

ALTIPLANO METALS INC.

Consolidated Condensed Interim Financial Statements

For the three and nine months ended September 30, 2019 and 2018

To the shareholders of Altiplano Metals Inc:

The consolidated condensed interim financial statements of Altiplano Metals Inc. (the "Company") for the three and nine months ended September 30, 2019 and 2018 have been compiled by management.

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

ALTIPLANO METALS INC.
 Consolidated Condensed Interim Statements of Financial Position

(unaudited)

As at	September 30 2019	December 31 2018
Assets		
Current		
Cash	\$ 50,004	\$ 48,437
Accounts receivable	144,632	152,041
Goods and services tax receivable	349,617	394,096
Prepayments and deposits	76,510	92,727
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	620,763	687,301
Investments (note 7)	74,039	85,631
Equipment (note 6)	204,399	256,342
Exploration and evaluation properties (note 4)	6,492,700	6,585,060
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	\$ 7,391,901	\$ 7,614,334
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Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 767,293	\$ 505,874
Payroll liabilities	55,221	54,072
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	822,514	559,946
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Equity		
Share capital (note 5)	12,115,792	11,892,330
Option and warrant reserve	1,286,739	1,083,190
Accumulated other comprehensive income	(343,156)	(96,229)
Deficit	(6,489,988)	(5,824,903)
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	6,569,387	7,054,388
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	\$ 7,391,901	\$ 7,614,334
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Approved by the Board of Directors

Director (signed by) "John Williamson"

Director (signed by) "Sean Mager"

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

ALTIPLANO METALS INC.

Consolidated Condensed Interim Statements of Loss and Comprehensive Loss

(unaudited)

For the	three months ended Sep 30		nine months ended Sep 30	
	2019	2018	2019	2018
Expenses				
Management fees	\$ 33,730	\$ 61,296	\$ 67,148	\$ 181,179
Office and administration	20,336	22,549	54,368	94,889
Regulatory and filing fees	5,581	211	25,272	36,979
Professional fees	17,946	1,277	157,447	94,104
Investor relations	24,990	39,860	79,206	428,755
Share-based payments (note 5)	197,500	-	197,500	676,500
	(300,083)	(125,193)	(580,941)	(1,512,406)
Other				
Interest income	-	-	-	49
Unrealized loss on investments	(1,199)	(38,900)	(8,166)	(38,900)
Loss on foreign exchange	(91,613)	(110,041)	(75,978)	(114,849)
Loss on disposal of exploration and evaluation property	-	(384,903)	-	(384,903)
Net loss for the period	\$ (392,895)	\$ (659,037)	\$ (665,085)	\$ (2,051,009)
Other comprehensive loss				
Item that may be reclassified subsequently to profit and loss:				
Loss on translation of foreign operations	(144,559)	-	(246,927)	-
Comprehensive loss for the period	\$ (537,454)	\$ (659,037)	\$ (912,012)	\$ (2,051,009)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.03)
Basic and diluted weighted average number of common shares outstanding	67,883,933	64,718,187	67,134,741	58,661,237

The accompanying notes form an integral part of these financial statements

ALTIPLANO METALS INC.

Consolidated Condensed Interim Statements of Changes in Equity

(unaudited)

	Share capital	Option and warrant reserve	AOCI	Deficit	Total equity
Balance at December 31, 2017	\$ 6,230,497	\$ 657,921	\$ -	\$ (3,613,211)	\$ 3,275,207
Shares issued for cash	200,000	-	-	-	200,000
Shares issued for property	1,725,000	-	-	-	1,725,000
Share issuance costs	(26,156)	-	-	-	(26,156)
Share-based payments	-	676,500	-	-	676,500
Options exercised	314,843	(140,927)	-	-	173,916
Warrants exercised	2,637,146	(99,304)	-	-	2,537,842
Net loss	-	-	-	(2,051,009)	(2,051,009)
Balance at September 30, 2018	\$11,801,330	\$ 1,094,190	\$ -	\$ (5,664,220)	\$ 7,231,300
Advanced share subscription received	50,000	-	-	-	50,000
Shares issued for property	30,000	-	-	-	30,000
Options exercised	11,000	(11,000)	-	-	-
Other comprehensive loss	-	-	(96,229)	-	(96,229)
Net loss	-	-	-	(160,683)	(160,683)
Balance at December 31, 2018	\$11,892,330	\$ 1,083,190	\$ (96,229)	\$ (5,824,903)	\$ 7,054,388
Advanced share subscription received (note 5)	(17,400)	-	-	-	(17,400)
Shares issued for cash (note 5)	271,500	-	-	-	271,500
Share issuance costs	(30,638)	6,049	-	-	(24,589)
Share-based payments	-	197,500	-	-	197,500
Other comprehensive loss	-	-	(246,927)	-	(246,927)
Net loss	-	-	-	(665,085)	(665,085)
Balance at September 30, 2019	\$12,115,792	\$ 1,286,739	\$ (343,156)	\$ (6,489,988)	\$ 6,569,387

