



**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016**

Expressed in Canadian Dollars

THE ACCOMPANYING FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017
AND 2016 HAVE NOT BEEN REVIEWED OR AUDITED BY THE CORPORATION'S AUDITORS

MARIFIL MINES LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****AS AT SEPTEMBER 30, 2017 AND DECEMBER 31, 2016****Expressed in Canadian Dollars**

	Note	September 30, 2017	December 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents	8	\$ 5,594	\$ 23,388
Other receivables		4,773	7,213
Prepaid expenses		7,467	6,037
Total current assets		17,834	36,638
Equipment		82	1,135
Exploration and evaluation assets	5	2,812,388	2,839,910
		\$ 2,830,304	\$ 2,877,683
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables and other liabilities	6	\$ 537,833	\$ 474,427
Loans payable to related parties	6	58,509	57,958
Total liabilities		596,342	532,385
Shareholders' equity			
Share capital		15,519,310	15,416,310
Contributed surplus		2,096,062	2,096,062
Deficit		(15,381,410)	(15,167,074)
		2,233,962	2,345,298
		\$ 2,830,304	\$ 2,877,683

Approved and authorized by the Board on November 29, 2017*"Robert Abenante"*

Robert Abenante*"Michael Sweatman"*

Michael Sweatman

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

MARIFIL MINES LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS****FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016****Expressed in Canadian Dollars****(Unaudited)**

	For the three months ended September 30,		For the nine months ended September 30,	
	2017	2016	2017	2016
EXPENSES				
General and administration	\$ 57,003	\$ 73,758	\$ 192,841	\$ 301,341
General exploration	-	-	6,967	-
Foreign exchange (gain) loss	(532)	52,160	16,472	37,354
Finance costs	2,608	7,559	5,750	4,460
Gain on settlement of accounts payable	-	-	(7,694)	-
Write-off mineral properties		9,066		9,066
Net loss and comprehensive loss	\$ 59,079	\$ 142,543	\$ 214,336	\$ 352,221
Weighted average number of common shares outstanding	26,441,736	23,120,395	25,273,462	21,772,450
Basic and diluted loss per common share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)

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

MARIFIL MINES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
Expressed in Canadian Dollars
(Unaudited)

	2017	2016
OPERATING ACTIVITIES		
Net loss	\$ (214,336)	\$ (352,221)
Items not affecting cash		
Depreciation	1,053	98
Gain on debt settlement	(7,694)	-
Write-off exploration and evaluation assets		9,066
Unrealized exchange (gain) loss	4,851	-
	(216,126)	(343,057)
Changes in non-cash working capital items:		
Trade payables and other liabilities	69,529	60,296
Prepaid expenses	(1,430)	262
Other receivables	(5,285)	150
Cash used in operating activities	(153,312)	(282,349)
INVESTING ACTIVITIES		
Recovery of IVA on exploration and evaluation assets, net of cash expenditures	27,522	94,955
Cash provided by investing activities	27,522	94,955
FINANCING ACTIVITIES		
Interest on related party loans	5,009	-
Proceeds for private placement	103,000	206,427
Share issuance costs	-	(5,600)
Cash provided by financing activities	108,009	200,827
Effect on foreign exchange rate changes on cash	(13)	-
CHANGE IN CASH AND CASH EQUIVALENTS	(17,794)	13,433
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	23,388	20,815
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 5,594	\$ 34,248

SUPPLEMENTARY CASH FLOW INFORMATION

	2017	2016
Interest paid	\$ -	\$ -
Taxes paid	\$ -	\$ -

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

MARIFIL MINES LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016**

Expressed in Canadian dollars

(Unaudited)

	Number of Common Shares	Common Shares Amount	Contributed Surplus	Deficit	Balance
Balance as at December 31, 2015	20,982,376	\$ 15,216,958	\$ 2,096,062	\$ (14,737,693)	\$ 2,575,327
Proceeds from private placement (Note 7)	2,000,000	100,000	-	-	100,000
Proceeds from private placement (Note 7)	1,399,360	106,426	-	-	106,426
Share issue costs	-	(5,600)	-	-	(5,600)
Net loss for the period	-	-	-	(352,221)	(352,221)
Balance as at September 30, 2016	24,381,736	15,417,784	2,096,062	(15,089,914)	2,423,932
Balance as at December 31, 2016	24,381,736	\$ 15,416,310	\$ 2,096,062	\$ (15,167,074)	\$ 2,345,298
Proceeds from private placement (Note 7)	2,060,000	103,000	-	-	103,000
Net loss for the period	-	-	-	(214,336)	(214,336)
Balance as at September 30, 2017	26,441,736	\$ 15,519,310	\$ 2,096,062	\$ (15,381,410)	\$ 2,233,962

