



## **LATIN AMERICAN MINERALS INC.**

### **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 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.

## TABLE OF CONTENTS

Management's Responsibility .....	i
Condensed Interim Consolidated Statements of Financial Position .....	1
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss .....	3
Condensed Interim Consolidated Statements of Changes in Equity .....	4
Condensed Interim Consolidated Statements of Cash Flows .....	5
Notes to the Condensed Interim Consolidated Financial Statements .....	6
1) Nature of operations and going concern .....	6
2) Statement of Compliance .....	6
3) Summary of significant accounting policies .....	7
4) Financial instruments and risk management .....	7
5) Property, plant and equipment .....	9
6) Property rights, evaluation and exploration assets .....	10
7) Bank loans .....	11
8) Share capital .....	12
9) Capital management .....	17
10) Related party transactions .....	17
11) Segmented disclosure .....	18
12) Commitments .....	18
13) Contingency .....	18
14) Subsequent event .....	18

## 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.

29 November 2017

The condensed interim condensed interim consolidated financial statements were approved by the Board of Directors on 29 November 2017 and were signed on its behalf by:

***“Mathew Wilson”***  
\_\_\_\_\_  
Mathew Wilson, CEO

***“Dennis Logan”***  
\_\_\_\_\_  
Dennis Logan, CFO

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>As at Sept 30, 2017</b>	<b>As at Dec 31, 2016</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (2f)	508,713	1,223,898
Short-term investments	15,000	15,000
Amounts receivable	-	508
VAT/HST/GST receivable	20,586	13,209
Prepaid expenses	160,580	33,937
<b>Total Current Assets</b>	<b>704,879</b>	<b>1,286,552</b>
Property and equipment (Note 5)	1,398,554	1,332,105
Property rights, reevaluation and exploration assets (Note 6)	18,617,766	18,862,139
	<b>20,016,320</b>	<b>20,194,244</b>
<b>Total Assets</b>	<b>20,721,199</b>	<b>21,480,796</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank loans (Note 7)	161,244	161,244
Accounts payable and accrued liabilities	1,227,144	843,453
<b>Total Current Liabilities</b>	<b>1,388,388</b>	<b>1,004,697</b>
Bank loans - non-current (Note 7)	258,675	400,516
Restoration provision	232,683	232,683
Payroll withholdings liability (Note 12)	182,872	182,872
	<b>674,230</b>	<b>816,071</b>
<b>Total Liabilities</b>	<b>2,062,618</b>	<b>1,820,768</b>
<b>Shareholders' Equity</b>		
Share capital	25,556,402	24,940,111
Warrants	5,599,037	4,596,549
Contributed surplus	12,905,948	12,619,910
Obligation to issue shares	-	25,000
Accumulated other comprehensive (income) loss	(423,382)	1,345,386
Deficit	(24,979,424)	(23,866,928)
<b>Total Shareholders' Equity</b>	<b>18,658,581</b>	<b>19,660,028</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>20,721,199</b>	<b>21,480,796</b>

*See accompanying notes*

Going concern (Note 1)

**LATIN AMERICAN MINERALS INC.**

**Statement 1**

*Expressed in Canadian Dollars  
(Unaudited)*

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

***“Stephen Keith”***

\_\_\_\_\_  
Stephen Keith, Director

***“Richard Patricio”***

\_\_\_\_\_  
Richard Patricio, Director

Expressed in Canadian Dollars  
(Unaudited)