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

For the nine months ended	September 30 2019	September 30 2018
Cash provided by (used in):		
Operating activities		
Net loss for the period	\$ (665,085)	\$ (2,051,009)
Items not affecting cash:		
Foreign exchange loss on investment	3,426	6,756
Share-based payments	197,500	676,500
Unrealized loss on investments	8,166	38,900
Loss on disposal of exploration and evaluation property	-	384,903
Changes in non-cash working capital:		
Goods and services tax receivable	54,309	(60,041)
Accounts receivable and prepaids	154,770	106,095
Accounts payable and accrued liabilities	(156,503)	(36,866)
Cash used in operating activities	<u>(403,417)</u>	<u>(934,762)</u>
Investing activities		
Exploration and evaluation property exploration expenditures (note 4)	(1,668,468)	(2,200,826)
Exploration and evaluation property exploration recoveries (note 4)	1,762,101	330,849
Investments	-	(53,536)
Cash provided by (used in) investing activities	<u>93,633</u>	<u>(1,923,513)</u>
Financing activities		
Proceeds from private placements (note 5)	196,911	200,000
Proceeds from exercise of warrants (note 5)	-	2,537,842
Proceeds from option exercises (note 5)	-	173,916
Cash share issuance costs	-	(26,156)
Share subscription received (note 5)	32,600	-
Cash provided by financing activities	<u>229,511</u>	<u>2,885,602</u>
Foreign exchange effect on cash	81,839	-
Net increase in cash	1,566	27,327
Cash, beginning of period	<u>48,438</u>	<u>58,327</u>
Cash, end of period	<u>\$ 50,004</u>	<u>\$ 85,654</u>

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

1. Nature of operations

Altiplano Metals Inc. (“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 300, 250 Southridge NW, Edmonton, Alberta, T6H 4M9.

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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on November 28, 2019.

These consolidated financial statements include the accounts of the Company, and its wholly owned subsidiaries Altiplano Minerals Chile SPA, and SCM Comet Exploration Chile. All intercompany transactions and balances have been eliminated.

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Altiplano Minerals Chile SPA	Chile	100%	Holding company
SCM Comet Exploration Chile	Chile	100%	Holds mineral interests in Chile

These consolidated financial statements are prepared using the functional currency of the Company and each of its subsidiaries. Functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of Altiplano is the Canadian Dollar and the functional currency of Altiplano Chile and Comet Chile is the Chilean Peso. The Canadian dollar is the presentation currency of the Company. All entities whose functional currency differs from the presentation currency are translated as follows: assets and liabilities at the closing rate as at the reporting date and income and expenses at the average rate of the period. All resulting changes are recognized in other comprehensive loss as cumulative translation differences.

These consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian Dollars unless otherwise noted.

3. Management estimates and judgments

The preparation of these consolidated condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its consolidated 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.

ALTIPLANO METALS INC.

Notes to the Consolidated Condensed Interim Financial Statements
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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, 2018, unless otherwise stated.

4. Exploration and evaluation properties

Farellon and Maria Luisa Properties

In January of 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 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 would have earned up to an initial 20%, 35% or 50% interest in the CJV, by funding expenditures up to an aggregate of US\$0.75 million, US\$1.25 million, or US\$2.0 million respectively. In November of 2017, Altiplano completed US\$2.0 million in funding requirements to earn a 50% interest in the CJV.

On September 18, 2018, the Company completed a transaction to acquire 100% interest in the Farellon and Maria Luisa projects.

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, 2018	\$ 5,446,093	\$ 1,138,967	\$ 6,585,060
Fieldwork	-	1,922,263	1,922,263
Recovery on sale of mineralized materials	-	(1,736,801)	(1,736,801)
Foreign exchange translation	-	(277,822)	(277,822)
Balance, September 30, 2019	\$ 5,446,093	\$ 1,046,607	\$ 6,492,700

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
Balance at December 31, 2018	66,073,936	\$ 11,892,330
Shares issued in private placements	1,809,997	271,500
Advanced share subscription	-	(50,000)
Advanced share subscription received	-	32,600
Share issuance costs	-	(30,638)
Balance at September 30, 2019	67,883,933	\$ 12,115,792

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On April 23, 2019, the Company closed the first tranche of a non-brokered private placement of 1,809,977 units at \$0.15 per unit to raise gross proceeds of \$271,500. 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 April 23, 2021. The Company also paid finders' fees of \$12,962 and issued 86,416 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
Outstanding options, December 31, 2018	3,117,250	\$ 0.24
Issued	3,950,000	0.10
Cancelled	(400,000)	0.30
Outstanding options, September 30, 2019	6,667,250	\$ 0.15