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

MARIFIL MINES LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016****Expressed in Canadian Dollars****(Unaudited)**

1. NATURE OF OPERATIONS

Marifil Mines Ltd. (the "Company" or "Marifil") was incorporated on December 2, 2003 under the Yukon Business Corporation Act. On January 17, 2014, the Company changed its reporting jurisdiction from Yukon to British Columbia. The Company is listed on the TSX Venture Exchange ("TSXV") under the symbol MFM.V. The address of the Company's corporate office and principal place of business is 1300-1500 West Georgia, Vancouver, British Columbia, Canada.

Effective May 12, 2017, the Company effected a share consolidation on a five for one basis. As such, the Company's issued and outstanding shares of common stock were decreased on the basis of five old shares for one new share. These interim condensed consolidated financial statements give retroactive effect to such share consolidation and all share and per share amounts have been adjusted accordingly.

The Company is in the business of acquiring, exploring, and evaluating mineral resource properties in Argentina.

2. BASIS OF PREPARATION**1.1 Going Concern of Operations**

The Company has not generated revenue from operations. The Company incurred a net loss of \$214,336 for the nine months ended September 30, 2017 and as of that date the Company's accumulated deficit was \$15,381,410. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financial resources to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These factors comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

1.2 Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, certain disclosures required in annual financial statements have been condensed or omitted. These Condensed Consolidated Interim Financial Statements are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these Condensed Consolidated Interim Financial Statements be read in conjunction with the most recent audited annual consolidated financial statements of the Company for the year ended December 31, 2016 available on sedar.com on May 1, 2017.

The condensed interim consolidated 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 condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 29, 2017.

MARIFIL MINES LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016****Expressed in Canadian Dollars****(Unaudited)**

1.3 Basis of Measurement

The condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise stated.

The preparation of the condensed consolidated financial statements in compliance with IFRS requires management to make certain accounting estimates. It also requires management to make certain accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 4.

1.4 Basis of Consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the Company's subsidiaries are included in the consolidated financial statements. All intercompany balances and transactions, income and expenses have been eliminated upon consolidation. The Company's subsidiaries in Argentina are Marifil S.A. which is wholly-owned, and Minas San Roque S.A in which the Company has a 51% ownership. The Company's subsidiary in Canada is an inactive holding company Oxbow Holdings Corp. which is wholly-owned.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 4 to the audited consolidated financial statements for the year ended December 31, 2016, and have been consistently followed in the preparation of these consolidated condensed interim financial statements except as disclosed below.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the annual financial statements 2016.

MARIFIL MINES LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016****Expressed in Canadian Dollars****(Unaudited)****5. EXPLORATION AND EVALUATION ASSETS**

	Las Aguilas, San Luis, Province	Toruel, Rio Negro Province	San Roque, Rio Negro Province	Other Properties	Accumulated IVA, net of recoveries	Total
Balance, December 31, 2015	\$ 34,227	\$ -	\$ 2,560,206	\$ 22,988	\$ 339,955	\$ 2,957,376
Property payments	-	6,569	18,540	909	-	26,018
Exploration costs	1,047	-	5,010	8,777	-	14,834
Change in IVA	-	-	-	-	(135,611)	(135,611)
Impairment of exploration and evaluation costs	-	(6,569)	-	(16,138)	-	(22,707)
Balance, December 31, 2016	\$ 35,274	\$ -	\$ 2,583,756	\$ 16,536	\$ 204,344	\$ 2,839,910
Property payments	2,589	129	16,433	359	-	19,510
Exploration costs	-	809	2,022	4,053	-	6,883
Change in IVA	-	-	-	-	(49,071)	(49,071)
Impairment of exploration and evaluation costs	-	(938)	-	(3,906)	-	(4,844)
Balance, September 30, 2017	\$ 37,863	\$ -	\$ 2,602,210	\$ 17,042	\$ 155,273	\$ 2,812,388

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many resource properties.

