LATIN AMERICAN MINERALS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2017

Expressed in Canadian Dollars

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 Audit Committee is also responsible for recommending the appointment of the Company's external auditors.

We draw attention to Note 1 in the condensed interim consolidated financial statements which indicates the existence of a material uncertainty that may cast substantial doubt on the Company's ability to continue as a going concern.

23 May 2017

The condensed interim condensed interim consolidated financial statements were approved by the Board of Directors on 23 May 2017 and were signed on its behalf by:

"Basil Botha"
Basil Botha, CEO

"Grant T. Smith"
Grant T. Smith, CFO

LATIN AMERICAN MINERALS INC.

Expressed in Canadian Dollars
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 31 March 2017	As at 31 December 2016
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 316,832**	$ 1,223,898
Short-term investments		**15,000**	15,000
Amounts receivable		**-**	508
Sales tax recoverable		**11,612**	13,209
Prepaid expenses		**21,322**	33,937
		364,766	1,286,552
Non-current Assets			
Property, plant and equipment	(5)	**1,490,047**	1,332,105
Property rights, evaluation and exploration assets	(6)	**19,420,310**	18,862,139
		20,910,357	20,194,244
		$ 21,275,123	$ 21,480,796
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		**$ 1,057,383**	$ 843,453
Bank loans - current	(7)	**161,244**	161,244
		1,218,627	1,004,697
Non-current Liabilities			
Bank loans – non-current	(7)	**400,516**	400,516
Payroll withholdings liability	(19)	**182,872**	182,872
Provision for mineral property reclamation		**232,683**	232,683
		2,034,698	1,820,768
EQUITY (STATEMENT 3)			
Share capital		**24,940,111**	24,940,111
Warrants		**4,596,549**	4,596,549
Contributed surplus		**12,627,283**	12,619,910
Obligation to issue shares		**25,000**	25,000
Accumulated other comprehensive income		**1,482,070**	1,345,386
Deficit		**(24,430,588)**	(23,866,928)
		19,240,425	19,660,028
		$ 21,275,123	$ 21,480,796

Nature of operations and going concern	(1)	Contingency	(13)
Commitments	(12)		

The consolidated financial statements were approved by the Board of Directors and were signed on its behalf by:

"Basil Botha"	***"Michael Hepworth"***
Basil Botha, Director	Michael Hepworth, Director

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	Note	**Three months ended 31 March 2017**	Three months ended 31 March 2016
EXPENSES			
General and Administrative Expenses			
General and administrative		**$ 329,865**	$ 30,378
Net foreign exchange (gain) loss		**105,651**	(27,259)
Management fees	(10)	**65,850**	34,688
Investor relations		**26,770**	33,580
Professional fees		**22,658**	37,584
Share-based payments	(8)	**7,373**	-
Amortization		**5,493**	294
Net loss for the year		**(563,660)**	(109,265)
Other Comprehensive Loss			
Foreign currency translation adjustments		**136,684**	(739,954)
Net and Comprehensive Loss for the Year		**$ (426,976)**	$ (849,219)
Net Loss per Share – Basic and Diluted		**$ 0.00**	$ 0.00
Weighted Average Number of Shares Outstanding		**70,493,533**	28,503,137

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Number of shares outstanding	Capital Stock	Obligation to issue shares	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
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	-	-	-
Shares and warrants issued on private placement	37,915,000	1,677,493	25,000	2,152,307	-	-	-	3,854,800
Share issuance costs	-	(879,534)	-	459,000	-	-	-	(420,534)
Shares issued for exercise of warrants	3,121,396	448,028	-	-	-	-	-	448,028
Value of warrants exercised	-	169,236	-	(169,236)	-	-	-	-
Shares issued for exercise of options	900,000	108,000	-	-	-	-	-	108,000
Value of options exercised	-	135,000	-	-	(135,000)	-	-	-
Issuance of special warrants	-	(114,679)	-	114,679	-	-	-	-
Share-based payments	-	-	-	-	1,567,454	-	-	1,567,454
Other comprehensive loss	-	-	-	-	-	(26,572)	-	(26,572)
Net loss for the period	-	-	-	-	-	-	(3,095,022)	(3,095,022)
BALANCE AT 31 DECEMBER 2016	**70,439,533**	**$ 24,940,111**	**$ 25,000**	**$ 4,596,549**	**12,619,910**	**$ 1,345,386**	**$ (23,866,928)**	**19,660,028**
Share-based payments	-	-	-	-	**7,373**	-	-	**7,373**
Other comprehensive loss	-	-	-	-	-	**136,684**	-	**136,684**
Net loss for the period	-	-	-	-	-	-	**(563,660)**	**(563,658)**
BALANCE AT 31 MARCH 2017	**70,439,533**	**$ 24,940,111**	**$ 25,000**	**$ 4,596,549**	**$ 12,627,283**	**$ 1,482,070**	**$ (24,530,588)**	**$ 19,240,427**

