

HUAYRA MINERALS CORP.
Consolidated Financial Statements
March 31, 2017
(Expressed in Canadian Dollars)

HUAYRA MINERALS CORP.
Consolidated Statements of Financial Position
(In Canadian Dollars)

	NOTES	As at	
		March 31, 2017 (unaudited)	September 30, 2016 (audited)
ASSETS			
Current assets			
Cash		\$ 41,284	\$ 295,594
Accounts receivable		44,126	7,636
Prepaid expenses and deposits		231,687	-
		317,097	303,230
Non-current assets			
Mineral interests	5	638,055	39,352
TOTAL ASSETS		\$ 955,152	\$ 342,582
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	\$ 659,283	\$ 170,901
Loan		400,000	-
		1,059,283	170,901
EQUITY (DEFICIENCY)			
Share capital	7	8,505,332	8,192,023
Accumulated other comprehensive loss		(734,077)	(735,073)
Accumulated deficit		(7,875,386)	(7,285,269)
		(104,131)	171,681
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		\$ 955,152	\$ 342,582

Commitments (Notes 5 and 9)

Approved on behalf of the Board of Directors on May 27, 2017:

Willem Fuchter

 Director

Hernan Zaballa

 Director

The accompanying notes are an integral part of these consolidated financial statements.

HUAYRA MINERALS CORP.**Consolidated Statements of Comprehensive (Income) Loss***(In Canadian Dollars)*

	Notes	Three months ended March 31,		Six months ended March 31,	
		2017	2016	2017	2016
ADMINISTRATIVE EXPENSES					
Accounting and audit		\$ 17,378	\$ -	\$ 40,014	\$ -
Bank service charges		10,770	-	10,770	-
Directors fees		122,654	-	134,686	-
Insurance		1,524	-	3,108	-
Legal		27,914	-	59,962	-
Office and administration		25,992	90	77,337	90
Regulator's fee		-	-	660	-
Rent		13,819	-	27,275	-
Travel		24,991	-	34,392	-
		<u>245,042</u>	<u>90</u>	<u>388,204</u>	<u>90</u>
Evaluation and exploration	6	95,165	35,856	180,724	113,934
OTHER (INCOME) EXPENSES					
Foreign exchange gain		92	(7,504)	4,559	(29,325)
Listing transaction expense		16,630	-	16,630	-
		<u>356,929</u>	<u>28,442</u>	<u>590,117</u>	<u>84,699</u>
NET(INCOME) LOSS FOR THE PERIOD					
OTHER COMPREHENSIVE (INCOME) LOSS					
Unrealized (gain) loss on translation to reporting currency		(929)	7,608	(996)	(1,120)
		<u>356,000</u>	<u>36,050</u>	<u>\$ 589,121</u>	<u>83,579</u>
COMPREHENSIVE (INCOME) LOSS FOR THE PERIOD					
LOSS (INCOME) PER SHARE					
Basic and diluted		\$ (0.02)	\$ (0.00)	\$ (0.03)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic and diluted		21,367,613	7,061,263	20,667,222	7,061,263

The accompanying notes are an integral part of these consolidated financial statements.

HUAYRA MINERALS CORP.
Consolidated Statements of Changes in Equity (Deficiency)
(In Canadian Dollars)

	Number of shares	Share Capital	Accumulated Other Comprehensive Income (Loss) – Currency Translation Adjustment	Accumulated Deficit	Total
Balances as at September 30, 2015 (audited)	7,061,263	7,552,726	(825,419)	(9,581,557)	(2,854,250)
Net and other comprehensive income for the period	-	-	1,120	(84,699)	(83,579)
Balances as at March 31, 2016 (unaudited)	7,061,263	7,552,726	(824,299)	(9,666,256)	(2,937,829)
Balances as at September 30, 2016 (audited)	19,982,056	\$ 8,192,023	\$ (735,073)	\$ (7,285,269)	\$ 171,681
Warrants exercised	2,900,000	290,000	-	-	290,000
Share issue costs		(6,591)	-	-	(6,591)
Funds received for private placement		29,900	-	-	29,900
Net and other comprehensive income for the period	-		996	(590,117)	(589,121)
Balances as at March 31, 2017 (unaudited)	22,882,057	\$ 8,505,332	\$ (734,077)	\$ (7,875,386)	\$ (104,131)

The accompanying notes are an integral part of these consolidated financial statements.

