TriMetals Mining Inc.

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(Unaudited - *Expressed in U.S. dollars*)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

TriMetals Mining Inc.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in U.S. dollars)

	Note	March 31, 2019	December 31, 2018
		$	$
Assets			
Current			
Cash and cash equivalents		82,790	11,678
Receivables and prepaids	5	79,708	115,088
		162,498	126,766
Non-current assets			
Equipment		40,140	45,257
Reclamation deposit		273,437	234,800
Mining claims and deferred exploration costs	6	32,639,494	32,516,391
Arbitration award asset	7	15,900,850	11,874,819
		49,016,419	44,798,033
Liabilities			
Current			
Accounts payable and accrued liabilities	9	512,594	419,794
Non-current liabilities			
Class B shares and other arbitration award liabilities	7	13,084,797	9,463,383
		13,597,391	9,883,177
Equity attributable to shareholders			
Share capital	8	98,022,928	97,678,334
Contributed surplus	8	13,467,971	13,403,664
Accumulated other comprehensive loss		(342,074)	(337,601)
Deficit		(75,729,797)	(75,829,541)
		35,419,028	34,914,856
		49,016,419	44,798,033

Going concern (Note 1)
Contingencies (Note 10)
Subsequent events (Note 14)

Approved by the Board of Directors:

(signed) "Robert van Doorn"   (signed) "Roman Mironchik"

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

TriMetals Mining Inc.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Earnings (Loss) and Comprehensive Income (Loss)

For the three months ended March 31

(Unaudited - Expressed in U.S. dollars)

	Note	2019	2018
		$	**$**
General and administrative expenses			
Arbitration		23,585	17,927
Consulting		5,269	7,380
Depreciation and amortization		5,117	8,093
Directors' fees	9	12,450	13,575
Filing and transfer agent fees		29,942	36,022
Office and administration		22,662	53,914
Professional fees	9	74,227	84,216
Reconnaissance and sundry exploration		2,726	3,457
Shareholder information and investor relations		12,767	20,090
Share-based payments	8,9	59,622	32,997
Wages and benefits	9	57,286	92,098
		(305,653)	(369,769)
Other income (expenses)			
Interest and other income		249	2,078
Accretion and interest on convertible notes		-	(65,252)
Foreign exchange loss		531	(498)
Change in fair value of arbitration award assets, Class B shares and other arbitration award liabilities	7	404,617	1,454,172
		405,397	1,390,500
Net earnings for the period		99,744	1,020,731
Other comprehensive income (loss)			
Items that will not be subsequently reclassified to profit or loss:			
Unrealized loss on marketable securities		-	(2,297)
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		(4,473)	34,645
Total other comprehensive income (loss) for the period		(4,473)	32,348
Total comprehensive earnings for the period		95,271	1,053,079
Net earnings per share [(1)]:			
Basic		0.00	0.01
Diluted		0.00	0.01
Weighted average number of shares outstanding [(1)]:			
Basic		230,836,131	180,780,499
Diluted		231,075,001	180,780,499

(1) There were no dilutive shares as at March 31, 2018.

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

TriMetals Mining Inc.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Equity

For the three months ended March 31, 2019 and 2018

(Unaudited - Expressed in U.S. dollars)

