

# **ALTIPLANO MINERALS LTD.**

Condensed Interim Financial Statements

For the three and nine months ended September 30, 2017 and 2016

To the shareholders of Altiplano Minerals Ltd:

The condensed interim financial statements of Altiplano Minerals Ltd. (the "Company") for the three and nine months ended September 30, 2017 and 2016 have been compiled by management.

No audit or review of this information has been performed by the Company's auditors.

As at	September 30 2017	December 31 2016
<b>Assets</b>		
Current		
Cash	\$ 266,181	\$ 58,557
Goods and services tax receivable	29,891	16,266
Prepayments and deposits	7,000	7,100
	<hr/>	<hr/>
	303,072	81,923
Investments		
Exploration and evaluation properties (note 4)	10,000	16,250
Deposit on exploration and evaluation properties	2,387,893	96,869
	-	135,190
	<hr/>	<hr/>
	\$ 2,700,965	\$ 330,232
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 100,475	\$ 44,945
	<hr/>	<hr/>
<b>Equity</b>		
Share capital (note 4)	5,284,480	2,218,205
Option and warrant reserve	457,286	306,500
Deficit	(3,141,276)	(2,239,418)
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	2,600,490	285,287
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	\$ 2,700,965	\$ 330,232
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Approved by the Board of Directors

Director (signed by) "Sean Maqer"

Director (signed by) "John Williamson"

The accompanying notes form an integral part of these financial statements

## ALTIPLANO MINERALS LTD.

## Condensed Interim Statements of Loss and Comprehensive Loss

*(unaudited)*

For the	three months ended Sep 30		nine months ended Sep 30	
	2017	2016	2017	2016
<b>Expenses</b>				
Management fees	\$ 38,470	\$ 24,708	\$ 179,514	\$ 50,171
Project evaluation fees	-	1,500	-	10,765
Office and administration	48,680	21,541	97,183	47,362
Regulatory and filing fees	3,782	1,111	51,721	24,222
Professional fees	13,452	11,955	62,150	39,392
Investor relations	61,101	5,616	458,761	12,551
Share-based payments (note 5)	-	33,000	65,000	33,000
	<b>(165,485)</b>	<b>(99,431)</b>	<b>(914,329)</b>	<b>(217,463)</b>
<b>Other</b>				
Interest income	-	-	43	2
Unrealized gain (loss) on investments	(2,500)	1,250	(6,250)	(8,750)
Gain on foreign exchange	-	-	18,678	-
<b>Net loss and comprehensive loss</b>	<b>\$ (167,985)</b>	<b>\$ (98,181)</b>	<b>\$ (901,858)</b>	<b>\$ (226,211)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ (0.03)</b>
Basic and diluted weighted average number of common shares outstanding	33,566,312	10,714,314	27,688,491	8,376,928

*The accompanying notes form an integral part of these financial statements*

ALTIPLANO MINERALS LTD.  
Condensed Interim Statements of Changes in Equity

(unaudited)

	Share capital	Option and warrant reserve	Deficit	Total equity
<b>Balance at December 31, 2015</b>	<b>\$ 1,655,944</b>	<b>\$ 273,500</b>	<b>\$(1,871,634)</b>	<b>\$ 57,810</b>
Shares issued for cash	600,000	-	-	600,000
Share issuance costs	(40,203)	-	-	(40,203)
Share-based payments	-	33,000	-	33,000
Net loss	-	-	(226,211)	(226,211)
<b>Balance at September 30, 2016</b>	<b>\$ 2,215,741</b>	<b>\$ 306,500</b>	<b>\$(2,097,485)</b>	<b>\$ 424,396</b>
Share issuance costs	2,464	-	-	2,464
Net loss	-	-	(141,933)	(141,933)
<b>Balance at December 31, 2016</b>	<b>\$ 2,218,205</b>	<b>\$ 306,500</b>	<b>\$(2,239,418)</b>	<b>\$ 285,287</b>
Shares issued for cash (note 5)	3,427,800	-	-	3,427,800
Share issuance costs	(361,525)	-	-	(361,525)
Share-based payments (note 5)	-	150,786	-	150,786
Net loss	-	-	(901,858)	(901,858)
<b>Balance at September 30, 2017</b>	<b>\$ 5,284,480</b>	<b>\$ 457,286</b>	<b>\$(3,141,276)</b>	<b>\$ 2,600,490</b>