HUAYRA MINERALS CORP.
Consolidated Statements of Cash Flows
Unaudited
(In Canadian Dollars)

	Six months ended March 31,	
	2017	2016
OPERATING ACTIVITIES		
Net income (loss) for the period	\$ (590,117)	\$ (84,699)
Items not involving cash:		
Foreign exchange gain	4,559	2,389
Changes in non-cash working capital:		
Accounts receivable	(36,490)	(2,662)
Accounts payable and accrued liabilities	483,823	(11,386)
Prepaid	(231,687)	52
Cash used in operating activities	(369,912)	(96,306)
INVESTING ACTIVITY		
Additions to mineral interests	(598,703)	-
Cash used in investing activity	(598,703)	-
FINANCING ACTIVITIES		
Share issue costs	(6,591)	-
Exercise of warrants	290,000	-
Funds received for private placement	29,900	-
Loan	400,000	98,487
Cash provided by financing activities	713,309	98,487
Net change in cash	(255,306)	2,181
	996	-
Cash, beginning of period	295,594	176
Cash, end of period	\$ 41,284	\$ 2,357

The accompanying notes are an integral part of these consolidated financial statements.

HUAYRA MINERALS CORP.
Notes to the Consolidated Financial Statements
Six months ended March 31, 2017
Unaudited
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1. NATURE OF OPERATIONS

Huayra Minerals Corp. (formerly Meryllion Minerals Corp.; “HMC” or “Company”) was incorporated in August 2010 under the laws of British Columbia as a wholly-owned subsidiary of Kaizen Discovery Inc., formerly Concordia Resource Corp. (“Concordia”). Meryllion Resources Corp. (“MRC”) was incorporated on July 25, 2013 under the laws of British Columbia as a wholly-owned subsidiary of Kaizen Discovery Inc. In October 2013, Concordia and MRC entered into a vend-in agreement, whereby MRC issued 17,125,510 common shares to Concordia in exchange for approximately \$4,700,000 in cash, subject to closing adjustments, and Concordia’s 100% interest in HMC. The vend-in agreement resulted in MRC controlling a 100% interest in HMC and Concordia’s indirect interest in the Providencia and Cerro Amarillo Projects and the related assets in Meryllion Argentina SA, a wholly-owned subsidiary of HMC (together called the “Argentine Assets”). Concurrently with the completion of the arrangement, MRC obtained approval to list its common shares on the TSX-V and began trading under the ticker symbol MYR on December 6, 2013. On May 13, 2015 MRC received approval to list its common shares on the Canadian Securities Exchange (“CSE”), and voluntarily delisted its common shares from the TSX Venture Exchange (the “TSXV”).

In April 2016, MRC and Fitzcarraldo Ventures Inc. entered into an agreement to sell all of the issued and outstanding shares of HMC, in consideration for the assumption of the debt accumulated by HMC’s Argentine subsidiary, Meryllion Argentina S.A. (the “Transaction”). The Transaction was approved by the special shareholder meeting of MRC on June 29, 2016. The amount due to MRC was forgiven and accordingly it was written off to operations as at June 30, 2016.

On November 15, 2016, the Company signed a Merger Agreement (“Merger Agreement”) with an unrelated party to acquire 100% of the issued and outstanding securities of the Company by this party. This transaction will constitute a “reverse takeover” pursuant to the policies of the TSXV.

The Company’s head office is located at 750 West Pender St., Suite 303, Vancouver, British Columbia, V6C 2T7.

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in South America.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared on a going-concern basis, which contemplates the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. To date, the Company has not generated revenues from operations and is considered to be in the exploration stage. The amounts shown as mineral interests represent acquisition costs incurred to date and do not necessarily represent current or future values. The underlying value of mineral interests are entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete permitting, exploration, development and future profitable production or proceeds from the disposition thereof.