	Share Capital		Contributed Surplus	Convertible notes - equity component	Deficit	AOCL[1]	Total
	Number	$	$	$	$	$	$
Balance, December 31, 2017	**177,047,407**	**94,395,573**	**12,631,120**	**317,197**	**(78,421,020)**	**(291,773)**	**28,631,097**
Shares issued on private placement	12,694,999	1,299,987	190,013	-	-	-	1,490,000
Less: issue costs - cash	-	(53,819)	-	-	-	-	(53,819)
Share-based payments	-	-	44,586	-	-	-	44,586
Total comprehensive loss	-	-	-	-	1,020,731	32,348	1,053,079
Balance, March 31, 2018	**189,742,406**	**95,641,741**	**12,865,719**	**317,197**	**(77,400,289)**	**(259,425)**	**31,164,943**
Shares issued on private placement	6,428,571	296,510	47,401	-	-	-	343,911
Less: issue costs - cash	-	(44,025)	-	-	-	-	(44,025)
Convertible notes – maturity extension (note 8)	-	-	-	78,312	-	-	78,312
Convertible notes – conversion (note 8)	33,398,487	1,784,108	395,509	(395,509)	-	-	1,784,108
Share-based payments	-	-	95,035	-	-	-	95,035
Total comprehensive income (loss)	-	-	-	-	1,570,748	(78,176)	1,492,572
Balance, December 31, 2018	**229,569,464**	**97,678,334**	**13,403,664**	**-**	**(75,829,541)**	**(337,601)**	**34,914,856**
Shares issued on private placement	9,200,000	345,414	-	-	-	-	345,414
Less: issue costs - cash	-	(22,187)	-	-	-	-	(22,187)
Shares issued on settlement of trade payables	400,000	21,367	-	-	-	-	21,367
Share-based payments	-	-	64,307	-	-	-	64,307
Total comprehensive income (loss)	-	-	-	-	99,744	(4,473)	95,271
Balance, March 31, 2019	**239,169,464**	**98,022,928**	**13,467,971**	**-**	**(75,729,797)**	**(342,074)**	**35,419,028**

[1] Accumulated other comprehensive loss

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

TriMetals Mining Inc.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

For the three months ended March 31

(Unaudited - Expressed in U.S. dollars)

	2019	2018
	$	$
Cash flows (used in) from operating activities		
Net income for the period	99,744	1,020,731
Items not affecting cash		
Depreciation and amortization	5,117	8,093
Change in fair value of arbitration award assets, Class B shares and other arbitration award liabilities	(404,617)	(1,454,172)
Interest income	(249)	(2,078)
Share-based payments	59,622	32,997
Accretion on convertible notes	-	38,542
Unrealized foreign exchange (gain) loss	-	(46,707)
	(240,383)	(402,594)
Interest received	249	995
Changes in non-cash operating working capital		
Change in receivables and prepaids	35,380	33,367
Change in accounts payable and accrued liabilities	104,215	30,101
	(100,539)	(338,131)
Cash flows (used in) from investing activities		
Mining claims and deferred exploration costs	(108,466)	(491,439)
Reclamation deposit	(38,637)	-
Repayment of drilling advance	-	66,519
Purchase of equipment	-	(1,484)
	(147,103)	(426,404)
Cash flows from (used in) financing activities		
Private placement	345,414	1,490,000
Share issuance costs	(22,187)	(53,819)
	323,227	1,436,181
Increase in cash and cash equivalents	75,585	676,646
Foreign exchange effect on cash and cash equivalents	(4,473)	34,645
Cash and cash equivalents[1] - Beginning of period	11,678	497,750
Cash and cash equivalents[1] - End of period	82,790	1,204,041

[1] Cash and cash equivalents as at March 31, 2019 and 2018 was solely comprised of cash.

Supplemental cash flow information (Note 12)

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

1 Nature of operations and going concern

TriMetals Mining Inc. ("TMI" or the "Company") was incorporated pursuant to the *Canada Business Corporations Act* by articles of incorporation dated September 28, 2006 and was continued under the *Business Corporations Act* (British Columbia) ("BCBCA") on December 17, 2013. The Company's registered and head office is located at Suite 880, 580 Hornby Street, Vancouver, British Columbia, Canada. The Company's principal activities include the acquisition, exploration and development of mineral properties. The principal countries where the Company has been undertaking exploration activities are the United States and Chile. Property interests in these countries are held through various wholly owned subsidiaries.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months.

The Company has incurred losses since inception and expects to incur further losses in the development of its business and at March 31, 2019, the Company had a working capital deficit of $350,096 (December 31, 2018 – working capital deficit of $293,028). At that date, the Company also had an accumulated deficit of $75,729,797 which has been funded primarily by the issuance of equity.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2 Basis of presentation

Statement of compliance

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended December 31, 2018 except as discussed in Note 3.

These financial statements were approved by the board of directors on May 14, 2019.

(Unaudited - Expressed in U.S. dollars)

Basis of consolidation
The consolidated financial statements include the results or financial information of TriMetals Mining Inc. and its significant wholly-owned subsidiaries listed in the following table:

Name	Country of incorporation
South American Silver Limited	Bermuda
TriMetals Mining Chile SCM	Chile
Compania Minera Malku Khota S.A.	Bolivia
High Desert Gold Corporation	Canada
TriMetals Mining Inc. (formerly High Desert Gold Corporation)	U.S.A.
Gold Springs LLC	U.S.A.
Minera Genminmex S.A. de C.V.	Mexico

The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. All significant intercompany transactions and balances have been eliminated.