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	Three months Ended Sept 30, 2017	Three months Ended Sept 30, 2016	Nine months Ended Sept 30, 2017	Nine months Ended Sept 30, 2016
<b>Continuing Operations</b>				
<b>General and Administrative Expenses</b>				
General and administration	229,847	147,459	737,928	401,096
Non-cash compensation options	125,091	1,308,456	286,038	1,308,456
Investor relations	9,575	135,548	53,246	177,049
Depreciation	4,074	2,482	14,745	3,087
<b>Net operating loss for the period</b>	<b>368,587</b>	<b>1,593,945</b>	<b>1,091,957</b>	<b>1,889,688</b>
Interest expense	-	-	-	-
Foreign exchange (gain) loss	(80,119)	(2,053)	20,539	(75,218)
<b>Net loss for the period</b>	<b>288,468</b>	<b>1,591,892</b>	<b>1,112,496</b>	<b>1,814,470</b>
<b>Other Comprehensive loss</b>				
Net loss for the period	(288,468)	(1,591,892)	(1,112,496)	(1,814,470)
<i>Items that may be reclassified subsequently to profit/loss</i>				
Foreign currency translation adjustment income (loss)	842,424	(177,734)	(1,768,768)	397,607
<b>Comprehensive income (loss) for the period</b>	<b>553,956</b>	<b>(1,769,626)</b>	<b>(2,881,264)</b>	<b>(1,416,863)</b>
<b>Loss per share for the period</b>				
Basic and fully diluted loss per share	<b>\$0.00</b>	<b>\$0.02</b>	<b>\$0.01</b>	<b>\$0.04</b>
Weighted Average Number of Shares Outstanding	85,057,700	64,736,457	77,748,617	41,756,022

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Number of shares outstanding	Share Capital	Obligation to issue shares	Warrants	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Equity
<b>Balance at January 1, 2016</b>	<b>28,503,137</b>	<b>23,396,567</b>	-	<b>2,717,122</b>	<b>10,510,133</b>	<b>(20,771,906)</b>	<b>1,371,958</b>	<b>17,223,874</b>
Expiry of warrants	-	-	-	(677,323)	677,323	-	-	-
Shares and warrants issued on private placement	37,915,000	1,702,492	-	2,152,307	-	-	-	3,854,799
Share issuance costs	-	(848,055)	-	404,000	-	-	-	(444,055)
Shares issued on warrant exercise	2,450,696	340,691	-	-	-	-	-	340,691
Value of warrants exercised	-	118,428	-	(118,428)	-	-	-	-
Shares issued on exercise of options	900,000	27,000	-	-	-	-	-	27,000
Value of options exercised	-	135,000	-	-	(135,000)	-	-	-
Issuance of special warrants	-	-	-	-	-	-	-	-
Issuance of share options	-	-	-	-	1,308,455	-	-	1,308,455
Other comprehensive income (loss)	-	-	-	-	-	-	(397,607)	(397,607)
Net income (loss) for the period	-	-	-	-	-	(1,814,470)	-	(1,814,470)
<b>Balance at September 30, 2016</b>	<b>69,768,833</b>	<b>24,872,123</b>	-	<b>4,477,678</b>	<b>12,360,911</b>	<b>(22,586,376)</b>	<b>974,351</b>	<b>20,098,687</b>
<b>Balance at October 1, 2016</b>	<b>69,768,833</b>	<b>24,872,123</b>	-	<b>4,477,678</b>	<b>12,360,911</b>	<b>(22,586,376)</b>	<b>974,351</b>	<b>20,098,687</b>
Expiry of warrants	-	-	-	-	-	-	-	-
Shares and warrants issued on private placement	-	(25,000)	25,000	-	-	-	-	-
Share issuance costs	-	(31,479)	-	55,000	-	-	-	23,521
Shares issued on warrant exercise	670,700	107,337	-	-	-	-	-	107,337
Value of warrants exercised	-	50,808	-	(50,808)	-	-	-	-
Shares issued on exercise of options	-	81,000	-	-	-	-	-	81,000
Value of options exercised	-	-	-	-	-	-	-	-
Issuance of special warrants	-	(114,679)	-	114,679	-	-	-	-
Issuance of share options	-	-	-	-	258,999	-	-	258,999
Other comprehensive income (loss)	-	-	-	-	-	-	371,035	371,035
Net income (loss) for the period	-	-	-	-	-	(1,280,552)	-	(1,280,552)
<b>Balance at December 31, 2016</b>	<b>70,439,533</b>	<b>24,940,110</b>	<b>25,000</b>	<b>4,596,549</b>	<b>12,619,910</b>	<b>(23,866,928)</b>	<b>1,345,386</b>	<b>19,660,027</b>
<b>Balance at January 1, 2017</b>	<b>70,439,533</b>	<b>24,940,110</b>	<b>25,000</b>	<b>4,596,549</b>	<b>12,619,910</b>	<b>(23,866,928)</b>	<b>1,345,386</b>	<b>19,660,027</b>
Expiry of warrants	-	-	-	-	-	-	-	-
Shares and warrants issued on private placement	14,618,167	904,691	(25,000)	1,002,488	-	-	-	1,882,179
Share issuance costs	-	(288,399)	-	-	-	-	-	(288,399)
Shares issued on warrant exercise	-	-	-	-	-	-	-	-
Value of warrants exercised	-	-	-	-	-	-	-	-
Shares issued on exercise of options	-	-	-	-	-	-	-	-
Value of options exercised	-	-	-	-	-	-	-	-
Issuance of special warrants	-	-	-	-	-	-	-	-
Issuance of share options	-	-	-	-	286,038	-	-	286,038
Other comprehensive income (loss)	-	-	-	-	-	-	(1,768,768)	(1,768,768)
Net income (loss) for the period	-	-	-	-	-	(1,112,496)	-	(1,112,496)
<b>Balance at September 30, 2017</b>	<b>85,057,700</b>	<b>25,556,402</b>	-	<b>5,599,037</b>	<b>12,905,948</b>	<b>(24,979,424)</b>	<b>(423,382)</b>	<b>18,658,581</b>