HUAYRA MINERALS CORP.
Notes to the Consolidated Financial Statements
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2. BASIS OF PRESENTATION (Continued)

The Company does not believe its current working capital is sufficient to maintain its core operations for the next twelve months, and additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. There is no certainty that additional financing at terms that are acceptable to the Company will be available. The Company may raise additional funds through debt, the issuance of shares or through a strategic partnership. The inability to obtain additional financing may cast substantial doubt on the Company's ability to continue as a going concern.

(a) Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "*Interim Reporting*", using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective March 31, 2017.

(b) Basis of presentation

These consolidated financial statements are expressed in Canadian Dollars, the Company's presentation currency and have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out in Note 3 of the audited Consolidated Financial Statements for the year ended September 30, 2016. These accounting policies have been applied consistently to all periods presented in these consolidated financial statements as if the policies have always been in effect.

(c) Basis of consolidation

The consolidated financial statements include the accounts of the Company and the Company's wholly-owned Argentine subsidiary Meryllion Argentina SA, Silver Standard Global Inc. (BVI), Silver Standard Argentina Inc. (BVI) and Pacific Rim Mining Corporation Argentina SA. All inter-company transactions and balances have been eliminated.

(d) Critical accounting estimates and judgements

The preparation of these consolidated financial statements requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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2. BASIS OF PRESENTATION (Continued)

(d) Critical accounting estimates and judgements (continued)

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the determination of environmental obligations, and the recoverability of mineral interests.

Critical accounting judgements

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments, which are discussed below.

Functional currency

In accordance with IAS 21 "*The Effects of Changes in Foreign Exchange Rates*", management determined that the functional currency of HMC is Canadian dollar and Meryllion Argentina SA, Silver Standard Global Inc. (BVI), Silver Standard Argentina Inc. (BVI) and Pacific Rim Mining Corporation Argentina SA is the US dollar, as they are the currencies of the primary economic environments in which the companies operate.

Impairment of mineral interests

The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

Going concern risk assessment

The assessment of the Company's ability to continue as a going concern involves significant judgement. Refer to the first paragraph of our discussion in Note 2.

3. FINANCIAL INSTRUMENTS

(a) Designation and valuation of financial instruments

The Company has designated its cash and accounts receivable as loans-and-receivables, and accounts payable and accrued liabilities as other-financial-liabilities.

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values.

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3. FINANCIAL INSTRUMENTS (Continued)

The Company's financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable:

- Level 1 of the fair value hierarchy includes unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 of the hierarchy includes inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 includes inputs for the asset or liability that are not based on observable market data.

The Company does not have any financial instruments included in Level 1, 2 and 3.

(b) Financial risks

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The Company manages risks to minimize potential losses. The main objective of the Company's risk management process is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk with respect to its cash and accounts receivable. The Company's maximum exposure to credit risk is the amounts disclosed in the consolidated statement of financial position. Credit risk associated with cash is minimized by placing these instruments with major Canadian financial institutions with strong investment-grade ratings as determined by a primary ratings agency. Credit risk associated with accounts receivable is minimal due to the immaterial nature of these miscellaneous receivables.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

At March 31, 2017, the Company had a cash balance of \$41,284 to settle current liabilities of \$946,783. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company intends to finance future requirements from share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

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3. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risks (continued)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market factors. Market risk comprises three types of risk: price risk, interest rate risk and currency risk.

Price risk

Price risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. The Company is not exposed to price risks.

Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

Currency risk

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company is exposed to currency risk through financial assets and liabilities denominated in currencies other than the Canadian dollar, the Company's presentation currency. The Company's financial instruments denominated in currencies that are not the Canadian dollar as at March 31, 2017 are as follows:

	<u>US\$</u>	<u>Argentine Peso</u>	<u>C\$ equivalent</u>
Cash	157	331,805	28,791
Accounts payable and accrued liabilities	-	1,051,131	90,713

The Company's sensitivity analysis suggests that a 10% depreciation or appreciation of the foreign currencies against the Canadian dollar would have resulted in an approximate \$6,192 decrease or increase in the Company's other comprehensive income or loss.