*The accompanying notes form an integral part of these financial statements*

<b>For the nine months ended</b>	<b>September 30 2017</b>	<b>September 30 2016</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss for the period	\$ (901,858)	\$ (226,211)
Items not affecting cash:		
Unrealized loss on investments	6,250	8,750
Share-based payments (note 5)	65,000	33,000
Changes in non-cash working capital:		
Goods and services tax receivable	(1,910)	(9,897)
Accounts receivable and prepaids	(11,617)	2,817
Accounts payable and accrued liabilities	55,532	(31,103)
Cash used in operating activities	<u>(788,603)</u>	<u>(222,644)</u>
<b>Investing activities</b>		
Exploration and evaluation property acquisition payments (note 4)	(1,946,392)	-
Exploration and evaluation property working capital (note 4)	15,485	-
Exploration and evaluation property exploration expenditures (note 4)	(224,927)	-
Cash used in investing activities	<u>(2,155,834)</u>	-
<b>Financing activities</b>		
Proceeds from private placements (note 5)	3,000,000	600,000
Proceeds from exercise of warrants (note 5)	427,800	-
Cash share issuance costs	(275,739)	(40,203)
Cash provided by financing activities	<u>3,152,061</u>	<u>559,797</u>
<b>Net increase in cash</b>	<b>207,624</b>	<b>337,153</b>
Cash, beginning of period	<u>58,557</u>	<u>54,401</u>
<b>Cash, end of period</b>	<u>\$ 266,181</u>	<u>\$ 391,554</u>

During the nine months ended September 30, 2017, the Company received interest totaling \$43 (2016 - \$2) relating to operating activities.

The Company did not pay interest or dividends, nor did it receive any dividends, in either of the nine months ended September 30, 2017 or 2016.

*The accompanying notes form an integral part of these financial statements*

**1. Nature of operations**

Altiplano Minerals Ltd. (“Altiplano” or the “Company”) was incorporated under the Business Corporations Act (Alberta) on March 5, 2010. On November 10, 2010, the Company was continued into the Province of British Columbia under the *Business Corporations Act* (British Columbia). The Company’s common shares are listed for trading on the TSX Venture Exchange under the trading symbol “APN”, on the OTCQB Venture Market under the trading symbol “ALTPF”, and on the Frankfurt Stock Exchange under the trading symbol “9AJ1”. The Company’s head office is at Suite 210, 8429-24 Street NW, Edmonton, Alberta, T6P 1L3. The Company is focused on evaluating and acquiring exploration projects with significant potential for advancement from discovery through to production, in Canada and abroad.

**2. Basis of presentation**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2016, prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These financial statements were authorized for issue by the Audit Committee of the Company on November 29, 2017.

These condensed interim financial statements are presented in Canadian Dollars, unless otherwise noted and have been prepared on a historical cost basis. The Canadian dollar is the functional and presentation currency of the Company.

The accounting policies applied in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company’s consolidated financial statements for the year ended December 31, 2016, unless otherwise stated.

**3. Management estimates and judgments**

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its condensed interim financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The areas which require management to make significant estimates, judgments and assumptions in determining carrying values are consistent with those applied and disclosed in the Company’s financial statements for the year ended December 31, 2016, unless otherwise stated.