3 Adoption of new accounting standards

IFRS 16, Leases
IFRS 16, Leases ("IFRS 16") eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing an asset. The new leasing standard results in lease assets previously recorded as operating leases now being recognized as "right of use" assets on the statement of financial position. IFRS 16 is applicable to all entities and will supersede current lease accounting standards under IFRS. IFRS 16 became effective for the Company on January 1, 2019. There was no material impact upon adoption.

4 Use of estimates, assumptions and judgments

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2018.

5 Receivables and prepaids

	March 31, 2019	December 31, 2018
	$	$
GST receivable	10,444	5,221
Other receivables	9,616	9,616
Other prepaids and advances	59,648	100,251
	79,708	115,088

(Unaudited - Expressed in U.S. dollars)

6 Mining claims and deferred exploration costs

Mining claims and deferred exploration costs are associated with the following projects:

	Gold Springs	Escalones	Total
	$	$	$
Balance at December 31, 2018	**16,823,759**	**15,692,632**	**32,516,391**
Land and option payments	23,409	50,613	74,022
Field supplies	300	-	300
Camp	2,436	2,235	4,671
Consulting and supervision	12,654	19,622	32,276
Environmental	863	-	863
Technical consulting	-	3,389	3,389
Travel and accommodation	2,830	-	2,830
Share-based payments	4,685	-	4,685
Value added tax credits	-	67	67
	47,177	75,926	123,103
Balance at March 31, 2019	**16,870,936**	**15,768,558**	**32,639,494**

Escalones, Chile

In 2004, the Company entered into an option agreement (the “Boezio Option Agreement”) to acquire the remaining 4,689 hectares of the Escalones property located in Chile which are not already 100% owned by the Company (the “Boezio Concessions”). Pursuant to the Boezio Option Agreement, as revised on June 23, 2017, the Company has the right until June 30, 2022 to purchase the Boezio Concessions upon payment of $7,800,000. As at March 31, 2019 $3,400,000 has been paid. The remaining $4,400,000 is payable as follows: $400,000 on June 30, 2019, $500,000 on each of June 30, 2020 and 2021, and a final payment of $3,000,000 on June 30, 2022.

The Company is required to pay all amounts required to protect and maintain the Boezio Concessions during the option period. There is a 2% net smelter royalty (“NSR”) payable on production if the price of copper is greater than $0.75 per pound and a 1% NSR if the copper price is equal to or less than $0.75 per pound. The NSR may be purchased for $3,000,000 within the five years following the first sale of minerals produced and $5,000,000 after five years of the date of the first sale of minerals produced.

If the Company purchases the Boezio Concessions, the Boezio Option Agreement requires the Company to commence exploitation of the Boezio Concessions within two years thereafter. Once Escalones is acquired and until exploitation begins, the Company is required to pay annual advance royalty payments of $200,000 which are credited against future royalty payments. Failure to commence exploitation within the two year period triggers an obligation to make annual indemnity payments of $300,000 until exploitation begins. In this event, the $200,000 annual payments made from the date of exercise of the option are deemed to be indemnity payments, not advance royalty payments. Royalty payments are suspended if exploitation of the Boezio Concessions is suspended for reasons beyond the Company’s control.

On November 30, 2018, the Company executed a letter of intent (“LOI”) with Wealth Minerals Ltd. (“Wealth”) for the sale of the Escalones property. Upon execution of the LOI, the Company received a non-refundable deposit of $112,790 (Cdn$150,000). The terms of the LOI for the proposed transaction, as amended, (the “Amended LOIs”) are now as follows:

1. Wealth, through its wholly owned British Columbian subsidiary, Wealth Copper, or its wholly owned Chilean subsidiary, Wealth Copper Chile, would acquire 100% of TMI's interest in and to the Escalones Project and related assets (the "Escalones Transaction") in consideration of 25 million common shares of Wealth Copper, representing 50% of the issued and outstanding common shares of Wealth Copper (the “Consideration Shares”), excluding any Wealth Copper shares issued in connection with the Concurrent Financing (as defined below) and certain cash payments. As a condition of closing of this transaction, Wealth Copper must have entered into a letter of intent with a TSX Venture Exchange listed issuer ("ListedCo") in respect of a reverse take-over transaction (an "RTO") whereby ListedCo would acquire all of the issued and outstanding Wealth Copper shares and continue the business of Wealth Copper (ListedCo, after the closing of the RTO, is referred to as the "Resulting Issuer").
2. Concurrently with or prior to closing of the RTO, Wealth Copper and/or ListedCo would complete a private placement to raise aggregate gross proceeds of at least Cdn$5 million (the "Concurrent Financing").
3. Wealth Copper would be required to make the remaining US$4.4 million in payments due under the Boezio Option Agreement to exercise an option on the 19 Boezio Concessions comprising 46 square km of the Escalones Project which are the subject of an option agreement dated February 26, 2004, as amended. The first US$400,000 payment is due June 30, 2019.
4. In addition to the Cdn$150,000 deposit paid by Wealth to TMI pursuant to the LOI, Wealth Copper would be required to: (a) pay TMI a cash payment of Cdn$350,000 upon the closing of the Concurrent Financing; and (b) make an additional cash payment of Cdn$500,000 on the 12 month anniversary of closing of the Concurrent Financing.
5. Immediately after completion of the RTO and the Concurrent Financing, TMI's ownership interest in the Resulting Issuer will not be less than 30%. TMI would be granted the right to participate in certain future equity financings of the Resulting Issuer to allow TMI to maintain its pro rata ownership interest in the equity capital of the Resulting Issuer.
6. For so long as Wealth and TMI hold at least 20% of the issued and outstanding shares of the Resulting Issuer, both would have the right to nominate one director to the board of directors of the Resulting Issuer.
7. TMI will retain a 2% net smelter returns royalty (“NSR”) payable on production from the Escalones Project if the price of copper is greater than USD $0.75 per pound and a 1% NSR if the copper price is equal to or less than USD $0.75 per pound, subject to a buy-back right.

The Escalones Transaction is subject to the satisfaction of certain conditions, including (i) the completion of the Concurrent Financing, (ii) satisfactory completion of due diligence by Wealth and TMI; (iii) approval of the Toronto Stock Exchange and the TSX Venture Exchange, as applicable; and (iv) the approval of the board of directors of each of Wealth and TMI and their Chilean subsidiaries.

Wealth Copper has entered into a definitive assignment and assumption agreement with New Energy Metals Corp. ("ENRG") whereby ENRG and its wholly-owned Chilean subsidiary will assign and transfer to Wealth Copper all of its rights, title and interest in and to a unilateral option (the "Cristal Option") to purchase mining concessions agreement dated August 4, 2017 (the "Cristal Option Agreement"), pursuant to which ENRG had the right to acquire a 100% interest in and to the Cristal copper project located in Region XV of Arica and Parinacota, Chile (the "Cristal Project"). If Wealth Copper were to exercise the Cristal Option, Wealth Copper would grant ENRG's Chilean subsidiary an initial 30% participating interest in the Cristal Project (and the resulting joint venture). Under the Cristal Option Agreement, a total of $4.4 million is still to be paid to exercise the Cristal Option, with $200,000 due on August 4, 2019, $500,000 due on August 4, 2020, $700,000 due on August 4, 2021, and a further $3 million due on August 4, 2022. The current holder of the Cristal Project would retain a 3% NSR royalty, and Wealth Copper would have the right of first offer to purchase a 2% NSR royalty for a price of at least $2 million per percentage point. In addition, the Cristal Project is also subject to an existing 1% NSR royalty in favour of Condor Resources Inc. that can be repurchased in its entirety for a payment of $1 million.

Gold Springs, USA

The Gold Springs mineral property was acquired through the 2013 acquisition of High Desert Gold Corporation ("HDG").