Expressed in Canadian Dollars  
(Unaudited)

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months Ended Sept 30, 2017	Nine months Ended Sept 30, 2016
<b>Operating activities</b>		
Net loss for the period	(1,112,496)	(1,814,470)
Add (deduct) non-cash items:		
Non-cash compensation expense	286,038	1,308,456
Depreciation and amortization	14,745	3,087
Impairment of mine asset (Note 8)	-	-
Unrealized foreign exchange (gain) loss	32,814	(703,910)
Other non-cash charges	-	-
	(778,899)	(1,206,837)
Amounts receivable	508	-
Sales tax recoverable	(7,377)	(29,217)
Prepaid expenses	(126,643)	(93,264)
Accounts payable and accrued liabilities	383,690	398,313
<b>Cash flow provided by (used in) operating activities</b>	<b>(528,721)</b>	<b>(931,005)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(415,422)	(36,895)
Purchase of property rights, evaluation and exploration costs	(1,017,995)	(603,155)
<b>Cash flow used in investing activities</b>	<b>(1,433,417)</b>	<b>(640,050)</b>
<b>Financing activities</b>		
Interests paid on bank loans and lines of credit	(42,132)	(74,734)
Other Interest capitalized to the mineral property rights	(186,036)	
Issuance of common shares and warrants	1,882,179	3,854,799
Share and warrant issuance costs	(288,400)	(444,055)
Issuance of common shares from option and warrant exercise	-	367,691
Issuance of long-term debt	-	-
Repayment of long-term debt	(107,126)	(41,928)
<b>Cash flow provided by (used in) financing activities</b>	<b>1,258,485</b>	<b>3,661,773</b>
Effect of foreign exchange on cash	(11,532)	-
<b>Net increase (decrease) in cash and cash equivalents during the period</b>	<b>(715,185)</b>	<b>2,090,718</b>
Cash and cash equivalents at beginning of period	1,223,898	241,149
<b>Cash and cash equivalents at end of period</b>	<b>508,713</b>	<b>2,331,867</b>

## LATIN AMERICAN MINERALS INC.

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

Expressed in Canadian Dollars  
(Unaudited)

### 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 502 – 211 Yonge Street Toronto, ON, M5B 1M4.

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 exist 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.