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended 31 March 2017	Three months ended 31 March 2016
OPERATING ACTIVITIES		
Net Loss for the Period	**$ (563,660)**	$ (109,265)
Items not Affecting Cash		
Share-based payment	**7,373**	**-**
Amortization	**1,251**	**294**
Net Change in Non-Cash Working Capital		
Amounts receivable	**508**	-
Sales tax recoverable	**1,597**	(21,418)
Prepaid expenses	**12,615**	30,500
Accounts payable and accrued liabilities	**213,930**	38,044
Net Cash Used in Operating Activities	**(326,386)**	(61,845)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(265,857)**	(105,073)
Purchase of property rights, evaluation and exploration costs	**(441,459)**	-
Net Cash Used in Investing Activities	**(707,316)**	(105,073)
FINANCING ACTIVITIES		
Repayment of interest	**(14,194)**	(40,523)
Net Cash Used by Financing Activities	**(14,194)**	(40,523)
Net Increase in Cash and Cash Equivalents for the Year	**(1,047,896)**	**(207,441)**
Effect of exchange rate changes on cash held in foreign currencies	**140,830**	**(26,547)**
Cash and cash equivalents – beginning of period	**1,223,898**	**241,149**
Cash and Cash Equivalents - End of Period	**$ 316,832**	$ **7,161**
Schedule of Non-cash Investing and Financing Transactions		
Supplementary Cash Flow Information		
Interest paid on term loan and line of credit	**$ (14,194)**	$ (12,216)

--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.

These condensed interim consolidated 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 exists material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern. 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 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.

These Financial Statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

		31 March 2017		31 December 2016
Working capital surplus (deficiency)	**$**	**(853,861)**	$	**281,855**
Accumulated deficit	**$**	**(24,430,588)**	$	**(23,866,928)**

2) 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.

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 2016.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 2016.

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 2016.

4) Financial instruments and risk management

a) Financial instrument classification and measurement

Financial instruments are recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significant of the inputs used in making the measurements.

The fair value of hierarchy has the following levels:

- 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 the 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.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash and cash equivalents, short-term investments, accounts payable, and bank loans. As at 31 March 2017 and 31 December 2016, the carrying value of cash and cash equivalents is carried at fair value. Short-term investments, accounts payable and accrued liabilities, and bank loans approximate their fair value due to their short-term nature.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

d) Credit risk

Credit risk is the risk that a third party might fail to discharge its obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents with banks and financial institutions as well as credit exposures to outstanding receivables. 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.

e) 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.

f) Currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Company primarily operates in Paraguay and incurs certain expenditures and obtains financing in US dollars. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the Company or subsidiary that holds the financial asset or liability. The Company's risk management policy is to review its exposure to non-Canadian dollar forecast operating costs on a case-by-case basis. The majority of the Company's forecast operating costs are in Paraguayan guaranies and Canadian dollars. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of foreign currency financial assets and liabilities in Canadian dollars as at 31 March 2017 is as follows:

	Assets	Liabilities
US (Dollars)	113,929	826,316

Based on the financial instruments held as at 31 March 2017, a 10% shift in the Canadian dollar against these foreign currencies, with all other variables held constant, would result in an impact of $92,610 on the Company's post tax loss for the year. The Company's deficit would have changed by $92,610 had the Canadian dollar shifted by 10% as a result of foreign exchange effect on translation of non-Canadian dollar denominated financial instruments.

g) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

As at 31 March 2017, the Company had a working capital deficiency of $966,475 (31 December 2016 - $281,855), and anticipates that the bulk-sampling facility at current gold prices will not provide sufficient funds to cover all the Company's expenditures for the next 12 months. Cash constraints have caused the Company to consider financing alternatives while contemplating minimal shareholder dilution.

The Company's potential sources of cash flow in the upcoming year will be from possible proceeds of ore sales from its bulk sampling facility, possible equity financings, loans, lease financing and entering into joint venture agreements; or any combination thereof.