As at March 31, 2017, US dollar amounts have been translated at a rate of C\$1.3030 per US dollar and Argentine peso amounts have been translated at C\$0.0863 per Argentine peso.

4. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development and exploration of its mineral properties and to maintain a flexible capital structure, which optimizes the costs of capital to an acceptable risk.

The Company depends on external financing to fund its activities and there can be no guarantee that external financing will be available at terms acceptable to the Company. The Company does not believe its current working capital is sufficient to maintain its core operations for the next twelve months, and additional funding will be required by the Company to complete its strategic objectives and continue as a going concern.

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4. CAPITAL MANAGEMENT (Continued)

There is no certainty that additional financing at terms that are acceptable to the Company will be available. The capital structure of the Company currently consists of common shares. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt, new shares or warrants.

Management reviews its capital management approach on a regular basis. There were no changes in the Company's approach to capital management and the Company is not subject to any externally imposed capital requirements.

5. MINERAL INTERESTS

Through the Company's wholly-owned subsidiaries, the Company controls exploration concessions in Argentina classified by the Company into the Cerro Amarillo Project, Samenta Project. All acquisition costs and option payments related to these exploration concessions are capitalized as mineral interests and are incurred in US dollars and translated to Canadian dollar, the presentation currency for the Company.

During the year ended September 30, 2015 the Company's wholly owned Argentine subsidiary ("MAS") acquired the option to purchase the Samenta Cu-Mo porphyry prospect located in the province of Salta in northwestern Argentina. The Company signed exploration-with-option-to-purchase agreements, which were amended in July 2016, on two separate but contiguous claim groups, Cerro Samenta Norte and Cerro Samenta Sur, comprising the Samenta Project. The Company made a US\$30,000 payment upon completion of the due diligence. The Company will pay US\$50,000 in February 2017, US\$70,000 in August 2017, US\$90,000 in August 2018 and US\$130,000 in August 2019. An exercise fee of US\$4,230,000 will be due at the end of August 2020. The underlying owners are also entitled to a 1.5% NSR royalty of which 0.5% can be purchased back for US\$1,000,000.

For the Cerro Amarillo Project, the Company is awaiting the ratification of the appropriate permits to undertake, subject to financing, a stage one drilling campaign. On December 1, 2014, the Company announced that during the congressional deliberations that took place in November 2014, it was determined that any decision regarding the ratification of the drill permit should be delayed pending the completion of an inventory of glaciers in or near the project to be conducted by *Instituto Argentino de Nivología Glaciología y Ciencias Ambientales* ("IANIGLA"), the federal body charged with conducting the inventory under the Protection of Glaciers Law 26.639. IANIGLA has already begun the inventory, which was expected to be completed in 2015. On July 14, 2016, MAS signed an agreement for the right to purchase the Cerro Amarillo property located in the province of Mendoza in Argentina. This agreement is a replacement agreement to the one that was entered into in 2010. The Company will make a US\$25,000 payment within the 90 days from the date the new agreement was signed, and US\$25,000 annually until the earlier of the ratification of appropriate permits or the receipt of exploration permits given in accordance with the legislature of the province of Mendoza (the "Notification Date"). The Company will then make a series of installments in total of US\$875,000 over 48-month period from the Notification Date. An exercise fee of US\$2,500,000 will be due by the end of 60 months period from the Notification Date. The underlying owners are also entitled to a 1% NSR royalty which can be purchased back for US\$3,000,000.

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5. MINERAL INTERESTS (Continued)

Due to uncertainty of the timing for the completion of the glaciers inventory and the ratification of the permits, the Company wrote down the Cerro Amarillo property by \$408,913 to \$1 during the year ended September 30, 2015.

On November 1, 2016, the Company closed a Share Purchase Agreement dated August 23, 2016, as amended on December 30, 2016, with Silver Standard Resources Inc. ("SSR") and Fitzcarraldo Ventures Inc. pursuant to which HMC has agreed to purchase certain exploration concessions in Salta and Chubut Provinces, Argentina (the "Diablillos Concessions" and the "M-18 Concessions").