**4. Exploration and evaluation properties**Comet Joint Venture

During the period ended September 30, 2017, the Company entered into a definitive earn-in and joint venture agreement (the "Agreement") with Comet Exploration Ltd. ("Comet") in respect of acquiring a participating interest in a joint venture (the "CJV") on two copper and gold projects called the Farellon and Maria Luisa projects, which are located near the town of La Serena, Republic of Chile (collectively, the "Projects"). Comet is a private Australian exploration and development company with a focus in Chile principally in base metal and gold projects, held through its Chilean subsidiary.

Pursuant to the Agreement, the Company may earn up to an initial 20%, 35% or 50% interest in the CJV, by funding up to an aggregate of US\$0.75 million, US\$1.25 million, or US\$2.0 million, on or before the date of acceptance of the Agreement for filing by the TSX Venture Exchange, March 30, 2017, and August 1, 2017, respectively.

As at September 30, 2017, the Company had advanced an aggregate of US\$1,550,000 (\$2,081,582), and held a 35% interest in the CJV. Both parties agreed to extend the August 1, 2017 funding deadline until December 31, 2017.

Total costs incurred by the Company on the CJV are summarized as follows:

	<u>Acquisition</u>	<u>Exploration</u>	<u>Total</u>
Balance, December 31, 2016	\$ 135,190	\$ -	\$ 135,190
Acquisition costs	1,946,392	-	1,946,392
Fieldwork	-	199,283	183,798
Balance, September 30, 2017	<b>\$ 2,081,582</b>	<b>\$ 199,283</b>	<b>\$ 2,280,865<sup>(i)</sup></b>

- (i) The Company has recognized its proportionate share (35%) of working capital of the CJV, and has therefore allocated its investment in the CJV as follows on the statements of financial position: cash \$15,485; exploration and evaluation properties \$2,265,380.

Subsequent to the period, in November 2017, Altiplano fulfilled its remaining funding obligations and now holds a 50% interest in the CJV.

Orogrande Property

Total costs incurred on the Orogrande Property are summarized as follows:

	<u>Acquisition</u>	<u>Exploration</u>	<u>Total</u>
Balance, December 31, 2016	\$ 93,142	\$ 3,727	\$ 96,869
Additional staking	23,374	-	23,374
Fieldwork	-	2,270	2,270
Balance, September 30, 2017	<b>\$ 116,516</b>	<b>\$ 5,997</b>	<b>\$ 122,513</b>

**5. Share capital**

## a) Common shares

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

A summary of changes in common share capital in the period is as follows:

	Number of shares	Amount
<b>Balance at December 31, 2016</b>	<b>10,714,312</b>	<b>\$ 2,218,205</b>
Shares issued in private placements	20,000,000	3,000,000
Shares issued upon the exercise of warrants	2,852,000	427,800
Share issuance costs	-	(361,525)
<b>Balance at September 30, 2017</b>	<b>33,566,312</b>	<b>\$ 5,284,480</b>

On February 27, 2017, the Company completed a non-brokered private placement of 20.0 million units at \$0.15 per unit to raise \$3,000,000 in gross proceeds. Each unit consisted of one common share and one non-transferable share purchase warrant of the Company. Each warrant is exercisable to acquire one additional common share at \$0.25 per share until February 27, 2019. The Company also paid finders' fees of \$190,636 and issued 1,270,909 warrants to certain arm's length finders.

## b) Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options. The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than death, one year after the death of an optionee or on the tenth anniversary of the date the option was granted.

A summary of stock option activity in the periods is as follows:

	Number of options	Weighted average exercise price
<b>Outstanding options December 31, 2016</b>	<b>550,000</b>	<b>\$ 0.12</b>
Issued	500,000	0.20
Expired	(250,000)	0.12
<b>Outstanding options September 30, 2017</b>	<b>800,000</b>	<b>\$ 0.15</b>

On June 8, 2017, the Company granted stock options to acquire up to an aggregate 500,000 common shares of the Company under the Plan, vesting immediately upon grant. The stock options are exercisable at a price of \$0.20 per common share and have an expiry date of June 8, 2022 or earlier in accordance with the terms of the Plan.

ALTIPLANO MINERALS LTD.

