise of options	900,000	27,000	-	-	-	-	-	27,000
Value of options exercised	-	135,000	-	(135,000)	-	-	-	-
Stock-based payments	-	-	-	1,308,455	-	-	-	1,308,455
Other comprehensive income	-	-	-	-	177,734	-	-	177,734
Net loss for the period	-	-	-	-	-	-	(1,591,892)	(1,591,892)
BALANCE AT 30 SEPTEMBER 2016	69,768,833	$ 24,872,123	$ 4,477,678	$ 12,360,911	$ 974,351	$ -	$ (22,586,376)	$ 20,098,687

--The accompanying notes form an integral part of the condensed interim consolidated financial statements--

LATIN AMERICAN MINERALS INC.

Statement 4

Canadian Funds
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine months ended 30 September 2016	Nine months ended 30 September 2015
OPERATING ACTIVITIES		
Net loss for the Period from Continuing Operations	**$ (1,814,470)**	(576,316)
Items not Affecting Cash		
Share-based payment	**1,308,455**	-
Foreign exchange impact	**(703,909)**	237,606
Interest expenses on notes payable	**-**	8,729
Depreciation	**3,087**	2,030
Gain on settlement of debt	**-**	(14,700)
Net loss on marketable securities	**-**	20,660
Gain on disposal of equipment	**-**	(20,883)
Deferred income tax recovery	**-**	(57,630)
	(1,206,837)	(400,504)
Net Change in Non-Cash Working Capital		
Sales tax recoverable	**(29,217)**	45,825
Prepaid expenses	**(93,264)**	(81,036)
Accounts payable and accrued liabilities	**398,313**	(2,955)
	(931,005)	(438,670)
INVESTING ACTIVITIES		
Proceeds from disposition of subsidiary	**-**	17,552
Purchase of property, plant and equipment	**(36,895)**	-
Purchase of property rights, evaluation and exploration costs	**(603,155)**	(761,860)
Proceeds from bulk sampling activities	**-**	357,733
Proceeds from sale of equipment	**-**	48,531
Proceeds from sale of marketable securities	**-**	96,428
	(640,050)	(241,616)
FINANCING ACTIVITIES		
Units issued on private placement	**3,854,799**	332,456
Share issuance costs	**(444,055)**	
Proceeds on share issuances from warrants	**340,691**	22,000
Proceeds on share issuances from options	**27,000**	-
Proceeds received from term loan and line of credit	**-**	33,938
Repayment of term loan and line of credit	**(41,928)**	(123,402)
Interest paid on bank loans and line of credit	**(74,734)**	(50,268)
Proceeds received from notes payable	**-**	345,075
	3,661,773	559,799

--The accompanying notes form an integral part of the condensed interim consolidated financial statements--

Canadian Funds
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine months ended 30 September 2016	Nine months ended 30 September 2015
Net Increase (Decrease) in Cash for the Period	**2,090,718**	(120,487)
Net cash generated from operating activities from discontinued operations	**-**	30,710
Net cash used in financing activities for discontinued operations	**-**	(85)
Effect of exchange rate changes on cash held in foreign currencies	**-**	78,155
Cash position – beginning of period	**241,149**	40,744
Cash Position – End of Period	**$ 2,331,867**	29,037

--The accompanying notes form an integral part of the condensed interim consolidated financial statements--

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1) Nature of operations and going concern

Latin American Minerals Inc. ("LAT" or the "Company") was incorporated under the Canada Business Corporations Act on 9 December 2003. The Company operates in one industry segment; its principal business activity is the exploration and development of resource properties. The head office of the Company is located at Suite 1001 – 409 Granville Street Vancouver, BC, V6C 1T2.

The Company is in the process of exploring and developing its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed interim consolidated financial statements (the “Financial Statements”) have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

There are several adverse conditions that cast significant doubt upon the soundness of this assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

Consistent with other companies in the sector of mineral exploration, the Company has incurred operating losses since inception, has limited sources of revenue, is unable to self-finance operations and has significant cash requirements to meet its overhead and maintain its mineral interests.