5) Property, plant and equipment

	Land	Vehicles and machinery	Geological equipment	Furniture and equipment	Total
COSTS					
Balance at 1 January 2016	$ 135,975	$ 585,958	$ 1,744,511	$ 685,939	$ 3,152,383
Reclassification	-	57,914	371,059	63,647	492,620
Disposals	-	-	-	(516)	(516)
Effect of foreign exchange	-	(1,564)	(10,023)	(1,341)	(12,929)
Balance at 31 December 2016	**135,975**	**642,308**	**2,105,547**	**747,729**	**3,631,558**
Additions	**-**	**-**	**265,857**	**-**	**265,857**
Effect of foreign exchange	**-**	**-**	**(4,146)**	**-**	**(4,146)**
Balance at 31 March 2017	**$ 135,975**	**$ 642,307**	**$ 2,367,258**	**$ 747,729**	**$ 3,893,269**
ACCUMULATED AMORTIZATION					
Balance at 1 January 2016	$ -	$ (580,391)	$ (1,188,042)	$ (257,961)	$ (2,026,394)
Reclassificiation	**-**	(4,483)	(169,072)	(107,471)	(281,026)
Amortization for the period	**-**	-	-	516	516
Disposals	**-**	122	4,636	2,693	7,451
Balance at 31 December 2016	-	**(584,752)**	**(1,352,478)**	**(362,223)**	**(2,299,453)**
Amortization for the period	**-**	**(3,123)**	**(87,716)**	**(12,930)**	**(103,769)**
Balance at 31 March 2017	**$ -**	**$ (587,875)**	**$ (1,440,194)**	**$ (375,153)**	**$ (2,403,222)**
CARRYING AMOUNTS					
At 31 December 2016	$ 135,975	$ 57,555	$ 753,069	$ 385,506	$ 1,332,105
At 31 March 2017	**$ 135,975**	**$ 54,432**	**$ 927,064**	**$ 372,576**	**$ 1,490,047**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

6) Property rights, evaluation and exploration assets

CARRYING VALUE	Paso Yobai	Itapoty	Total
Balance at 1 January 2016	$ 17,206,849	$ 72,040	$ 17,278,889
Additions	1,340,325	-	1,340,325
Amortization	267,982	-	267,982
Interest capitalized	66,820	-	66,820
Provision for environmental remediation	(7,480)	-	(7,480)
Write-down of mineral property	-	(70,048)	(70,048)
Effect of foreign exchange	(12,357)	(1,992)	(14,349)
Balance at 31 December 2016	**$ 18,862,139**	**$ -**	**$ 18,862,139**
Additions	**441,459**	**-**	**441,459**
Amortization	**102,518**	**-**	**102,518**
Interest capitalized	**14,194**	**-**	**14,194**
Balance at 31 March 2017	**$ 19,420,310**	**$ -**	**$ 19,420,310**

Exploration and evaluation assets

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 three months ended 31 March 2017, the net proceeds received from sales of gold and silver derived from its bulk sampling facility in Paso Yobai amounted to $nil (year ended 31 December 2016 - $nil). 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.

During the year ended 31 December 2016, the Company assessed that the carrying value of the property was not recoverable and fully impaired the property.

Provision for mineral property reclamation

Management has determined that the bulk sampling facility at Paso Yobai will require certain site restoration and decommissioning expenditures in the future. The Company has estimated that future cash flows required to settle obligations of the bulk sampling program are expected to occur in 2022. The provision was calculated using a discount rate of 2.94% and inflation rate of 3.9% (December 31, 2015 – discount rate of 4.3% and inflation rate of 3.1%) in the amount of $232,683 (December 31, 2015 – $240,161). During the year ended December 31, 2016, the foreign exchange loss on the provision was $7,480 (year ended December 31, 2015 - $5,390) which have been recorded in the consolidated statements of loss and comprehensive loss for the year ended December 31, 2016. The reclamation obligation may change materially based on future changes in operations, costs of reclamation, discount rates and closure activities, and regulatory requirements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7) Bank loans

On 19 June 2014, the Company announced the receipt of a USD$700,000 ($758,520 CAD) 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.