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

September 30, 2019			December 31, 2018		
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of options	Remaining contractual life (years)
\$ 0.12	166,500	1.9	\$ 0.12	166,500	2.7
0.20	200,000	2.7	0.20	200,000	3.4
0.15	250,000	3.0	0.15	250,000	3.8
0.14	650,750	3.0	0.14	650,750	3.8
0.30	1,450,000	3.7	0.30	1,850,000	4.4
0.10	3,950,000	4.9	-	-	-
\$ 0.15	6,667,250	4.2	\$ 0.24	3,117,250	4.1

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c) Warrants

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

	Number of warrants	Weighted average exercise price
Outstanding warrants, December 31, 2018	2,839,339	\$ 0.23
Issued	1,896,413	0.20
Expired	(2,039,339)	0.18
Outstanding warrants, September 30, 2019	2,696,413	\$ 0.24

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

Exercise Price	September 30, 2019		Exercise Price	December 31, 2018	
	Number of warrants	Remaining contractual life (years)		Number of warrants	Remaining contractual life (years)
\$ -	-	-	\$ 0.17	1,768,163	0.2
-	-	-	0.25	271,176	0.2
0.35	800,000	1.2	0.35	800,000	1.7
0.20	1,809,997	1.8	-	-	-
0.20	86,416	1.8	-	-	-
\$ 0.24	2,696,413	1.6	\$ 0.23	2,839,339	0.7

- i. 86,416 warrants were issued to agents pursuant to the first tranche of a non-brokered private placement closing on April 23, 2019 as compensation for services provided by the agents. The estimated fair value of the agents' warrants of \$6,049, or \$0.07 per agents' warrant, has been recorded as a decrease to share capital as a cost of share issuance and an increase to option and warrant reserve, and was calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date stock price \$0.11; expected life, 2 years; expected volatility, 161%; risk free rate, 1.57%; expected dividends, 0%.

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6. Equipment

	Machinery equipment	Furniture and fixtures	Computer hardware	Total
Balance, December 31, 2017				
Acquisition of SCM Comet	111,469	47,464	3,762	162,695
Additions	39,541	7,684	1,305	48,530
Depreciation	(10,211)	(3,464)	(452)	(14,127)
Foreign exchange	(5,037)	(2,123)	(168)	(7,328)
Balance, September 30, 2018	\$ 135,762	\$ 49,561	\$ 4,447	\$ 189,770
Additions	75,691	-	-	75,691
Depreciation	(6,854)	(2,461)	(313)	(9,628)
Foreign exchange	365	134	10	509
Balance, December 31, 2018	\$ 204,964	\$ 47,234	\$ 4,144	\$ 256,342
Depreciation	(26,015)	(7,149)	(896)	(34,060)
Foreign exchange	(14,356)	(3,256)	(271)	(17,883)
Balance, September 30, 2019	\$ 164,593	\$ 36,829	\$ 2,977	\$ 204,399

During the nine months ended September 30, 2019, the Company capitalized \$34,060 in depreciation to mineral properties.

7. Investments

As at	September 30 2019	December 31 2018
Financial assets at fair value through profit and loss:		
Listed equity investments (i)	\$ 29,334	\$ 37,500
Non-listed equity investments (ii)	44,705	48,131
	\$ 74,039	\$ 85,631

- (a) The Company holds listed equity shares of publicly which it has classified as financial assets at fair value through profit and loss, carried at a fair value, with an unrealized loss recognized in comprehensive loss for the period. The Company recorded an unrealized loss as of September 30, 2019 of \$8,166 (2018 – \$nil).
- (b) The Company hold equity shares of a non-listed public company which it has classified as financial assets at fair value through profit and loss, carried at a fair value, with an unrealized loss recognized in comprehensive loss for the period. For the nine months ended September 30, 2019, the Company realized a loss on financial assets of \$3,426 (2018 - \$6,756) recorded in net loss relating to foreign exchange.

8. 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 relative to their functional currency. The amount of foreign currency held is nominal.

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 \$50,044 (2018 - \$85,654).

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, 2019, the Company had a working capital deficiency of \$201,751 (2018 - surplus of \$246,912) and it does not have any monetary long-term liabilities. The continuing operations of the Company are dependent upon its ability to obtain adequate financing and to commence profitable operations in the future.

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 investor'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.

9. 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:

For the nine months ended	September 30 2019	September 30 2018
Management fees paid to key management and directors	\$ 65,332	\$ 135,953
Investor relations fees paid to a director	46,000	45,300
Office and admin fees paid to a corporation controlled by key management	<u>34,674</u>	<u>45,691</u>
	<u>\$ 146,006</u>	<u>\$ 226,944</u>

During the nine months ended September 30, 2019, 2,400,000 (2018 – 600,000) options were issued to key management resulting in a non-cash share-based compensation expense of \$120,000 (2018 – \$198,000).

At September 30, 2019, accounts payable and accrued liabilities include \$134,232 (2018 - \$9,612) due to key management, directors of the Company, and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.