Notes to the Condensed Interim Financial Statements

For three and nine months ended September 30, 2017 and 2016

(unaudited)

The estimated fair value of these options of \$65,000, or \$0.13 per option, has been recorded as share-based compensation expense in the 2017 fiscal year and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$0.20; expected life, 5 years; expected volatility, 80%; risk-free rate 0.94%; expected dividends, 0%. The options were issued with an exercise price equal to the quoted market price of the Company's common shares on the date of issuance.

A summary of the options outstanding and exercisable is as follows:

September 30, 2017			December 31, 2016		
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of options	Remaining contractual life (years)
\$ 0.12	500,000	3.9	\$ 0.12	550,000	4.7
0.20	300,000	4.6	-	-	-
<b>\$ 0.15</b>	<b>800,000</b>	<b>4.2</b>	<b>\$ 0.12</b>	<b>550,000</b>	<b>4.7</b>

c) Warrants

A summary of share purchase warrant activity in the periods is as follows:

	Number of warrants	Weighted average exercise price
<b>Outstanding warrants, December 31, 2016</b>	<b>3,000,000</b>	<b>\$ 0.15</b>
Issued in private placement	21,270,909	0.25
Exercised	(2,852,000)	0.15
Expired	(148,000)	0.15
<b>Outstanding warrants, September 30, 2017</b>	<b>21,270,909</b>	<b>\$ 0.25</b>

A summary of the warrants outstanding and exercisable is as follows:

September 30, 2017			December 31, 2016		
Exercise Price	Number of warrants	Remaining contractual life (years)	Exercise Price	Number of warrants	Remaining contractual life (years)
\$ 0.25	20,000,000	1.4	\$ 0.15	3,000,000	0.2
0.25	1,270,909	1.4	-	-	-
<b>\$ 0.25</b>	<b>21,270,909</b>	<b>1.4</b>	<b>\$ 0.15</b>	<b>3,000,000</b>	<b>0.2</b>

**6. Financial instruments and risk management**

The Company is exposed to the following financial risks:

- i) Market risk
- ii) Credit risk
- iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

*Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian Dollars. The Company's currency risk is limited to its future payments denominated in foreign currency for its Orogrande Property and Comet Joint Venture.

*Interest rate risk*

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds no interest-bearing financial liabilities, therefore interest rate risk is limited to potential decreases on the interest rate offered on cash held with its financial institution. The Company considers this risk to be minimal.

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held with reputable institutions in Canada. The Company is not exposed to any material credit risk. The Company's maximum exposure to credit risk is \$266,181 (2016 - \$58,557).

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company regularly monitors working capital positions and updates spending plans as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board. As at September 30, 2017, all of the Company's financial liabilities are due within one year.

As at September 30, 2017, the Company's working capital was \$202,597 (2016 - \$404,646) and it does not have any monetary long-term liabilities.

Determination of fair value

The statements of financial position carrying amounts for cash, accounts receivable, and accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

**7. Related party transactions**

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

<b>For the six months ended</b>	<b>September 30 2017</b>	<b>September 30 2016</b>
Management fees paid to key management and directors	\$ 164,500	\$ 33,000
Investor relations fees paid to a director	45,000	-
Office and admin fees paid to a corporation controlled by key management	<u>19,800</u>	<u>35,946</u>
	<b><u>\$ 229,300</u></b>	<b><u>\$ 68,946</u></b>

The Company has a deposit of \$5,000 with a corporation controlled by key management for one month's office, accounting, and administration expenses and is included in prepayments and deposits as of September 30, 2017.

**8. Subsequent events**

Subsequent to the period, Altiplano received approval from the TSX Venture Exchange to amend the exercise price of 20,000,000 share purchase warrants ("Warrants") to an exercise price of \$0.17 per Warrant, down from \$0.25 per Warrant. The Warrants were issued in connection with a previous financing of the Company which closed on February 27, 2017. No change was made to the expiry date of February 27, 2019.