During the year ended December 31, 2017 the Company increased the size of the Gold Springs property by entering into lease and surface use agreements. Pursuant to the agreements, the Company has entered into a 30 year lease beginning on October 25, 2017 for the mineral rights on certain patented mining claims and a 30 year surface use agreement on certain homestead lands upon payment as follows: $41,035 paid on execution of the agreement, $40,000 on October 25, 2018 (paid), $45,000 on October 25, 2019, $50,000 on October 25, 2020 and $55,000 on each anniversary until October 25, 2047. In addition, upon commencement of commercial production, the Company is to pay the lessor a 3% net smelter returns royalty which is to be increased in relation to the average price per troy ounce of gold. The Company has the right and option, prior to commencement of commercial production, to buy back 0.5% of the net smelter returns royalty for the sum of $1,000,000, payable within 60 days from and after commencement of commercial production.

7 Arbitration related assets and liabilities

On October 23, 2012, the Company's wholly-owned Bermudian subsidiary, South American Silver Limited ("SASL"), delivered a formal letter to the State of Bolivia notifying it of an investment dispute between the Company and Bolivia. The dispute has arisen as a result of acts and omissions of the Government of Bolivia including the issuance of Supreme Decree No.1308 on August 1, 2012 (the "Decree"). The Decree revoked mining concessions held by the Company's Bolivian subsidiary, Compañia Minera Malku Khota S.A. ("CMMK"), a wholly-owned subsidiary of SASL.

SASL is a protected investor under the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Bolivia for the Promotion and Protection of Investments ("UK-Bolivia Treaty"), and the actions and omissions of the Bolivian government are in violation of the UK-Bolivia Treaty and of international law. Notification of the investment dispute triggered a six-month cooling-off period during which the disputing parties could negotiate a settlement. That cooling-off period ended on April 23, 2013 and on April 30, 2013, the Company commenced international arbitration against the Government of Bolivia under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) pursuant to the UK-Bolivia Treaty seeking compensation based on fair market value of the Malku Khota project.

On May 23, 2013, the Company entered into the Arbitration Costs Funding Agreement with a third-party funder (the "Fund") pursuant to which the Fund will cover most of the Company's future costs and expenses related to its international arbitration proceedings against Bolivia.

On September 24, 2014, SASL filed its statement of claim and memorial on the merits. On March 31, 2015, Bolivia filed its statement of defense and counter-memorial marking the conclusion of the preliminary written pleadings phase of the arbitration and the beginning of the document production phase. In accordance with the procedural calendar SASL's reply to Bolivia's statement of defense and counter-memorial was filed on November 30, 2015. Pursuant to extensions granted by the Arbitration Tribunal of the Permanent Court of Arbitration (the "Tribunal") to both parties, Bolivia's rejoinder was filed on March 21, 2016 and SASL's Rejoinder on Jurisdiction was filed on May 3, 2016. The oral hearing was held in Washington, D.C., on July 11 to July 21, 2016. Pursuant to the procedural orders in place, both parties submitted post-hearing memorials on October 31, 2016, after which the Tribunal would deliberate and issue a final award.

On November 22, 2018, the Tribunal issued an award to SASL for $18,700,000 in respect of amounts invested and, approximately, a further $10,400,000 in interest thereon running from August 1, 2012 to March 31, 2019, for a total of approximately $29,100,000.

As at March 31, 2019, an aggregate 116,375,152 Class B shares are issued and outstanding. The Class B shares carry redemption and retraction rights and rights on liquidation which entitle the holders collectively to 85% of the net cash, if any, (after deducting all costs, taxes and expenses and the Funds' portion thereof) received by TMI from an award or settlement from arbitration proceeding against the State of Bolivia. The Class B shares are non-voting and non-participating in regards to dividends and on liquidation other than as described above.

As at the date of the issuance of the award, because the arbitration award asset related to the Malku Khota project is considered to be a financial instrument, IFRS requires the Company to fair value the arbitration award asset, which had previously been carried at cost. Fair value discussed in this context is the accounting measure as determined based on the requirements of IFRS-13 *Fair value measurement* ("IFRS-13").

The Class B shares are recorded at their estimated fair value which is based on the quoted price of the Class B shares on the Toronto Stock Exchange ("TSX"). The Class B shares represent a portion of the total arbitration award liability. The remainder of the liability is made up of the other costs incurred that were contingent on the monetary outcome of the award process.