For the Company to continue to operate as a going concern it must continue to obtain additional financing to maintain operations; although the Company has been successful in the past at raising funds, there can be no assurance that this will continue in the future.

If the going concern assumption were not appropriate for these Financial Statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

Management has estimated that the Company has sufficient financing to complete current work plans.

	30 September 2016	31 December 2015
Working capital surplus (deficiency)	**$ 1,472,667**	$ (357,834)
Accumulated deficit	**$ (22,586,376)**	$ (20,771,906)

2) Basis of preparation – Statement of Compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Since the Financial Statements do not include all requirements in IAS1, "Presentation of Financial Statement" (IAS1), they should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended 31 December 2015.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The judgements, estimates and assumptions made by management affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Critical estimates and judgement are disclosed more fully in the Company's audited annual consolidated financial statements for the year ended 31 December 2015.

3) Summary of significant accounting policies

The accounting policies and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual financial statements. For a summary of significant accounting policies, please refer to the Company's audited annual financial statements for the year ended 31 December 2015.

4) Financial instruments and risk management

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Condensed Interim Consolidated Statement of Financial Position are carried at amortized cost with the exception of cash and cash equivalents, which are carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 30 September 2016 and 31 December 2015 due to the immediate or short-term maturities of the financial instruments.

The fair value of the Company's cash and cash equivalents are quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy:

Level 1 – quoted prices in active markets for identical financial instruments.

Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's cash and cash equivalents have been assessed on the fair value hierarchy described above and classified as Level 1.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash and cash equivalents, sales tax recoverable, accounts payable and accrued liabilities, and bank loans. At September 30, 2016, the carrying value of cash and cash equivalents investments is fair value. Accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. It is management's opinion that the Company is not exposed to significant credit risk arising from these financial instruments. The Company limits credit risk by entering into business arrangements with high credit-quality counterparties. Thus the credit risk associated with other receivable is also considered to be negligible.

d) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk as the Company's interest bearing debt has a fixed interest rate.

e) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates inferentially and is exposed to foreign exchange risk arising from various currency exposures. The Company primarily operates in Paraguay. The majority of the Company's forecast operating costs are in Paraguayan guaranies and US dollars. To manage this risk the Company maintains only the minimum amount of foreign cash required to fund its on-going general and exploration expenditures. The Company is not exposed to significant foreign currency risk, as a 5% shift in foreign exchange rates would result in an impact of approximately $6,200. At 30 September 2016, the Company held currency totalling the following:

Canadian (Dollars)	US (Dollars)	Paraguayan (Guaranies)
$2,155,000	$80,000	286,292,161

f) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at 30 September 2016, the Company had a cash balance of $2,331,867 to settle current liabilities of $1,292,706. Accordingly, the Company is moderately exposed to liquidity risk.

5) Sale of subsidiary

On 29 July 2015, the Company completed the sale of the LAT's Argentinean subsidiary, Latin American Minerals Argentina S.A. ("LAMA"), to a private company controlled by a director of the Company at that time (please refer to note 16). The total purchase price was USD$ 93,583, of which USD$ 41,250 was outstanding remuneration at the moment of the transaction and USD$ 18,750 that comprised of future remuneration to be paid over the remaining five months of 2015. Furthermore, the purchase price also comprised of payments that the director made on behalf of the Company related to outstanding 2014 canons, taxes and professional fees for a total of USD$ 19,933. The balance of USD$ 13,650 was paid to the Company in full as of the date of the transaction. The Company recorded a gain on disposition of LAMA of $37,919.

6) Marketable securities

During the year ended 31 December 2015, the Company sold its 807,500 (31 December 2014 - 1,192,500) common shares of Pinetree Capital Ltd. for a total cash proceeds of $96,248 (31 December 2014 - $200,011), resulting in a loss of $283,277 (31 December 2014 - $360,463).