Cash consideration payable to SSR consists of the following:

- US\$300,000 on closing; this amount to be increased by an amount equal to the US dollar equivalent of the amount of Argentine Pesos deposited in entity purchased by the Company (paid)
- US\$300,000 to be paid on or before February 15, 2017 (paid)
- US\$500,000 to be paid on 180th day after closing
- US\$50,000 to be paid on or before December 31, 2017
- US\$5,000,000 to be paid on the earlier of:
 - The 3rd anniversary of closing
 - The date on which the Company obtains a feasibility study in respect of all or any part of the property covered by the Diablillos Concessions
- US \$7,000,000 to be paid on the earlier of:
 - The 5th anniversary of closing
 - The date on which construction of mining facilities commences on all or any part of the property covered by the Diablillos Concessions

Equity consideration consists of Class B common shares of the Company (issued) which will automatically convert into a number of HMC Class A Shares that, upon the completion of the Transaction, results in SSR holding common shares of the Resulting Issuer representing 19.9% of the Resulting Issuer's then outstanding common shares.

The royalty consideration payable to SSR consists of a 1% net smelter returns royalty. SSR is entitled to receive advance royalty payments totalling US\$1,000,000 over 4 years. These advance royalty payments will be deducted and set off against the first \$1,000,000 of net smelter returns royalty payments otherwise payable in respect of the Diablillos Concessions.

As security for the above obligations, the Company has pledged to SSR all the shares the Company acquired in two entities which hold the interests to the Diablillos Concessions and the M-18 Concessions.

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Unaudited
(In Canadian Dollars)

5. MINERAL INTERESTS (Continued)

The changes to the Company's mineral interests were as follows:

	Diablillos	Cerro Amarillo, Argentina	Samenta, Argentina	Total
Balance as at September 30, 2015	\$ -	\$ 1	\$ 40,182	\$ 40,183
Change in value due to foreign exchange	-	-	(831)	(831)
Balance as at September 30, 2016	\$ -	\$ 1	\$ 39,351	\$ 39,352
Additions	532,458	-	66,245	598,703
Balance as at March 31, 2017	\$ 532,458	\$ 1	\$ 105,596	\$ 638,055

6. EVALUATION AND EXPLORATION EXPENSES

During the year ended September 30, 2016 the Company entered into an agreement with Silver Standard Resources Inc. to purchase exploration concessions in Salta and Chubut Provinces in Argentina, the Diablillos Concessions (note 5). The transaction closed on November 1, 2016. The Company's exploration expenses for the six months ended March 31, 2017, 2015 are as follows:

	Three months ended March 31,		Six months ended March 31,	
	2017	2016	2017	2016
Cerro Amarillo, Argentina				
Administration	\$ -	\$ 21,855	\$ -	\$ 61,703
Camp Costs	505	1,755	1,023	2,725
Travel and Transport	-	-	-	79
Other	-	3,277	-	5,428
Total Cerro Amarillo	505	26,887	1,023	69,935
Samenta, Argentina				
Administration	-	6,394	-	38,820
Legal and regulation fee	11,020	-	11,020	-
Other	(3,305)	2,575	3,065	5,179
Total Samenta	\$ 7,715	\$ 8,969	\$ 14,085	\$ 43,999

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6. EVALUATION AND EXPLORATION EXPENSES (Continued)

	Three months ended		Six months ended	
	March 31,		March 31,	
	2017	2016	2017	2016
Diablillos, Argentina				
Camp	\$ 11,605	\$ -	\$ 11,605	\$ -
Drilling	-	-	3,626	-
Legal and regulation fee	34,248	-	85,047	-
Personnel	12,393	-	21,925	-
Travel and Transport	12,854	-	23,556	-
Reports	9,500	-	9,500	-
Other	6,345	-	10,357	-
Total Diablillos	86,945	-	165,616	-
Total evaluation and exploration expenses	\$ 95,165	\$ 35,856	\$ 180,724	\$ 113,934

7. SHARE CAPITAL

(a) Authorized

Unlimited Class A common shares without par value.
Unlimited Class B common shares without par value.

(b) Issued and outstanding

At March 31, 2017, the Company had 22,882,057 common shares issued and outstanding.

