TriMetals Mining Inc.

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

Three and nine months ended September 30, 2018 and 2017

(*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	September 30, 2018	December 31, 2017
		$	$
Assets			
Current			
Cash and cash equivalents		77,217	497,750
Receivables and prepaids	5	54,918	180,996
Marketable securities		82,527	85,155
		214,662	763,901
Non-current assets			
Equipment		50,525	70,470
Reclamation deposit		234,800	234,800
Mining claims and deferred exploration costs	6	32,491,880	31,321,331
Malku Khota project	7	18,734,000	18,734,000
		51,725,867	51,124,502
Liabilities			
Current			
Accounts payable and accrued liabilities		421,748	295,561
Convertible notes	8	-	1,731,609
		421,748	2,027,170
Non-current liabilities			
Convertible notes	8	1,507,630	-
Class B shares	9	19,777,956	20,407,779
Stock options exercisable into Class B shares	10	-	58,456
		21,707,334	22,493,405
Equity attributable to shareholders			
Share capital	10	95,689,561	94,395,573
Contributed surplus	10	12,907,059	12,631,120
Convertible notes - equity component	8	317,197	317,197
Accumulated other comprehensive loss		(271,422)	(291,773)
Deficit		(78,623,862)	(78,421,020)
		30,018,533	28,631,097
		51,725,867	51,124,502

Going concern (note 1)
Contingencies (note 12)
Subsequent events (notes 8, 10,16)

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 Loss and Comprehensive Income (Loss)

For the three and nine months ended September 30

(Unaudited - Expressed in U.S. dollars)

	Note	Three months ended September 30 2018	Three months ended September 30 2017	Nine months ended September 30 2018	Nine months ended September 30 2017
		$	$	$	$
General and administrative expenses					
Arbitration	7	16,850	19,888	53,053	74,076
Consulting	11	2,687	13,124	18,363	47,214
Depreciation and amortization		5,333	8,247	19,285	29,145
Directors' fees	11	14,625	14,550	43,725	48,450
Filing and transfer agent fees		7,688	16,955	53,938	63,052
Office and administration		18,780	54,911	137,375	165,877
Professional fees	11	79,937	147,509	307,515	325,143
Reconnaissance and sundry exploration		3,420	24,381	20,871	45,931
Shareholder information and investor relations		10,181	25,822	62,449	86,461
Share-based payments	11	8,177	25,318	61,773	289,735
Wages and benefits	11	77,813	85,444	242,136	293,699
		(245,491)	(436,149)	(1,020,483)	(1,468,783)
Other income (expenses)					
Interest and other income		38,886	7,848	44,643	19,522
Accretion and interest on convertible notes	8	(82,167)	(65,655)	(210,645)	(187,371)
Gain on extension of convertible notes	8	299,271	-	299,271	-
Foreign exchange loss		(2,660)	3,066	(4,347)	(1,679)
Gain (loss) on disposal of equipment		2,030	-	440	(156)
Change in fair value of Class B shares	9	(2,544,395)	(2,633,162)	629,823	(1,111,790)
Change in fair value of stock options exercisable into Class B shares	10	6,993	86,006	58,456	115,442
		(2,282,042)	(2,601,897)	817,641	(1,166,032)
Net loss for the period		(2,527,533)	(3,038,046)	(202,842)	(2,634,815)
Other comprehensive income (loss)					
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences		(27,795)	(50,278)	22,979	(75,085)
Unrealized gain (loss) on marketable securities		1,400	5,576	(2,628)	10,261
Total other comprehensive income (loss)		(26,395)	(44,702)	20,351	(64,824)
Total comprehensive loss for the period		(2,553,928)	(3,082,748)	(182,491)	(2,699,639)
Basic and diluted net earnings per share		(0.01)	(0.02)	(0.00)	(0.02)
Weighted average number of shares outstanding		189,742,406	176,808,011	186,787,931	165,422,166

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 nine months ended September 30, 2018 and 2017

(Unaudited - Expressed in U.S. dollars)