7) Property, plant and equipment

	Land	Vehicles and machinery	Geological equipment	Furniture and equipment	Total
COST OR DEEMED COST					
Balance at 1 January 2015	$ 143,115	$ 737,581	$ 2,142,174	$ 566,115	$ 3,588,985
Reclass	(2)	(48,432)	(306,104)	155,288	(199,250)
Disposals	-	(70,730)	-	-	(70,730)
Effect of foreign exchange	(7,138)	(32,461)	(91,559)	(35,464)	(166,622)
Balance at 31 December 2015	$ 135,975	$ 585,958	$ 1,744,511	$ 685,939	$ 3,152,383
Additions	**-**	**-**	**124,994**	**60,928**	**185,922**
Effect of foreign exchange	**(2,339)**	**(10,080)**	**(30,005)**	**(11,620)**	**(54,044)**
Balance at 30 September 2016	**$ 133,636**	**$ 575,878**	**$ 1,839,500**	**$ 735,247**	**$ 3,284,261**
ACCUMULATED AMORTIZATION					
Balance at 1 January 2015	$ -	$ (662,167)	$ (859,953)	$ (536,238)	$ (2,058,358)
Reclass	-	47,685	(219,376)	370,941	199,250
Depreciation	-	(40,005)	(167,042)	(103,220)	(310,267)
Disposals	-	43,544	-	-	43,544
Effect of foreign exchange	-	30,552	58,329	10,556	99,437
Balance at 31 December 2015	$ -	$ (580,391)	$ (1,188,042)	$ (257,961)	$ (2,026,394)
Amortization for the period	**-**	**(1,641)**	**(90,989)**	**(50,889)**	**(143,519)**
Effect of foreign exchange	**-**	**9,984**	**19,993**	**9,448**	**39,425**
Balance at 30 September 2016	**$ -**	**$ (572,048)**	**$ (1,259,038)**	**$ (299,402)**	**$ (2,130488)**
CARRYING AMOUNTS					
At 31 December 2015	$ 135,975	$ 5,567	$ 556,469	$ 427,978	$ 1,125,989
At 30 September 2016	**$ 133,636**	**$ 3,830**	**$ 580,462**	**$ 435,845**	**$ 1,153,773**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

8) Property rights, evaluation and exploration costs

CARRYING VALUE	Paso Yobai	Itapoty	Tendal	Total
Balance at 1 January 2015	$ 16,886,007	$ 75,505	$ 1	$ 16,961,513
Additions	1,094,042	216	-	1,094,258
Depreciation	307,802	-	-	307,802
Provision for environmental remediation	5,390	-	-	5,390
Interest capitalized	99,645	-	-	99,645
Proceeds from bulk sampling facility	(348,249)	-	-	(348,249)
Write-down of mineral property	-	-	(1)	(1)
Effect of foreign exchange	(837,788)	(3,681)	-	(841,469)
Balance at 31 December 2015	**$ 17,206,849**	**$ 72,040**	**$ -**	**$ 17,278,889**
Additions	**1,133,700**	**7,368**	**-**	**1,141,068**
Depreciation	**177,201**	**-**	**-**	**177,201**
Interest capitalized	**74,734**	**-**	**-**	**74,734**
Provision for environmental remediation	**6,777**	**-**	**-**	**6,777**
Effect of foreign exchange	**(475,840)**	**(1,992)**	**-**	**(477,832)**
Balance at 30 September 2016	**$ 18,123,421**	**$ 77,416**	**$ -**	**$ 18,200,837**

a) Paso Yobai

The Paso Yobai project comprises the Discovery Trend property, which is 99% owned by the Company; the other 1% being owned by a third party that receives 1% net smelter returns royalty on a yearly bases and the X-Mile Trend exploration property, which is 100% owned by the Company.