The Company has investigated title to all its resource properties and, to the best of its knowledge; title to all properties are in good standing unless specifically noted otherwise. All the resource properties are in Argentina.

6. RELATED PARTY BALANCES AND TRANSACTIONS

a) Related Party Balances

On July 29, 2014, the Company entered into a loan agreement with a director, whereas the director loaned the Company US\$20,000. The unsecured loan bears interest at 18% per year and matured on January 29, 2016. At the option of the lender, the loan can be converted into common shares of the Company at the market price of the Company's shares. As at September 30, 2017, the loan is outstanding and due on demand and the carrying value is \$39,002 (as at December 31, 2016: \$38,634).

On August 1, 2014, the Company entered into another loan agreement with a director, whereas the director loaned the Company US\$10,000. The unsecured loan bears interest at 18% per year and matured on February 1, 2016. At the option of the lender, the loan can be converted into common shares of the Company at the market price of the

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(Unaudited)

Company's shares. As at September 30, 2017, the loan is outstanding and due on demand and the carrying value is \$19,507 (as at December 31, 2016: \$19,323).

During the three and nine months ended September 30, 2017, the Company recorded finance costs of \$1,811 and \$3,142, respectively, (September 30, 2016: \$1,361 and \$4,460, respectively) in connection with interest accrued under the loan agreements. As of September 30, 2017, the carrying value of short term loans payable to related parties including accrued interest was \$58,509 (December 31, 2016: \$57,957).

At September 30, 2017, trade payables and other liabilities included \$253,437 in payables (December 31, 2016: \$258,753) owing to officers and directors of the Company. These amounts are non-interest bearing, unsecured and are due on demand. In addition, \$73,575 was due to a former officer of the Company. In total, of the \$595,825 in trade payables and other liabilities, \$362,947 are owing to officers and directors and former officers of the Company.

b) Related Party Transactions

During the three and nine months ended September 30, 2017 and 2016, the Company incurred charges with an officer and directors, which comprise key management compensation as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Management fees	\$ 18,000	\$ 18,000	\$ 54,000	\$ 131,014
Director fees	9,802	10,339	29,818	29,755
	\$ 27,802	\$ 28,339	\$ 83,818	\$ 160,769

For the three and nine months ended September 30, 2017 and 2016, key management personnel were not paid any post-employment benefits, termination benefits or any other long-term benefits. These transactions were recorded at the exchange amount, which is the amount agreed to by the transacting parties.

As part of the private placement closed on April 25, 2017 (Note 7), directors contributed \$29,000 to the private placement and 580,000 shares and warrants were issued to directors.

7. SHARE CAPITAL AND RESERVES

Effective May 12, 2017, the Company effected a share consolidation on a five for one basis. As such, the Company's issued and outstanding shares of common stock were decreased on the basis of five old shares for one new share.

a) Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

b) Share issued

On April 25, 2017, the Company closed a private placement of 2,060,000 units at \$0.05 per unit for aggregate consideration of \$103,000 in cash. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.25 per share for the 24 months from the date of issuance and \$0.50 for the next 36 months, subject to accelerated expiry in the event the Company's shares trade at \$1.00 per share for a period of 20 consecutive trading days. As part of the private placement, directors contributed \$29,000 to the private placement and 580,000 shares and

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warrants were issued to directors. The private placement was initially announced and closed prior to the closing of the share consolidation, as such the initial pricing of \$0.01 per unit was referred to as a closing of \$0.05 per unit to reflect the share consolidation.

8. BASIS OF FAIR VALUE

The Company's financial instruments consist of cash and cash equivalents, other receivables, trade payables and other liabilities, and loans payable to related parties. The fair value of the Company's other receivables, accounts payable and loans payable to related parties approximate the carrying value, which is the amount on the consolidated statements of financial position due to their short-term maturities or ability of prompt liquidation. The Company's cash and cash equivalents, is measured at fair value under the fair market hierarchy, based on level one quoted prices in active markets for identical assets.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable marker data (unobservable inputs).

The following table sets forth the Company's financial instruments measured at fair value on a recurring basis by level within the fair value hierarchy as at September 30, 2017:

	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 5,594	\$ -	\$ -