During the six months ended March 31, 2017 2,900,000 warrants were exercised at \$0.10 per share.

During the year ended September 30, 2016 \$292,851 in payables were settled by issuing 2,928,509 shares at \$0.10 per share. The shares were valued at \$0.05 per share, accordingly the Company recognized a gain of \$146,426 in debt forgiveness.

During the year ended September 30, 2016 the Company closed a non-brokered private placement of 9,992,284 unit of the Company at a price of \$0.05 per unit for gross proceeds of \$499,614. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share for 24 months from the closing of the private placement at a price of \$0.10 per common share. In connection with the closing of the private placement, the Company paid \$6,742 in legal fees as share issue costs.

(c) Stock options

The Company does not have a stock option plan accordingly the Company does not have stock options outstanding.

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Notes to the Consolidated Financial Statements
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7. SHARE CAPITAL (Continued)

(d) Warrants

At March 31, 2017 the Company had 7,092,284 warrants outstanding and exercisable at \$0.10 per share until September 30, 2018. At September 30, 2015 the Company did not have any warrants outstanding.

8. RELATED PARTY TRANSACTIONS

After the Transaction described in the note 1 was approved by MRC shareholders, the management of the Company changed. As at March 31, 2017 the Company owed \$168,750 in directors' fees to the incoming directors of the Company and to the companies controlled by the incoming directors (September 30, 2016: \$11,172). \$nil (September 30, 2016: \$5,250) was also owed to a management company of which an employee is an officer of the Company. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment. During the year ended September 30, 2016 three directors of the Company advanced non-interest bearing loans totaling US\$27,894. During the six months ended March 31, 2017 this loans were repaid. During the year ended September 30, 2016 debt in the amount of \$180,210 was settled by issuing shares of the Company.

Key management compensation

The remuneration of the Company's incoming directors and other members of key management, being the Chief Executive Officer and Chief Financial Officer, who have the authority and responsibility for planning, directing and controlling the activities of the Company, consist of the following amounts:

	Six months ended March 31,	
	2017	2016
Short-term benefits ⁽¹⁾	\$ 141,189	\$ -

(1) Short term benefits include salaries, bonuses, consulting fees and directors fees for all directors and key management personnel.

9. COMMITMENTS

As at March 31, 2017, the Company has mineral interest commitments at its Diablillos, Cerro Amarillo and Samenta projects in the form of option payments and royalties. The Company is in the process of conducting a strategic review of its properties under option and although as at the current date the Company had the commitments shown in the table below, some of these commitments could be reduced or eliminated completely pending the outcome of the strategic review. The Company also has operating expenses in Buenos Aires and in Vancouver.

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9. COMMITMENTS (Continued)

	2017	2018	2019	2020	After 2020
Mineral interest commitments					
Cerro Amarillo Project	\$ 33,568	\$ 33,568	\$ 33,568	\$4,028,100	\$ -
Samenta	161,124	120,843	174,551	5,679,621	-
Diablillos	1,074,160	402,810	335,675	7,049,175	9,734,575
Total mineral interest commitments	1,268,852	557,221	543,794	16,756,896	9,734,575
Minimum rental payments	39,483	52,644	48,257	-	-
Total commitments	\$1,308,335	\$ 609,865	\$ 592,051	\$ 16,756,896	\$9,734,575

10. SEGMENTED INFORMATION

As at March 31, 2017 and September 30, 2016 the Company operated in two geographical areas being Canada and Argentina. The Company operates in one business segment, being the acquisition and exploration of resource properties. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for the six months ended March 31, 2017 and year ended September 30, 2016.

The Company's assets, liabilities and mineral interests segmented geographically are as follows:

	Canada \$	Argentina \$	Total \$
Total current assets			
As at March 31, 2017	9,464	31,820	41,284
As at September 30, 2016	281,121	22,109	303,230
Mineral interests			
As at March 31, 2017	-	638,055	638,055
As at September 30, 2016	-	39,352	39,352
Total liabilities			
As at March 31, 2017	957,060	102,223	1,059,283
As at September 30, 2016	154,980	15,921	170,901