The fair value requirements of IFRS-13 compel the maximum use of quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs). They further necessitate that the price of a liability held by another party as an asset must equal the price for the corresponding asset, thereby linking the fair value of an asset and the fair value of a liability. As the Class B shares are quoted on the TSX, and because of the requirement of IFRS-13 to maximise the use of Level 1 inputs, the price of the Class B shares was required to be utilized as the primary input in determining the fair values of the arbitration award asset as well as the other arbitration award liability.

As a result of the Tribunal's issuance of an award on November 22, 2018, the Malku Khota project was derecognized and the arbitration award asset was recorded at its estimated fair value. The estimated fair value of the arbitration award asset was $15,900,850 as at March 31, 2019 (December 31, 2018 - $11,874,819). The change in fair value of arbitration award asset, Class B shares and other arbitration award liabilities of $404,617 for the three months ended March 31, 2019 comprises an unrealized fair value gain of $4,026,031 (2018 - $nil) on the total arbitration award assets and an unrealized fair value loss of $3,621,414 (2018 - $nil) on the arbitration award liability. Notwithstanding the fair value requirements of IFRS-13, the Company is seeking to recover the full amount of the award, inclusive of interest, of approximately $29,100,000 as at March 31, 2019.

8 Share capital

Authorized
An unlimited number of common shares without par value and up to 127,328,790 Class B shares without par value.

The holders of the common shares are entitled to one vote per share. The holders of the common shares are entitled to dividends, when and if declared by the directors of the Company, and, subject to the rights of the holders of the Class B shares, to the distribution of the residual assets of the Company in the event of the liquidation, dissolution or winding-up of the Company. No dividends have ever been declared or paid as at December 31, 2018. Refer to note 7 for the number of Class B shares issued and related terms.

Financings
During the three months ended March 31, 2019 the Company completed a private placement for gross proceeds of $345,414 (Cdn $460,000) through the issuance of 9,200,000 common shares at a price of Cdn $0.05 per share. The Company incurred share issuance costs of $22,187. In addition, the Company issued 400,000 at a price of Cdn $0.05 per share to settle trade debts payable.

During the three months ended March 31, 2018, the Company completed a private placement in three tranches for gross proceeds of $1,490,011 (Cdn. $1,904,250) through the issuance of 12,694,999 units at a price of Cdn. $0.15 per unit. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at an exercise price of Cdn. $0.25 per share for a period of 24 months from the closing date of the private placement. The warrants are subject to an acceleration clause should the Company's common shares trade at a price of $0.35 or greater for 10 consecutive trading days. A value of $190,013 was attributed to these warrants using the Black-Scholes option-pricing model and has been credited to contributed surplus. Assumptions used in the pricing model were as follows: average risk-free interest rate – 1.21%; expected life – 2 years; expected volatility – 71% to 74%; and expected dividends – nil. The Company incurred share issuance costs of $53,819.

(Unaudited - Expressed in U.S. dollars)

Stock options

The Company's stock options outstanding as at March 31, 2019 and the changes for the three months then ended are as follows:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
		Cdn $	
Balance – December 31, 2017	11,541,458	0.30	2.57
Expired	(5,206,458)	(0.31)	
Granted	3,650,000	0.10	
Balance – December 31, 2018	9,985,000	0.22	2.62
Forfeited	(1,116,667)	(0.18)	
Granted	2,200,000	0.06	
Balance – March 31, 2019	11,068,333	0.20	2.34
Exercisable – March 31, 2019	9,259,167	0.22	2.26

During the three months ended March 31, 2019, the Company recorded share-based payments of $64,307 (2018 - $44,586) in respect of the vesting of previously granted stock options and newly granted options. Of this amount, $59,622 (2018 - $32,997) was recorded as a charge to operations and $4,685 (2018 - $11,589) was included in deferred exploration costs.

The weighted average grant date fair value of options granted during the three months ended March 31, 2019 was $0.025 per share (2018 - $0.09 per share). The fair value of each option grant during the three months ended March 31, 2019 and 2018 was estimated at the time of the grant using the Black-Scholes option pricing model with assumptions for grants as follows:

	2019	2018
Weighted average exercise price	Cdn. $0.06	Cdn. $0.22
Weighted average grant date share price	Cdn. $0.06	Cdn. $0.16
Risk-free interest rate	1.50%	1.13%
Expected life	3 years	5 years
Expected volatility	85%	95%
Dividend rate	0%	0%

Grant date share price is the closing market price on the date the options were granted. Expected volatility was determined by measuring the historical volatility of the Company's share price. The historical period used to measure historical volatility was the same as the expected life of the options granted.