During the nine months ended 30 September 2016, the net proceeds received from sales of gold and silver derived from its bulk sampling facility in Paso Yobai amounted to $333,015 (nine months ended 30 September 2015 - $357,733). As the Company’s primary operations are still focused on exploration activities and have not reached commercial production, these proceeds were applied against property rights and evaluation and exploration costs.

b) Itapoty

The Itapoty diamond project is located in Paraguay, approximately 150 km northeast of the capital city of Asuncion. The project consists of one exploration property claims totalling 56,342 hectares, which are 100% owned by the Company.

c) Tendal

The Company held a 100% interest in the six Tendal mineral concessions, comprising two land parcels totalling approximately 36,000 hectares. The Tendal zinc, copper, lead and silver property is located in the province of La Rioja in northwestern Argentina and is accessible by all-season gravel road. During the year ended 31 December 2015, the Company sold its Argentinean subsidiary that held the rights to this property (note 6).

9) Promissory notes

a) 29 April 2015

On 29 April 2015, the Company issued $145,075 promissory notes bearing simple interest at 1% per month. 414,500 share purchase warrants exercisable at $0.5 for a term of twenty four months were also issued in relation to this financing which were valued at $98,126 and recorded as finance expense for promissory note.

The promissory notes are unsecured, repayable at the Company's discretion at any time with written notice, and matured on 28 April 2016. One related party of the Company participated in the financing for an amount of $10,500. During the year ended 31 December 2015, the Company redeemed $10,500 of the promissory notes with issuance of 21,000 common shares of the Company. During the year ended 31 December 2015, the Company repaid the remaining $134,575 promissory note and paid interest expense of $8,217.

b) 21 August 2015

On 21 August 2015, the Company issued $290,000 promissory notes with an interest rate of 12% per annum, secured by equal amount of VAT credits owed to the Company's Paraguayan subsidiary Latin American Minerals Paraguay S.A.. The promissory notes mature on 19 August 2016 and may be prepaid at the Company's discretion with prior written notice. Pinetree, a significant shareholder of the Company, participated with $100,000 in connection with the promissory note issuance. The remaining $190,000 of the promissory notes was issued to a company to which LAT shares common directors. During the year ended 31 December 2015, the Company repaid the promissory notes and $5,277 related interest expense.

10) Bank loans

On 19 June 2014, the Company announced the receipt of a USD$700,000 ($758,520) loan provided by the Banco Bilbao Vizcaya Argentaria ("BBVA") in Paraguay, which is divided in two parts. The first part is a secured 6 year loan ("Term Loan") of USD$600,000 ($650,160) including a one year grace period on capital, bearing an annual interest rate of 10%. Subject to a penalty of 4% over the balance outstanding, the Company is allowed to prepay the Term loan. The second part is a revolving line of credit ("Line of Credit") of USD$100,000 ($108,360) bearing an annual interest rate of 8.5%.

Both the Term Loan and the Line of Credit are secured by the pilot plant machinery and certain real estate in Paraguay.

		30 September 2016		31 December 2015
Opening balance	**$**	**754,730**	$	816,058
Proceeds received from Line of Credit		**-**		33,372
Repayment of Term Loan and Line of Credit		**(105,141)**		(249,343)
Interest capitalized in property rights, evaluation and exploration costs		**74,734**		99,645
Interest paid on Term Loan and Line of Credit		**(74,734)**		(86,692)
Effect of foreign exchange		**(11,521)**		141,690
Ending balance	**$**	**638,068**	$	754,730
Current portion		**156,108**		171,723
Non-current portion		**481,960**		583,007

The repayment of the non-current portion of the Term Loan is as follows:

		Amount
2017	$	**156,108**
2018		**156,108**
2019		**156,108**
2020		**13,636**
	$	**481,960**

11) Share capital

a) Authorized

Unlimited number of common shares without par value. Common shares issued and fully paid are as follows:

b) Issued or allotted and fully paid:

	Number of Shares
Balance at 31 December 2014	10,867,850
Shares issued on private placement	17,521,787
Shares issued for debt settlement	73,500
Shares issued for exercise of warrants	40,000
Balance at 31 December 2015	28,503,137
Balance at 1 January 2016	**28,503,137**
Shares issued on private placement	**37,915,000**
Shares issued for exercise of warrants	**2,450,696**
Shares issued for exercise of options	**900,000**
Balance at 30 September 2016	**69,768,833**

<u>During the nine month period ended 30 September 2016</u>

On 15 July 2016, the Company closed the forth tranche of a non-brokered private placement (the "Fourth Tranche") and issued 17,424,152 units at a price of $0.10 per unit for gross proceeds of $1,742,415. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable for a period of two years from the date of grant at an exercise price of $0.15 per common share.