		31 March 2017		31 December 2016
Opening balance	**$**	**561,760**	$	754,730
Repayment of Term Loan and Line of Credit		**-**		(221,189)
Interest capitalized in property rights, evaluation and exploration costs		**14,194**		66,820
Interest paid on Term Loan and Line of Credit		**(14,194)**		(66,820)
Effect of foreign exchange		**-**		28,219
Ending balance	**$**	**561,760**	$	561,760
Current portion	**$**	**161,244**	$	161,244
Non-current portion	**$**	**400,516**	$	400,516

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

				Amount
2018	**$**	**144,532**	$	192,709
2019		**190,901**		190,901
2020		**54,979**		54,979
Total	**$**	**390,412**	$	438,589

Further commitments of the Company are described in note 12.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

8) Share capital

a) Authorized

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

Issued or allotted and fully paid:

	Number of Shares
Balance at 1 January 2016	28,503,137
Shares issued on private placement	37,915,000
Shares issued for exercise of warrants	3,121,396
Shares issued for exercise of options	900,000
Balance at 31 December 2016	70,439,533
Balance at 1 January 2017	**70,439,533**
Balance at 31 March 2017	**70,439,533**

During the year ended 31 December 2016

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. The Company paid certain finders a cash commission equal to 8% of the proceeds raised and issued an aggregate of 53,200 broker warrants. Each broker warrant entitles the holder to purchase one common share for a period of two years from the closing of the private placement at a price of $0.12 per share. The Company incurred $6,384 in cash transaction costs and recorded $6,000 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 for a period of two years from the closing of the First Tranche at a price of $0.15 per common share. The Company paid certain finders a cash commission equal to 8% of the proceeds raised and also issued an aggregate of 490,000 broker warrants. Each broker warrant entitles the holder to purchase one common share for a period of two years from the closing of the First Tranche at a price of $0.15 per common share. The Company incurred $53,013 in cash transaction costs and recorded $46,000 on the issuance of 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. The Company paid certain finders a cash commission equal to 8% of the proceeds raised and issued an aggregate of 180,000 broker warrants. Each broker warrant entitles the holder to purchase one common share for a period of two years from the closing of the Second Tranche at a price of $0.15 per common share. The Company incurred $18,000 in cash transaction costs and recorded $19,000 on 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. The Company paid certain finders a cash commission equal to 8% of the proceeds raised and also issued an aggregate of 792,868 broker warrants. Each broker warrant entitles the holder to purchase one common share for a period of two years from the closing of the private placement at a price of $0.15 per common share. 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 15 July 2016, the Company closed the fourth 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. The Company paid certain finders a cash commission equal to 8% of the proceeds raised and also issued an aggregate of 1,353,932 broker warrants. Each broker warrant entitles the holder to purchase one common share for a period of two years from the closing of the private placement at a price of $0.15 per common share. The Company incurred $263,335 in cash transaction costs and recorded $232,000 for the issuance of broker's warrants.

The fair value of the warrants and broker's warrants was determined with the following assumptions:

	8 April 2016	10 June 2016	28 June 2016	7 July 2016	15 July 2016
Assumption					
Share price	$ 0.12	$ 0.11	$ 0.12	$ 0.23	$ 0.27
Risk-free rate	0.56%	0.49%	0.54%	0.54%	0.54%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	299.00%	291.00%	290.00%	163.00%	136.00%
Warrant life in years	2.00	2.00	2.00	1.00	1.00

b) 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.

During the period ended 31 March 2017

No stock options were issued.

During the year ended 31 December 2016

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 every three months, thereafter.

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 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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes information about stock options outstanding as at 31 March 2017:

Expiry date		Exercise Price	31 March 2017 Outstanding	31 March 2017 Exercisable
4 October, 2016	$	-	-	-
31 December, 2017	$	0.12	300,000	300,000
30 April, 2018	$	1.50	164,000	164,000
7 July, 2019	$	0.17	350,000	262,500
31 December, 2020	$	0.12	1,125,000	1,125,000
26 July, 2021	$	0.35	3,900,000	3,900,000
22 August 2021	$	0.37	1,000,000	1,000,000
			6,839,000	6,751,500

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

STOCK OPTION ACTIVITY	31 March 2017	Weighted Average Exercise price	31 December 2016	Weighted Average Exercise price
Balance – beginning of year	**6,839,000**	**$ 0.33**	2,546,500	$ 0.24
Granted	-	-	5,250,000	0.35
Exercised	-	-	(900,000)	0.12
Expired	-	-	(12,500)	-
Forfeited	-	-	(45,000)	-
Balance – end of year	**6,839,000**	**0.33**	6,839,000	$ 0.33

For the three months ended 31 March 2017, $7,373 (2016 - $nil) was expensed as share-based payments.