	Share Capital		Contributed Surplus	Convertible notes - equity component	Deficit	AOCI(L)	Total
	Number	$	$	$	$	$	$
Balance, January 1, 2017	156,529,796	92,326,275	11,529,067	317,197	(76,444,446)	(171,227)	27,556,866
Shares issued on private placement	16,058,270	2,137,074	716,903	-	-	-	2,853,977
Less: issue costs - cash	-	(394,425)	-	-	-	-	(394,425)
Less: issue costs - warrants	-	(94,093)	94,093	-	-	-	-
Shares issued on exercise of warrants	4,203,243	369,779	(57,526)	-	-	-	312,253
Share-based payments (notes 6 and 11)	-	-	303,320	-	-	-	303,320
Total comprehensive income for the period	-	-	-	-	403,231	(20,122)	383,109
Balance, September 30, 2017	176,791,309	94,344,610	12,585,857	317,197	(76,041,215)	(191,349)	31,015,100
Shares issued on exercise of SARs	256,098	14,910	(14,910)	-	-	-	-
Less: issue costs - cash	-	36,053	-	-	-	-	36,053
Share-based payments	-	-	60,173	-	-	-	60,173
Total comprehensive loss for the period	-	-	-	-	(2,379,805)	(100,424)	(2,480,229)
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	-	(71,301)	-	-	-	-	(71,301)
Subscriptions received in advance	-	65,302	-	-	-	-	65,302
Share-based payments (notes 6 and 11)	-	-	85,926	-	-	-	85,926
Total comprehensive (loss) / income for the period	-	-	-	-	(202,842)	20,351	(182,491)
Balance, September 30, 2018	**189,742,406**	**95,689,561**	**12,907,059**	**317,197**	**(78,623,862)**	**(271,422)**	**30,018,533**

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 nine months ended September 30, 2018 and 2017

(Unaudited - Expressed in U.S. dollars)

	2018	2017
	$	$
Cash flows (used in) from operating activities		
Net income for the period	(202,842)	(2,634,815)
Items not affecting cash		
Accretion and gain on extension on convertible notes	(166,568)	107,972
Depreciation and amortization	19,285	29,145
Change in fair value of Class B shares	(629,823)	1,111,790
Change in fair value of stock options exercisable into Class B shares	(58,456)	(115,442)
Interest income	(6,638)	(19,522)
Unrealized foreign exchange (gain) loss	(57,411)	115,791
Share-based payments	61,773	289,735
(Gain)/loss on disposal of equipment	(440)	156
	(1,041,120)	(1,115,190)
Interest received	5,555	9,489
Changes in non-cash operating working capital		
Change in receivables and prepaids	60,642	(22,173)
Change in accounts payable and accrued liabilities	186,386	(45,983)
	(788,537)	(1,173,857)
Cash flows (used in) from investing activities		
Mining claims and deferred exploration costs	(1,206,594)	(2,131,556)
Repayment of drilling advance	66,519	75,000
Reclamation deposit	-	(71,500)
Purchase of equipment	(1,483)	(35,165)
Proceeds on disposal of equipment	2,582	-
	(1,138,976)	(2,163,221)
Cash flows from (used in) financing activities		
Private placement of units	1,490,000	2,853,977
Subscriptions received in advance	65,302	-
Exercise of warrants	-	312,253
Share issuance costs	(71,301)	(358,372)
	1,484,001	2,807,858
Increase (decrease) in cash and cash equivalents	(420,533)	(529,220)
Foreign exchange effect on cash and cash equivalents	22,979	(75,085)
Cash and cash equivalents - Beginning of period	497,750	2,193,518
Cash and cash equivalents - End of period	77,217	1,589,213
Cash and cash equivalents are comprised of:		
Cash	77,217	341,213
Cash equivalents	-	1,248,000

Supplemental cash flow information (Note 14)

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 September 30, 2018, the Company had a working capital deficit of $207,086 (December 31, 2017 – working capital deficit of $1,263,269). At that date, the Company also had an accumulated deficit of $78,623,862 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 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, 2017, 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, 2017 except for the adoption of IFRS 9, Financial Instruments (Note 3).

These financial statements were approved by the board of directors on November 13, 2018.

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 (U.S.) Ltd.	U.S.A.
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 and standards issued but not yet effective

IFRS 16, Leases

The new standard 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 is applicable to all entities and will supersede current lease accounting standards under IFRS. IFRS 16 is mandatory for annual periods beginning on or after January 1, 2019. The Company is currently assessing the expected impact of IFRS 16 on its consolidated financial statements.

IFRS 9, Financial Instruments

This standard replaces IAS 39 Financial Instruments: Recognition and Measurement and became effective for the Company on January 1, 2018. IFRS 9 includes requirements for classification and measurement of financial assets and financial liabilities; impairment methodology for financial instruments; and general hedge accounting. IFRS 9 has specific requirements for whether debt instruments are accounted for at amortized cost, fair value through other comprehensive income or fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election is made to measure them at fair value through other comprehensive income, which results in changes in fair value not being recycled to the income statement. The adoption of this standard did not have a material measurement or disclosure impact on the Company’s financial statements.