In connection with the Fourth Tranche, the Company paid certain finders a cash commission equal to 8% of the proceeds raised through those finders, and also issued an aggregate of 1,353,932 broker warrants. Each broker warrant entitles the holder to purchase one common share of the Company for a period of two years from the closing of the private placement at a price of $0.15 per common share.

The fair value of the warrants and broker's warrants was determined to be $1,331,930 with the following assumptions:

Assumption	Value
Share price	**$0.27**
Risk-free rate	**0.54%**
Expected dividend yield	**0.00%**
Expected volatility	**131%**
Warrant life in years	**1.00**

The Company incurred $286,858 in cash transaction costs and recorded $232,000 for the issuance of broker's warrants.

On 7 July 2016, the Company closed the third tranche of a non-brokered private placement (the "Third Tranche") and issued 9,910,848 units at a price of $0.10 per unit for gross proceeds of $991,085. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable for a period of two years from the date of grant at an exercise price of $0.15 per common share.

In connection with the Third Tranche, the Company paid certain finders a cash commission equal to 8% of the proceeds raised through those finders, and also issued an aggregate of 792,868 broker warrants. Each broker warrant entitles the holder to purchase one common share of the Company for a period of two years from the closing of the private placement at a price of $0.15 per common share.

The fair value of the warrants and broker's warrants was determined to be $657,093 with the following assumptions:

Assumption	Value
Share price	**$0.23**
Risk-free rate	**0.54%**
Expected dividend yield	**0.00%**
Expected volatility	**115%**
Warrant life in years	**1.00**

The Company incurred $79,802 in cash transaction costs for the private placement and recorded $101,000 in connection to the broker's warrants.

On 28 June 2016, the Company closed the second tranche of a non-brokered private placement (the "Second Tranche") and issued 2,500,000 units at a price of $0.10 per unit for gross proceeds of $250,000. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company for a period of two years from the closing of the Second Tranche at a price of $0.15 per common share.

In connection with the Second Tranche, the Company paid certain finders a cash commission equal to 8% of the proceeds raised through those finders, and issued an aggregate of 180,000 broker warrants. Each broker warrant entitles the holder to purchase one common share of the Company for a period of two years from the closing of the Second Tranche at a price of $0.15 per common share.

The fair value of the warrants was determined to be $146,451 with the following assumptions:

Assumption	Value
Share price	**$0.12**
Risk-free rate	**0.54%**
Expected dividend yield	**0.00%**
Expected volatility	**220%**
Warrant life in years	**2.00**

The Company incurred $18,000 in cash transaction costs and recorded $19,000 on the issuance of broker's warrants.

On 10 June 2016, the Company closed the first tranche of a non-brokered private placement (the "First Tranche") by issuing 6,165,000 units at a price of $0.10 per unit for gross proceeds of $616,500. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company for a period of two years from the closing of the First Tranche at a price of $0.15 per common share.

In connection with the First Tranche, the Company paid certain finders a cash commission equal to 8% of the proceeds raised through those finders, and also issued an aggregate of 490,000 broker warrants. Each broker warrant entitles the holder to purchase one common share of the Company for a period of two years from the closing of the First Tranche at a price of $0.15 per common share.

The fair value of the warrants was determined to be $345,641 with the following assumptions:

Assumption	Value
Share price	**$0.11**
Risk-free rate	**0.49%**
Expected dividend yield	**0.00%**
Expected volatility	**219%**
Warrant life in years	**2.00**

The Company incurred $53,013 in cash transaction costs and recorded $46,000 on the issuance of broker's warrants.