	September 30, 2017	December 31, 2016
Working capital (deficit) surplus	<b>(\$683,509)</b>	\$281,855
Accumulated deficit	<b>(\$24,979,424)</b>	(\$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.

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.

## **LATIN AMERICAN MINERALS INC.**

### **FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

*Expressed in Canadian Dollars  
(Unaudited)*

#### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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, sales tax recoverable, accounts payable, and bank loans. As at September 30, 2017 and December 31, 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.

## LATIN AMERICAN MINERALS INC.

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

Expressed in Canadian Dollars  
(Unaudited)

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

#### 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 September 30, 2017 is as follows:

#### Canadian Dollar amounts of foreign currency assets and liabilities

	Assets	Liabilities
Paraguayan Guarani	\$161,361	\$914,170
US Dollars	\$16,211	\$732,918

Based on the financial instruments held as at September 30, 2017, a 10% shift in the Canadian dollar against these foreign currencies, with all other variables held constant, would result in an impact of \$164,726 on the Company's post tax loss for the year. The Company's deficit would have changed by \$164,726 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 September 30, 2017, the Company had a working capital of (\$683,509) (December 31, 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.

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.

## LATIN AMERICAN MINERALS INC.

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

Expressed in Canadian Dollars  
(Unaudited)

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

#### 5) Property, plant and equipment

	Land	Vehicles	Processing Plant & Geology Equipment	Furniture & Equipment	Total
<b>Cost</b>					
<b>Balance January 1, 2016</b>	\$135,975	\$585,958	\$1,744,511	\$685,939	\$3,152,383
Reclass	-	57,915	371,059	63,647	492,621
Additions	-	-	-	-	-
Disposals	-	-	-	(516)	(516)
Foreign exchange	-	(1,566)	(10,023)	(1,341)	(12,930)
<b>Balance December 31, 2016</b>	<b>\$135,975</b>	<b>\$642,307</b>	<b>\$2,105,547</b>	<b>\$747,729</b>	<b>\$3,631,558</b>
Reclass	-	-	415,422	-	415,422
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Foreign exchange	(5,410)	(50,392)	(179,867)	(54,134)	(289,804)
<b>Balance September 30, 2017</b>	<b>\$130,565</b>	<b>\$591,915</b>	<b>\$2,341,102</b>	<b>\$693,595</b>	<b>\$3,757,176</b>
<b>Accumulated Amortization</b>					
<b>Balance January 1, 2016</b>	\$0	(\$580,391)	(\$1,118,042)	(\$257,961)	(\$1,956,394)
Reclass	-	(4,483)	(238,799)	(107,471)	(350,753)
Amortization	-	-	-	-	-
Disposals	-	122	4,363	3,209	7,694
Additions	-	-	-	-	-
Foreign exchange	-	-	-	-	-
<b>Balance December 31, 2016</b>	<b>\$0</b>	<b>(\$584,752)</b>	<b>(\$1,352,478)</b>	<b>(\$362,223)</b>	<b>(\$2,299,453)</b>
Reclass	-	-	-	-	-
Amortization	-	(5,638)	(165,031)	(30,006)	(200,675)
Disposals	-	-	-	-	-
Additions	-	-	-	-	-
Foreign exchange	-	35,304	88,075	18,128	141,507
<b>Balance September 30, 2017</b>	<b>\$0</b>	<b>(\$555,086)</b>	<b>(\$1,429,434)</b>	<b>(\$374,102)</b>	<b>(\$2,358,622)</b>
<b>Carrying Amounts</b>					
<b>At December 31, 2016</b>	<b>\$135,975</b>	<b>\$57,555</b>	<b>\$753,069</b>	<b>\$385,506</b>	<b>\$1,332,105</b>
<b>At September 30, 2017</b>	<b>\$130,565</b>	<b>\$36,829</b>	<b>\$911,668</b>	<b>\$319,493</b>	<b>\$1,398,554</b>