The following is the Company’s new accounting policy for financial instruments under IFRS 9:

Recognition and Classification

The Company recognized a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification IAS 39	**New classification IFRS 9**
Cash and cash equivalents	Amortized cost	Amortized cost
Marketable securities	Available for sale	FVTOCI
Accounts receivable	Amortized cost	Amortized cost
Accounts payable	Amortized cost	Amortized cost
Class B shares	FVTPL	FVTPL
Stock options exercisable into Class B	FVTPL	FVTPL

The Company did not restate prior periods as there was no impact at the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on January 1, 2018.

Measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

(Unaudited - Expressed in U.S. dollars)

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets.

4 Use of estimates, assumptions and judgments

In preparing these condensed interim 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, 2017.

5 Receivables and prepaids

	September 30, 2018	December 31, 2017
	$	$
GST receivable	2,694	7,348
Drilling advance	-	66,519
Other receivables	9,388	7,542
Other prepaids and advances	42,836	99,587
	54,918	180,996

(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, 2017	**15,835,450**	**15,485,881**	**31,321,331**
Land and option payments	184,447	160,142	344,589
Laboratory	44,497	-	44,497
Field supplies	11,105	10	11,115
Camp	23,597	7,634	31,231
Consulting and supervision	373,613	94,407	468,020
Environmental	110,088	3,593	113,681
Technical consulting	19,997	10,567	30,564
Trenching	-	3,630	3,630
Travel and accommodation	89,434	8,516	97,950
Share-based payments	24,154	-	24,154
Value added tax credits	-	1,118	1,118
	880,932	289,617	1,170,549
Balance at September 30, 2018	**16,716,382**	**15,775,498**	**32,491,880**

Escalones, Chile

In 2004, the Company entered into an option agreement (the “Boezio Option”) to acquire the remaining 4,689 hectares of the Escalones property located in Chile which are not already 100% owned by the Company. Pursuant to the Boezio Option, as revised on June 23, 2017, the Company has the right until June 30, 2022 to purchase the claims upon payment of $7,800,000. As at September 30, 2018 $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 property 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 concessions, the Boezio Option requires the Company to commence exploitation of the 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 mining concessions is suspended for reasons beyond the Company’s control.

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 subsequent to September 30, 2018), $45,000 on October 25, 2019, $50,000 on October 25, 2019 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 return for the sum of $1,000,000, payable within 60 days from and after commencement of commercial production.

7 Malku Khota project

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 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 will deliberate and issue a final award. On October 22, 2018 the Tribunal informed the Parties that it will advise them on 2 November 2018 of the exact date on which the Award will be issued. The Company was subsequently advised by the PCA that the Award will be released by the end of November 2018.

(Unaudited - Expressed in U.S. dollars)

SASL seeks monetary compensation for damages in the amount of $385.7 million which includes $307.2 million for all of its losses caused by Bolivia's breaches of the UK-Bolivia Treaty, plus $78.5 million in pre-award interest but excludes fees and costs incurred in connection with the arbitration proceeding. As an alternative, SASL had been seeking restitution of the Malku Khota project along with monetary damages for project-delay in the amount of $176.4 million, including pre-award interest, but after the second round of pleadings, SASL elected not to pursue its claim for restitution of the project itself along with the delay damages due to, among other things, the fact that restitution is rarely granted by tribunals (and even when it is, States are usually given the option of paying current fair market value in lieu of restitution), the changes in the Bolivian mining law since the expropriation impose onerous conditions on foreign investors, and Bolivia's conduct during the arbitration.

8 Convertible notes

	Liability component	Equity component	Contributed surplus
	$	$	$
Balance – December 31, 2016	1,478,041	317,197	57,526
Accretion	146,697	-	-
Foreign exchange	106,871	-	-
Transfer to capital on exercise of warrants	-	-	(57,526)
Balance – December 31, 2017	1,731,609	317,197	-
Gain on extension of maturity	(299,271)	-	-
Accretion	132,703	-	-
Foreign exchange	(57,411)	-	-
Balance – September 30, 2018	**1,507,630**	**317,197**	**-**

During 2015, the Company closed a non-brokered private placement of units consisting of Cdn. $2,296,000 principal amount convertible notes bearing 6% interest and maturing July 23, 2018 (the “Notes”) and 7,446,486 common share purchase warrants (the “Warrants”) for gross proceeds of $1,770,572 (Cdn. $2,296,000).

During the three months ended September 30, 2018 the Company gave notice to the convertible note holders that repayment of the Notes would cause financial hardship and exercised the right to extend the maturity date to July 23, 2020. A non-cash gain of $299,271 was recorded in connection with the extended maturity date. As a result of the maturity extension the notes were reclassified to long-term debt. Subsequent to the September 30, 2018 (Note 16) 100% of the Notes were converted to common shares.