On 8 April 2016, the Company closed a private placement and issued 1,915,000 units at a price of $0.12 per unit for gross proceeds of $229,800. Each unit is comprised of one common share of the Company and one half of one common share purchase warrant. Each whole warrant is exercisable for a period of two years from the date of grant at an exercise price of $0.18 per share.

In connection with the private placement on 8 April 2016, the Company paid certain finders a cash commission equal to 8% of the proceeds raised through those finders, and issued an aggregate of 53,200 broker warrants. Each broker warrant entitles the holder to purchase one common share of the Company for a period of two years from the closing of the private placement at a price of $0.12 per share.

The fair value of the warrants and broker's warrants was determined to be $75,192 with the following assumptions:

Assumption	Value
Share price	**$0.12**
Risk-free rate	**0.56%**
Expected dividend yield	**0.00%**
Expected volatility	**223%**
Warrant life in years	**2.00**

The Company incurred $6,384 in cash transaction costs and recorded $6,000 on the issuance of broker's warrants.

<u>During the year ended 31 December 2015</u>

On 23 June 2015, the Company completed a non-brokered private placement funding gross proceeds of $332,900 and issued a total of 665,800 units at a price of $0.50 per unit.

Each unit consists of one common share and one common share purchase warrant exercisable at a price of $0.70 for thirty six months following closing. The fair value of the warrants was determined to be $103,199 with the following assumptions:

Assumption	Value
Share price	**$0.20**
Risk-free rate	**0.62%**
Expected dividend yield	**0%**
Expected volatility	**180.44%**
Warrant life in years	**3.00**

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The Company incurred $443 in transaction costs for the private placement.

On 18 November 2015, the Company completed a non-brokered private placement financing (the "Offering") for gross proceeds of $1,566,962 for the issuance of special warrants (the "Special Warrants") at $0.10 per Special Warrant (on post-consolidation basis as discussed below). Each Special Warrant issued is exchangeable, for no additional consideration, into one unit of the Company (each a "Unit"). Each Unit is comprised of one common share of the Company (each a "Warrant Share") and one common share purchase warrant of the Company (each a "Warrant"). Each Warrant entitles the holder thereof to purchase one Warrant Share for a period of three years after the closing date of the Offering at a price of $0.15 per Warrant Share (on post-consolidation basis as discussed below).

The Special Warrants shall be automatically exchanged for Units upon satisfaction of the following conditions (collectively, the “Exercise Conditions”):

- the completion of a consolidation of the outstanding common shares of the Company on a minimum 8 (old) and a maximum 10 (old) common shares for 1 (new) common share (the “Consolidation”);
- receipt of approval of the TSX Venture Exchange for the Offering and the Consolidation; and
- receipt of all regulatory approval required for the Offering and Consolidation.

Two directors and Pinetree, insiders of the Company, participated in the private placement, subscribing an aggregate of 3,100,000 Special Warrants.

In relation to the Offering, the Company also issued 1,186,370 broker warrants exercisable into one Unit of the Company at an exercise price of $0.10 per share for two years. Each Unit is comprised of one Warrant Share and one Warrant. These broker warrants were exercised into 1,186,367 common shares of the Company on 22 December 2015.

On 22 December 2015, the Company's shareholders approved, among other things, the Consolidation of the outstanding common shares (the “Shares”) of the Company on a ratio of 10 pre-consolidation Shares for 1 post-consolidation Share at a special meeting of its shareholders. Upon completion of the Consolidation, the previously issued 156,696,200 special warrants of the Company were automatically exercised into 15,669,620 Units. The 1,186,370 broker warrants were also exercised into 1,186,367 Units of the Company on 22 December 2015. Each Unit is comprised of one Share and Warrant. Each Warrant entitles the holder thereof to purchase one Share at a price of $0.15 per Share on or before 18 November 2018.