## LATIN AMERICAN MINERALS INC.

### FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

Expressed in Canadian Dollars  
(Unaudited)

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 6) Property rights, evaluation and exploration assets

	Paso Yobai	Itapoty	Total
<b>Carrying value</b>			
<b>Balance January 1, 2016</b>	<b>\$17,206,849</b>	<b>\$72,040</b>	<b>\$17,278,889</b>
Additions	1,340,325	-	1,340,325
Disposals	-	-	-
Interest capitalized	66,820	-	66,820
Amortization	267,982	-	267,982
Provision for environmental remediation	(7,480)	-	(7,480)
Write-down of mineral property	-	(70,048)	(70,048)
Foreign exchange	(12,357)	(1,992)	(14,349)
<b>Balance December 31, 2016</b>	<b>\$18,862,139</b>	<b>\$0</b>	<b>\$18,862,139</b>
Additions	1,017,995	-	1,017,995
Disposals	-	-	-
Interest capitalized	214,424	-	214,424
Amortization capitalized	185,973	-	185,973
Provision for environmental remediation	-	-	-
Write-down of mineral property	-	-	-
Foreign exchange	(1,662,766)	-	(1,662,766)
<b>Balance September 30, 2017</b>	<b>\$18,617,766</b>	<b>\$0</b>	<b>\$18,617,766</b>

#### *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 nine months ended September 30, 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 December 31, 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, 2016 – discount rate of 2.94% and inflation rate of 3.9%) in the amount of \$232,683 (December 31, 2016 – \$232,683). During the period ended September 30, 2017 the foreign exchange loss on the provision was \$nil (year ended 31 December 2016 - \$7,480) which has been recorded in the consolidated statements of loss and comprehensive loss for the periods ended September 30, 2017.

## LATIN AMERICAN MINERALS INC.

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

Expressed in Canadian Dollars  
(Unaudited)

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The reclamation obligation may change materially based on future changes in operations, costs of reclamation, discount rates and closure activities, and regulatory requirements.

#### 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 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 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.

	September 30, 2017	December 31, 2016
<b>Opening balance</b>	<b>\$561,760</b>	<b>\$754,730</b>
New borrowings		-
Repayments	(107,126)	(221,189)
Interest capitalized in proeprty rights, evaluation and exploration costs	42,132	66,820
Interest paid on term lon and line of credit	(42,132)	(66,820)
Foreign exchange	(34,715)	28,219
<b>Ending Balance</b>	<b>\$419,919</b>	<b>\$561,760</b>
<b>Current portion</b>	<b>\$161,244</b>	<b>\$161,244</b>
<b>Non-current portion</b>	<b>\$258,675</b>	<b>\$400,516</b>

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

Further commitments of the Company are described in Note 12.

## LATIN AMERICAN MINERALS INC.

### FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

Expressed in Canadian Dollars  
(Unaudited)

## 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
<b>Balance January 1, 2016</b>	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	<u>70,439,533</u>
Balance at 1 January 2017	<b>70,439,533</b>
Shares issued on private placement	<b>14,618,167</b>
<b>Balance September 30, 2017</b>	<b><u>85,057,700</u></b>

#### During the period ended September 30, 2017

On May 18, 2017 the Company closed the first tranche of a non-brokered private placement (the “First Tranche”) 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.

On June 2, 2017 the Company closed the second tranche (the “Second Tranche”) by issuing 1,508,333 units at a price of \$0.12 per unit for gross proceeds of \$181,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles 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. Together with the First Tranche, the Company raised a total of \$1,674,420, through the issuance of 13,953,500 units.

In connection with First and Second Tranches, the Company incurred \$80,640 in cash transaction costs, \$79,760 in issuances of 664,667 units in lieu of cash, and recorded \$128,000 for the issuance of broker’s warrants.