(Unaudited - Expressed in U.S. dollars)

9 Class B shares

As at September 30, 2018, an aggregate 116,375,152 Class B shares are issued and outstanding, with each Class B share having the attributes described in Note 10. 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").

	$
Balance – December 31, 2017	20,407,779
Change in fair value	(629,823)
Balance – September 30, 2018	**19,777,956**

The Class B shares are considered financial instruments and are disclosed as non-current liabilities.

10 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 September 30, 2018.

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 in relation to TMI's wholly-owned subsidiary SASL's arbitration proceeding against the State of Bolivia for the expropriation of the Malku Khota project. The Class B shares are non-voting and non-participating in regards to dividends and on liquidation other than as described above.

Financings
During the nine months ended September 30, 2018, the Company completed a private placement for gross proceeds of $1,490,000 (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 $71,301. Subsequent to the September 30, 2018 (Note 16) the Company closed a private placement of 6,428,571 units for total gross proceeds of $343,900 (Cdn $450,000). Each unit consists of one common share of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder to purchase one additional

(Unaudited - Expressed in U.S. dollars)

common share of the Company at an exercise price of Cdn. $0.11 per share for a period of 24 months from the closing date of the private placement.

Stock options

The Company's stock options outstanding as at September 30, 2018 and the changes for the nine 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	(1,980,000)	0.31	
Granted	1,250,000	0.21	
Balance – September 30, 2018	10,811,458	0.29	2.05
Exercisable – September 30, 2018	9,510,624	0.30	2.23

During the nine months ended September 30, 2018, the Company recorded share-based payments of $85,927 (2017 - $340,522) in respect of the vesting of previously granted stock options and newly granted options. Of this amount, $61,773 (2017 - $289,735) was recorded as a charge to operations and $24,154 (2017 - $50,787) was included in deferred exploration costs.

The balance of options outstanding as at September 30, 2018 is as follows:

Expiry date	Exercise price Cdn$	Number of options outstanding	Number of options exercisable
October 21, 2018 (1)	0.44	958,333	958,333
October 22, 2018	0.65	488,125	488,125
December 23, 2018	0.10	1,500,000	1,500,000
November 13, 2019	0.42	1,242,500	1,242,500
August 12, 2020	0.21	1,792,500	1,792,500
May 19, 2021	0.305	1,502,500	1,502,500
October 10, 2021	0.285	250,000	250,000
November 21, 2021	0.225	50,000	50,000
June 12, 2022	0.30	1,777,500	1,643,333
January 15, 2023	0.22	250,000	83,333
March 28, 2018	0.21	1,000,000	-
		10,811,458	9,510,624

(1) These are stock options to acquire one common share and one Class B share.

Subsequent to September 30, 2018 a total of 958,333 stock options at an exercise price of Cdn $0.44 and a total of 488,125 options at an exercise price of Cdn$0.65 expired unexercised.

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.

(Unaudited - Expressed in U.S. dollars)

Warrants

The Company's warrants outstanding as at September 30, 2018 and the changes for the nine 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	17,768,331	0.35	1.72
Issued	6,347,500	0.25	
Expired	(79,200)	0.30	
Balance – September 30, 2018	24,036,631	0.32	1.10

Warrants to acquire common shares are outstanding at September 30, 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(2)	0.25	876,000
December 8, 2019	0.30	729,135
December 8, 2019(2)	0.25	87,496
February 28, 2020	0.25	4,039,167
March 2, 2020	0.25	1,475,000
March 31, 2020	0.25	833,333
		24,036,631

(2) 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.

Subsequent to September 30, 2018 a further 3,214,286 warrants were issued as part of the private placement units issued (Note 16).

(Unaudited - Expressed in U.S. dollars)

11 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 and nine months ended September 30, 2018 and 2017 is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Directors' fees	14,625	4,550	43,725	48,450
Professional fees	16,668	-	54,112	-
Share-based payments	2,716	12,176	15,392	211,455
Wages and benefits	48,750	69,938	138,494	209,814
	82,759	96,664	251,723	469,719

Included in accounts payable at September 30, 2018 is an amount of $232,743 (December 31, 2017 - $94,936) 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 and nine months ended September 30, 2018 and 2017:

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Consulting fees	687	2,829	5,531	23,591
Consulting fees - mineral property costs	1,439	17,340	12,411	36,153
Professional fees	20,652	42,649	80,116	85,602
Share issuance costs	-	779	28,215	80,293
	22,778	63,597	126,273	225,639

12 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
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 in Chile, beneficiary of 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. As at September 30, 2018, the arbitration has not been settled and the amount of the contingent payment is deemed to be indeterminable. Accordingly, nothing has been accrued for the Fund's portion of any recoveries in the arbitration.