The fair value of the warrants was determined to be $825,943 with the following assumptions:

Assumption	Value
Share price	$0.10
Risk-free interest rate	0.51%
Expected dividend yield	0%
Expected volatility	261.55%
Expected option life in years	3.00

The Company incurred $157,332 in transaction costs of which $75,402 was allocated to the Warrants and the remaining was allocated to share capital.

c) Stock options

The Company has established an incentive stock option plan (the “Plan”) for management, directors, and consultants of the Company, as designated and administered by a committee of the Company’s Board of Directors. Under the Plan, the Company may grant options for up to 10% of the issued and outstanding common shares of the Company.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

During the nine month period ended 30 September 2016

On 22 August 2016, the Company granted an aggregate of 1,000,000 incentive stock options to consultants of the Company. These options are exercisable at $0.37 per share for a period of five years from the date of grant with all options vesting immediately.

On 26 July 2016, the Company granted an aggregate of 3,900,000 incentive stock options to officers, directors, and consultants of the Company. These options are exercisable at $0.35 per share for a period of five years from the date of grant with all options vesting immediately.

On 7 July 2016, the Company granted 350,000 incentive stock options to an employee of the Company. These options are exercisable at $0.17 per share for a period of three years from the date of grant with one quarter of the options vesting immediately, one quarter vesting after six months, one quarter vesting after nine months and one quarter vesting after twelve months.

During the year ended 31 December 2015

The Company granted an aggregate of 2,325,000 incentive stock options that vest immediately.

The following table summarizes information about stock options outstanding as at 30 September 2016:

Expiry date	Number of options outstanding	Number of options exercisable		Exercise Price	Weighted average remaining life (years)
October 14, 2016	12,500	12,500	$	2.10	0.29
April 30, 2018	209,000	209,000	$	1.50	1.83
July 7, 2019	350,000	87,500	$	0.17	2.77
December 31, 2020	1,125,000	1,000	$	0.12	4.51
December 31, 2017	300,000	300,000	$	0.12	1.50
July 26, 2021	3,900,000	3,900,000	$	0.35	4.82
August 22, 2021	1,000,000	1,000,000	$	0.37	4.90
	6,896,500	**6,634,000**		**0.24**	**4.43**

The following table reflects the continuity of stock options for the periods presented:

STOCK OPTION ACTIVITY	30 September 2016		Weighted Average Exercise price	31 December 2015		Weighted Average Exercise price
Balance – beginning of period	**2,546,500**	**$**	**0.24**	861,700	$	1.60
Granted	**5,250,000**		**0.35**	2,325,000		0.12
Exercised	**(900,000)**		**0.12**	-		-
Expired	**-**		**-**	(307,700)		1.67
Forfeited	**-**		**-**	(332,500)		1.50
Balance – end of period	**6,896,500**	**$**	**0.34**	2,546,500	$	0.24

For the nine month period ended 30 September 2016, $1,308,456 (31 December 2015 - $343,768) was expensed as share-based payments.

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The fair value of stock options used to calculate stock-based payment expense was estimated using the Black-Scholes option pricing model with the following assumptions:

Assumption	Value
Risk-free interest rate	0.50 - 0.60%
Expected dividend yield	0%
Expected volatility (*)	99-107%
Expected option life in years	3.00-5.00
Expected forfeiture rate (*)	0%

(*) Volatility and forfeiture rates were determined by applying historical experience of the Company.

The weighted average fair value of the options granted during the nine month period ended 30 September 2016 was $0.26 (2015 - $0.10).