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

Assumption	June 2, 2017	May 18, 2017
Share price	\$0.13	\$0.14
Risk-free rate	0.69%	0.67%
Expected dividend yield	0.00%	0.00%
Expected volatility	228.00%	229.00%
Warrant life in years	2.00	2.00

## LATIN AMERICAN MINERALS INC.

### FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

*Expressed in Canadian Dollars  
(Unaudited)*

#### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

##### During the year ended December 31, 2016

On April 8, 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 June 10, 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 June 28, 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 July 7, 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 July 15, 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.

## LATIN AMERICAN MINERALS INC.

### FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

Expressed in Canadian Dollars  
(Unaudited)

#### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

Assumption	April 8, 2016	June 10, 2016	June 28, 2016	July 7, 2016	July 15, 2016
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 September 30, 2017

On June 5, 2017 the Company granted 1,150,000 incentive stock options to officers of the Company. These options are exercisable at a price of \$0.15 per common share for a period of five years from the date of grant with all options vesting immediately.

On July 18, 2017 the Company granted 1,000,000 incentive stock options to a consultant of the Company who subsequently became an officer of the Company. These options are exercisable at a price of \$0.15 per common share for a period of five years from the date of grant with all options vesting immediately.

On September 11, 2017 the Company granted 845,000 incentive stock options to officers of the Company. These options are exercisable at a price of \$0.15 per common share for a period of five years from the date of grant with all options vesting evenly over the following 12 -months of the grant date.

##### During the year ended December 31, 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.

## LATIN AMERICAN MINERALS INC.

### FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

Expressed in Canadian Dollars  
(Unaudited)

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes information about stock options outstanding as at September 30, 2017:

Expiry date	Exercise Price	September-30 2017 Outstanding	September-30 2017 Exercisable
December-31-2017	\$0.12	300,000	300,000
April-17-2018	\$1.50	69,000	69,000
July-7-2019	\$0.17	350,000	350,000
July-26-2021	\$0.35	2,000,000	2,000,000
August-22-2021	\$0.37	500,000	500,000
June-5-2022	\$0.15	1,150,000	1,150,000
July-18-2022	\$0.15	1,000,000	1,000,000
September-11-2022	\$0.15	845,000	43,986
		<b>6,214,000</b>	<b>5,412,986</b>

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

Stock option activity	30-September 2017	Weighted Average Exercise price	31-December 2016	Weighted Average Exercise price
<b>Balance – beginning of period</b>	6,839,000	\$0.36	2,546,500	\$0.24
Granted	2,995,000	\$0.15	5,250,000	\$0.35
Exercised	-	-	(900,000)	\$0.12
Expired	(3,120,000)	\$0.35	(12,500)	-
Forfeited	(500,000)	\$0.37	(45,000)	-
<b>Balance – end of period</b>	6,214,000	\$0.26	6,839,000	\$0.36

During the period ended September 30, 2017, \$286,038 (2016 - \$1,308,456) was expensed as share-based payments.

The total fair value of stock options granted during the nine months ended September 30, 2017 was \$286,038 and was based on the following assumptions:

Assumption	September 11, 2017	July 18, 2017	June 5, 2017
Share price	\$0.14	\$0.12	\$0.14
Risk-free rate	0.69%	0.69%	0.67%
Expected dividend yield	0.00%	0.00%	0.00%
Expected volatility	234.08%	235.09%	229.00%
Warrant life in years	5.00	5.00	5.00

## LATIN AMERICAN MINERALS INC.

### FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

Expressed in Canadian Dollars  
(Unaudited)

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

#### c) Warrants

The following table summarizes warrants outstanding at September 30, 2017:

<b>Date of Issuance</b>	<b>Date of Expiry</b>	<b>Exercise Price</b>	<b>September-30 2017 Outstanding</b>
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-2016	7-July-2018	\$0.15	10,703,716
15-July-2016	15-July-2018	\$0.15	18,778,084
15-May-2017	15-May-2019	\$0.15	13,953,500
2-June-2017	2-June-2019	\$0.12	1,082,280
			<b>71,386,298</b>

	<b>September-30 2017</b>
The outstanding warrants have a weighted-average exercise price of:	\$0.15
The weighted average remaining life in years of the outstanding warrants is:	1.03

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

<b>Warrant activity</b>	<b>September-30 2017</b>	<b>Weighted Average Exercise price</b>	<b>December-31 2016</b>	<b>Weighted Average Exercise price</b>
<b>Balance – beginning of period</b>	56,735,018	\$0.16	18,923,787	\$0.11
Issuance of special warrants	-	\$0.00	1,186,369	\$0.10
Issued on private placements	15,700,447	\$0.12	39,827,500	\$0.15
Issued from exercise of broker warrants	-	\$0.00	946,258	\$0.15
Exercised	-	\$0.00	(3,121,396)	\$2.13
Expired	(1,049,167)	\$0.25	(1,027,500)	\$1.59
<b>Balance – end of period</b>	<b>71,386,298</b>	<b>\$0.15</b>	<b>56,735,018</b>	<b>\$0.15</b>

## LATIN AMERICAN MINERALS INC.

### FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

Expressed in Canadian Dollars  
(Unaudited)

## 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:

Name and princial position	Year	Remuneration or fees <sup>(1)</sup>	Share based payments <sup>(1)</sup>	Included in accounts payable <sup>(1)</sup>
Mathew Wilson, CEO - management fees	2017	\$40,000	\$97,500	\$10,000
	2016	-	-	-
Dennis Logan, CFO - management fees	2017	\$7,000	\$118,900	\$7,000
	2016	-	-	-
Bira De Oliveira, COO - management fees	2017	\$6,240	\$117,300	\$6,240
	2016	-	-	-
Paul Sarjeant, former VP Exploration - management fees	2017	\$24,000	\$32,500	\$6,000
	2016	-	-	-
Basil Botha, former CEO – management fees	2017	\$25,000	-	-
	2016	-	\$232,000	\$5,734
Miles Rideout, former CEO – management fees	2017	\$13,000	-	-
	2016	6,000	\$46,500	\$3,239
Grant T. Smith (Clearline CPA), former CFO – management fees	2017	\$63,000	-	\$14,700
	2016	\$17,000	-	\$14,700
Tim Lallas, former CFO – management fees	2017	-	-	-
	2016	\$8,000	-	-
Julio Martinez, former CFO – management fees	2017	-	-	-
	2016	\$27,000	-	\$5,247
Cameron Tymstra, former COO – management fees	2017	\$77,500	-	\$10,000
	2016	\$30,000	\$232,500	\$7,968
Michael Hepworth, former Director – management fees	2017	\$20,000	-	-
	2016	-	-	-

<sup>(1)</sup> Amounts disclosed were paid or accrued to the related party during the nine month period ended September 30, 2017 and September 30, 2016.

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.

## LATIN AMERICAN MINERALS INC.

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

Expressed in Canadian Dollars  
(Unaudited)

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

#### 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 September 30, 2017 and December 31, 2016 all the Company's non-current assets were located in South America.

#### 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:

	<b>Amount</b>
2018	\$59,884
2019	59,884
2020	59,884
2021	59,884
<b>Total</b>	<b>\$239,536</b>

#### 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 December 31, 2016 and September 30, 2017.

#### 14) Subsequent event

On November 13, 2017 the Company announced a non-brokered private placement of up to 20,000,000 units ("Units") at a price of \$0.075 per Unit for gross proceeds of up to \$1,500,000 (the "Offering"). Each Unit, when issued, will be 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 of the Company for a period of sixty (60) months from the closing of the Offering at a price of \$0.10 per common share. Net proceeds from the Offering will be used for general working capital purposes.