(Unaudited - Expressed in U.S. dollars)

The balance of options outstanding as at March 31, 2019 is as follows:

Expiry date	Exercise price Cdn$	Number of options outstanding	Number of options exercisable
November 13, 2019	0.42	1,177,500	1,177,500
August 12, 2020	0.21	1,727,500	1,727,500
May 19, 2021	0.305	1,427,500	1,427,500
October 10, 2021	0.285	250,000	250,000
November 21, 2021	0.225	50,000	50,000
June 12, 2022	0.30	1,702,500	1,393,333
January 15, 2023[(1)]	0.22	166,667	166,667
March 23, 2023[(1)]	0.21	200,000	200,000
November 27, 2021[(1)]	0.05	2,166,666	800,000
February 8, 2022	0.055	200,000	66,667
February 15, 2022	0.06	2,000,000	2,000,000
		11,068,333	9,259,167

(1) Subsequent to March 31, 2019 the expiry dates of 166,667 options at $0.22, 200,000 options at $0.21 and 116,667 options at $0.05 changed to October 31, 2019.

All of the outstanding options have associated share appreciation rights which allow the optionees to exercise their options on a cashless basis resulting in a lesser number of common shares to be issued to the optionee pursuant to their exercise.

Warrants

The Company's warrants outstanding as at March 31, 2019 and the changes for the three months then ended are as follows:

	Number of warrants	Weighted average exercise price (per share)	Weighted average remaining life (years)
		Cdn$	
Balance – December 31, 2017	17,768,331	0.35	1.72
Issued	9,561,785	0.20	
Expired	(79,200)	0.30	
Balance – December 31, 2018	27,250,916	0.30	0.96
Balance – March 31, 2019	27,250,916	0.30	0.71

(Unaudited - Expressed in U.S. dollars)

Warrants to acquire common shares are outstanding at December 31, 2018 as follows:

Expiry Date	Exercise Price Cdn$	Number of warrants outstanding
July 5, 2019	0.40	4,472,500
July 11, 2019	0.40	4,224,000
December 2, 2019	0.30	7,300,000
December 2, 2019[1]	0.25	876,000
December 8, 2019	0.30	729,135
December 8, 2019[1]	0.25	87,496
February 28, 2020	0.25	4,039,166
March 2, 2020	0.25	1,475,000
April 5, 2020	0.25	833,333
October 19, 2020	0.11	714,286
October 25, 2020	0.11	2,500,000
		27,250,916

[1] These represent compensation warrants. Each compensation-warrant entitles the holder to acquire one unit consisting of one common share and one half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at the exercise price shown.

9 Related party transactions

Key management includes the Chief Executive Officer, the Chief Financial Officer and the remaining directors. The compensation paid or payable to key management for services during the three months ended March 31, 2019 and 2018 is as follows:

	2019	2018
	$	$
Directors' fees	12,450	12,675
Professional fees	18,943	18,958
Share-based payments	54,766	40,994
Wages and benefits	26,250	21,663
	112,409	92,490

Included in accounts payable at March 31, 2019 is an amount of $256,017 (December 31, 2018 - $281,499) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

The Company incurred the following additional expenditures with related parties during the three months ended March 31, 2019 and 2018:

	2019	2018
	$	$
Consulting fees	15,892	4,107
Consulting fees - mineral property costs	943	11,612
Professional fees	33,408	18,620
Share issuance costs	9,892	30,713
	60,135	65,052

(Unaudited - Expressed in U.S. dollars)

10 Contingencies

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the consolidated financial condition or future results of the Company.

Malku Khota project and arbitration award assets and liabilities
Under the terms of the privileged Arbitration Costs Funding Agreement, the Company has given certain warranties and covenants to the Fund and is obliged to pledge at least 35% of the shares of the Company's subsidiary which controls the Escalones property, as security for its obligations. In consideration for the funding, the Company has agreed to pay to the Fund a portion of any recoveries received pursuant to the arbitration proceedings or any settlement with Bolivia.