The total fair value of stock options granted during the three months ended 31 March 2017 was $nil (2016 – $nil).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

c) Warrants

The following table summarizes warrants outstanding at 31 March 2017:

Date of Issuance	Date of Expiry		Exercise Price	31 March 2017 Outstanding
4 February 2013	4 February 2016	$	2.00	-
24 April 2014	24 April 2016	$	1.20	-
29 April 2015	29 April 2017	$	0.50	**384,500**
23 June 2015	23 June 2018	$	0.70	**655,800**
31 December 2015	18 November 2018	$	0.15	**16,116,769**
31 December 2015	18 November 2017	$	0.10	**240,111**
4 July 2016	17 November 2018	$	0.15	**521,038**
10 June 2016	10 June 2018	$	0.15	**6,655,000**
24 June 2016	28 June 2018	$	0.15	**2,680,000**
7 July 2018	7 July 2018	$	0.15	**10,703,716**
15 July 2018	15 July 2018	$	0.15	**18,778,084**
				56,735,018

	31 March 2017
The outstanding warrants have a weighted-average exercise price of:	**$ 0.16**
The weighted average remaining life of the outstanding warrants is:	**1.61**

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

WARRANT ACTIVITY	31 March 2017	Weighted Average Exercise price	31 December 2016	Weighted Average Exercise price
Balance – beginning of year	**56,735,018**	$ **0.16**	18,923,787	$ 0.11
Issuance of special warrants	-	-	1,186,369	0.10
Issued on private placements	-	-	39,827,500	0.15
Issued from exercise of broker warrants	-	-	946,258	0.15
Exercised	-	-	(3,121,396)	2.13
Expired	-	-	(1,027,500)	1.59
Balance – end of year	**56,735,018**	$ **0.16**	56,735,018	$ 0.16

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

9) 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 year. The Company is not subject to externally imposed capital requirements.

10) 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	For the first quarter	Remuneration or fees	Share-based payments	Included in Accounts Payable[1]
Basil Botha, CEO – management fees	**2017**	**$ 15,000**	**$ -**	**$ 5,250**
	2016	-	-	-
Miles Rideout, former CEO – management fees	**2017**	**$ 13,200**	**$ -**	**$ -**
	2016	6,000	-	-
Tim Lallas, former CFO – management fees	**2017**	**$ -**	**$ -**	**$ -**
	2016	8,400	-	-
Julio Martinez, former CFO – management fees	**2017**	**$ -**	**$ -**	**$ -**
	2016	18,009	-	-
Clearline CPA, CFO – management fees	**2017**	**$ 21,000**	**$ -**	**$ 7,350**
	2016	-	-	-
Cameron Tymstra, COO – management fees	**2017**	**$ 29,850**	**$ -**	**$ 13,675**
	2016	-	-	-
Michael Hepworth, Director – management fees	**2017**	**$ 15,000**	**$ -**	**$ -**
	2016	-	-	-
Directors – director fees	**2017**	**$ -**	**$ -**	**$ -**
	2016	2,279	-	-

[1] Amounts disclosed were as at March 31, 2017 or December 31, 2016.

11) 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 31 March 2017 and 2016 all the Company's non-current assets were located in South America.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

12) Commitments

On 25 October 2016, LAMPA signed an agreement with the Paraguayan government Instituto de Prevision Social ("IPS") whereby the Company will make monthly payments of $5,532 over the term of 60 months which includes a 1.5% monthly blended interest charge to repay the outstanding liability.

The following table summarizes the Company's total annual payments under this agreement:

		Amount
2018	$	**36,372**
2019		**43,487**
2020		**51,994**
2021		**51,019**
Total	$	**182,872**

During the year ended 31 December 2016, the Company entered into a consulting agreement whereby it will pay consulting fees as follows:

		Amount
2018	$	**120,843**
2019		**120,843**
Total	$	**241,686**

13) 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). Of this amount, PYG 374,799,077 ($91,526) has been accrued as at 31 December 2016.

14) Subsequent events

On May 3, 2017 the Company announced a non-brokered private placement of up to 13,333,333 units at a price of $0.12 per common share of the Company and one common share purchase warrant. Each warrant will entitle the holder thereof to purchase one common share for a period of 24 months from the closing of the offering at a price of $0.15 per common share.

On May 18, 2017 the Company announced that it has closed the first tranche of its previously announced non-brokered private placement by issuing 12,445,167 units at a price of $0.12 per unit for gross proceeds of $1,493,420. Each unit is comprised of one common share of the Company and one Common share purchase warrant. Each warrant will entitle the holder thereof to purchase one common share for a period of 24 months from the closing of the offering at a price of $0.15 per common share. The value of the warrants is estimated at $501,036.

As at the date of this report, the Company had 82,884,700 common shares issued and outstanding and the fully diluted amount of 158,171,258 includes exercisable options of 6,884,000 and warrants of 68,402,558.