(Unaudited - Expressed in U.S. dollars)

The Company has agreed to a contingent success fee to its lead arbitration counsel to be determined based on the outcome of the arbitration. As at September 30, 2018, the arbitration has not been settled and accordingly the success fee is deemed to be indeterminable and accordingly nothing has been accrued.

A large majority of the costs of the arbitration to be incurred by SASL or the Company are payable only in the event there is 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 by as much as one-third of the amount of any award in its favour.

Convertible notes
The Notes issued in 2015 (Notes 8 and 16) are secured by a pledge of approximately 20.7% of the shares of the Company's subsidiary in Chile, the holder of the Escalones property.

Mexican uncertain tax position
The Company recorded a provision for Mexican tax on the 2013 acquisition of HDG. The provision related to the 2011 transfer of a Mexican mineral property. Management believes that it is unlikely that its 2011 Mexican tax return will be reassessed and during 2015 reversed the previous accrual amounting to $426,503. The Mexican tax authorities have until 2018 to assess the existing filing.

13 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 September 30, 2018 and December 31, 2017 is as follows:

Identifiable assets	**September 30, 2018**	**December 31, 2017**
	$	**$**
Bolivia	18,744,432	18,760,469
Canada	84,499	374,208
Chile	15,782,306	15,571,670
United States	17,114,630	16,418,155
Total assets	51,725,867	51,124,502

Identifiable liabilities	**September 30, 2018**	**December 31, 2017**
	$	**$**
Bolivia	6,271	5,373
Canada	302,105	158,439
Chile	41,496	9,598
United States	71,876	122,151
Total liabilities	421,748	295,561

(Unaudited - Expressed in U.S. dollars)

Geographic segmentation of the Company's net earnings (loss) for the three and nine months ended September 30, 2018 and 2017 is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Bolivia	(19,989)	(19,407)	(70,119)	(79,099)
Canada	(2,407,650)	(2,852,053)	248,490	(2,093,059)
Chile	(9,887)	(8,943)	(48,444)	(17,417)
United States	(90,007)	(157,643)	(332,769)	(445,240)
Net earnings (loss)	(2,527,533)	(3,038,046)	(202,842)	(2,634,815)

14 Supplemental cash flow information

The Company conducted non-cash investing activities during the nine months ended September 30, 2018 and 2017 as follows:

	2018	**2017**
	$	**$**
Interest income included in receivables and prepaids	1,083	1,622
Investing activities		
Deferred exploration costs included in accounts payable	61,495	173,810
Deferred exploration costs included in accounts payable as at December 31, 2017 and 2016 respectively	121,694	60,831
Share-based payments included in deferred exploration costs	24,154	38,903

15 Financial instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, marketable securities, accounts payable and accrued liabilities, convertible notes, Class B shares, and stock options exercisable into Class B shares. Cash and cash equivalents and receivables are designated as loans and receivables, which are measured at amortized cost. The Company's marketable securities have been designated as FVTOCI, the carrying value on the statement of financial position is reported at fair value. Accounts payable and accrued liabilities and convertible notes are designated as other financial liabilities which are measured at amortized cost. Class B shares and stock options exercisable into Class B shares are designated as FVTPL, which are measured at fair value, with changes in fair value recognized directly in earnings or loss in the period in which they arise. The carrying values of the Class B shares and related options on the statement of financial position are reported at their respective fair values.

The Company's Class B shares have been classified at "Level 1" financial instruments and are recorded at their estimated fair value which is based on the quoted stock price. The stock options exercisable into Class B shares and the marketable securities have been classified at "Level 2" financial instruments.

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, 2017.

16 Subsequent events

The Company closed a private placement of 6,428,571 units priced at Cdn $0.07 per unit for total gross proceeds of $343,900 (Cdn $450,000). Each unit consists of one common share of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder to purchase one additional common share of the Company at an exercise price of Cdn. $0.11 per share for a period of 24 months from the closing date of the private placement.

The convertible note holders converted 100% of the outstanding balance of the Notes, plus accrued interest, into an aggregate of 33,398,487 common shares of the Company at an amended conversion price of Cdn $0.07 per common shares, and the Notes and the security interests provided to secure payment of the Notes, were thereby extinguished.

Subsequent to the period end the Company was advised by the PCA that the Award will be released by the end of November 2018.