The Black-Scholes Option Pricing Model was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the highly subjective input assumptions can materially affect the calculated values, management believes that the accepted Black-Scholes model does not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

d) Warrants

The following table summarizes warrants outstanding at 30 September 2016:

Expiry date	Number of Warrants outstanding		Exercise Price	Weighted average remaining life (years)
29 April 2017	384,500	$	0.50	0.58
23 June 2018	655,800	$	0.70	1.73
18 November 2018	16,070,769	$	0.15	2.13
8 April 2018	53,200	$	0.12	1.52
10 June 2018	6,655,000	$	0.15	1.69
28 June 2018	2,680,000	$	0.15	1.73
18 November 2018	647,022	$	0.15	2.13
7 July 2018	10,703,716	$	0.15	1.77
15 July 2018	18,778,084	$	0.15	1.79
	56,628,091	$	**0.17**	**1.82**

The following table reflects the continuity of warrants for the periods presented:

WARRANT ACTIVITY	**30 September 2016**		**Weighted Average Exercise price**	31 December 2015		Weighted Average Exercise price
Balance – beginning of period	**18,923,787**	**$**	**0.11**	1,525,800	$	1.70
Issued on private placements	**41,182,500**		**0.15**	17,521,787		0.17
Issued with promissory notes	-		-	414,500		0.50
Exercised	**(2,450,696)**		**2.13**	(40,000)		0.60
Expired	**(1,027,500)**		**1.59**	(498,300)		2.00
Balance – end of period	**56,628,091**	**$**	**0.16**	18,923,787	$	0.11

On 21 January 2015, the Company received approval from the TSX Venture Exchange for a one-year extension to the expiry date of certain warrants as follows:

Original expiration date	4 February 2015
New expiration date	4 February 2016
Number of warrants	5,000,000
Warrant modification (*)	$192,000

(*) The incremental fair value of the warrants of $192,000 was credited to warrants and debited to contributed surplus.

The fair value of the warrant modification was estimated using the Black-Scholes option pricing model with the following assumptions:

Original Expiry date	4 February 2015
Share price	$0.08
Risk-free interest rate	0.56%
Expected dividend yield	0%
Expected volatility	183%
Expected option life in years	1.04

12) Capital management

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of resource properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

13) Segmented disclosure

a) Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

b) Geographic segments

As at 30 September 2016 and 31 December 2015, all the Company's non-current assets are located in South America.

14) Related party transactions

Related party transactions not disclosed elsewhere in the notes to financial statement are as follows:

RELATED PARTY DISCLOSURE

Name and Principal Position		Remuneration or fees[1]	Share-based payments	Included in Accounts Payable
Basil Botha, CEO – management fees	**2016**	**$ -**	**$ 232,000**	**$ 5,734**
	2015	-	-	-
Miles Rideout, former CEO – management fees	**2016**	**$ 6,000**	**$ 46,500**	**$ 3,239**
	2015	$ 36,000	-	-
Tim Lallas, former CFO – management fees	**2016**	**$ 8,000**	**-**	**-**
	2015	-	-	-
Julio Martinez, former CFO – management fees	**2016**	**$ 27,000**	**-**	**$ 5,247**
	2015	$ 48,600	-	-
Clearline CPA, CFO – management fees	**2016**	**$ 17,000**		**$ 14,700**
	2015	$ **-**	**-**	
Cameron Tymstra, COO – management fees	**2016**	**$ 30,000**	**$ 232,500**	**$ 7,968**
	2015	$ -	-	-
Directors – director fees	**2016**	**-**	**-**	**-**
	2015	$ 47,000	-	$ 14,000
Director – geological fees	**2016**	**-**	**-**	**-**
	2015	$ 28,000	-	$ 47,000
Gowlings, a company of which a former director is a partner.	**2016**	**-**	**-**	**-**
	2015	$ 2,000	-	$ 79,000

(1) Amounts disclosed were paid or accrued to the related party during the nine month periods ended 30 September 2016 and 30 September 2015.

These transactions were in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

Share based payments to directors was $511,500 during the 9 months ended 30 September 2016 ($nil – 30 September 2015).

15) Contingency

During the year ended 31 December 2015, one of the employees of the Company's Paraguayan subsidiary filed two separate lawsuits against the Company for wrongful dismissal. The Company disagrees with the claims made in the suits and intends to vigorously defend itself against the allegations. The lawsuits are claiming a total of PYG$1,477,994,601 ($360,928). It is not possible at this time to estimate any potential pay-out.