On November 22, 2018 the Tribunal issued an award to SASL for $18,700,000 in respect of amounts invested and, approximately, a further $10,400,000 in interest thereon running from August 1, 2012 to March 31, 2019, for a total of approximately $29,100,000.

A large majority of the costs of the arbitration to be incurred by SASL or the Company are payable only in the event of an award in favour of SASL and will be paid out of the proceeds of any such award. These costs include certain fees and other expenses incurred in connection with the arbitration, including the Fund's portion of any recoveries received pursuant to the arbitration proceedings or any settlement with Bolivia, a contingent success fee payable to SASL's lead arbitration counsel, and other commitments. These fees, costs and expenses will be paid out of any such award, thus potentially reducing funds received by SASL. The Company currently estimates that this could be between 35% and 45% of the amount of any award in its favour.

11 Segment information

The Company's operations are limited to a single industry segment, being mineral exploration and development. Geographic segment information of the Company's assets and liabilities as at March 31, 2019 and December 31, 2018 is as follows:

Identifiable assets	**March 31, 2019**	**December 31, 2018**
	$	$
Bolivia	15,910,685	11,881,004
Canada	113,366	81,442
Chile	15,784,658	15,698,557
United States	17,207,710	17,137,030
Total assets	49,016,419	44,798,033

(Unaudited - Expressed in U.S. dollars)

Identifiable liabilities	**March 31, 2019**	**December 31, 2018**
	$	$
Bolivia	17,270	8,853
Canada	354,878	289,711
Chile	52,888	33,371
United States	87,558	87,859
Total liabilities	512,594	419,794

Geographic segmentation of the Company's net earnings (loss) for the three months ended March 31, 2019 and 2018 is as follows:

	2019	**2018**
	$	**$**
Bolivia	(26,267)	(25,042)
Canada	175,168	1,176,943
Chile	(13,190)	(5,116)
United States	(35,967)	(126,054)
Net earnings (loss)	99,744	1,020,731

12 Supplemental cash flow information

The Company conducted non-cash investing activities during the three months ended March 2019 and 2018 as follows:

	2019	**2018**
	$	**$**
Interest income included in receivables and prepaids	-	1,083
Shares issued to settle accounts payable	21,367	-
Investing activities		
Deferred exploration costs included in accounts payable	70,115	26,644
Deferred exploration costs included in accounts payable as at December 31, 2018 and 2017 respectively	(60,163)	(121,694)
Financing activities		
Share-based payments included in deferred exploration costs	4,685	11,590

13 Financial instruments

The Company's financial instruments as at March 31, 2019 consist of cash and cash equivalents, receivables, reclamation deposit, arbitration award assets, accounts payable and Class B shares and other arbitration award liabilities. Cash and cash equivalents, receivables, reclamation deposit and accounts payable are classified as amortized cost. The arbitration award assets, Class B shares and other arbitration award liabilities are designated as FVTPL.

Fair Value of Financial Instruments

The Company classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

The Class B shares are Level 1 fair values. The arbitration award asset and the other arbitration award liabilities are Level 2 fair values, which are derived from the valuation of the Class B shares (note 7).

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. There have been no changes in any risk management policies since December 31, 2018.

14 Subsequent events

A total of 11,200,000 options with tandem share appreciation rights, with terms of 3 years, at exercise prices ranging from $0.045 to $0.06 were granted, of which 5,750,000 vested upon grant, 3,250,000 vest based on certain milestones being achieved, 200,000 vest as to one-third immediately upon grant, one-third on the 9 month anniversary of grant and the final one-third on the 18 month anniversary of grant and 2,000,000 vest as to one-third immediately upon grant, one-third on the 6 month anniversary of grant and the final one-third on the 9 month anniversary of grant.

The Company executed an addendum to its 2013 privileged arbitration funding agreement (the "Arbitration Funding Agreement") with the Fund whereby the Company can elect to receive up to $2 million for working capital purposes. The Fund has made such working capital funding facility available to the Company in four semi-annual installments of $500,000 each. The first $500,000 installment was received subsequent to March 31, 2019.

The Company has agreed to repay the Fund the amount of the installments advanced to the Company, plus a variable amount up to the amount of the installments advanced, from the amounts received via settlement with, or otherwise recovered from, the Government of Bolivia, and has agreed to pay the Fund a portion of the amount received from a sale, if any, of the Malku Khota project data.