TriMetals Mining Inc.

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

Three and six months ended June 30, 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	June 30, 2019	December 31, 2018
		$	$
Assets			
Current			
Cash and cash equivalents		4,972	11,678
Receivables and prepaids	5	130,704	115,088
		135,676	126,766
Non-current assets			
Assets held for sale	6	4,391,474	-
Equipment		35,102	45,257
Reclamation deposit		312,083	234,800
Mining claims and deferred exploration costs	7	16,972,400	32,516,391
Arbitration award asset	8	15,480,198	11,874,819
		37,326,933	44,798,033
Liabilities			
Current			
Accounts payable and accrued liabilities	10	768,007	419,794
Non-current liabilities			
Class B shares and other arbitration award liabilities	8	12,402,634	9,463,383
		13,170,641	9,883,177
Equity attributable to shareholders			
Share capital	9	98,016,552	97,678,334
Contributed surplus	9	13,637,969	13,403,664
Accumulated other comprehensive loss		(347,605)	(337,601)
Deficit		(87,150,624)	(75,829,541)
		24,156,292	34,914,856
		37,326,933	44,798,033

Going concern (Note 1)
Contingencies (Note 11)
Subsequent events (Note 15)

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 and six months ended June 30

(Unaudited - Expressed in U.S. dollars)

	Note	Three months ended June 30 2019	2018	Six months ended June 30 2019	2018
		$	$	$	$
General and administrative expenses					
Arbitration		418,206	18,276	441,791	36,203
Consulting		4,857	12,291	10,126	19,671
Depreciation and amortization		5,039	5,859	10,155	13,952
Directors' fees	10	11,400	15,525	23,850	29,100
Filing and transfer agent fees		12,723	10,228	42,665	46,250
Office and administration		18,954	64,681	41,616	118,595
Professional fees	10	104,901	143,362	179,128	227,578
Reconnaissance and sundry exploration		13,447	13,994	16,173	17,451
Shareholder information and investor relations		13,187	28,183	25,955	48,273
Share-based payments	9,10	166,951	20,599	226,573	53,596
Wages and benefits	10	24,364	72,225	81,651	164,323
		(794,029)	(405,223)	(1,099,683)	(774,992)
Other income (expenses)					
Interest and other income		1,101	3,679	1,350	5,757
Accretion and interest on convertible notes		-	(63,226)	-	(128,478)
Foreign exchange loss		(821)	(1,189)	(290)	(1,687)
Loss on disposal of equipment		-	(1,591)	-	(1,591)
Change in fair value of arbitration award assets, Class B shares and other arbitration award liabilities	8	761,510	1,720,046	1,166,128	3,174,218
Write-down of carrying value on transfer to assets held for sale	6	(11,388,588)	-	(11,388,588)	-
Change in fair value of options exercisable into Class B shares		-	51,463	-	51,463
		(10,626,798)	1,709,182	(10,221,400)	3,099,682
Net earnings (loss) for the period		(11,420,827)	1,303,959	(11,321,083)	2,324,690
Other comprehensive income (loss)					
Items that will not be subsequently reclassified to profit or loss:					
Unrealized loss on marketable securities		-	(1,731)	-	(4,027)
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences		(5,530)	16,129	(10,004)	50,773
Total other comprehensive income (loss) for the period		(5,530)	14,398	(10,004)	46,746
Total comprehensive earnings for the period		(11,426,357)	1,318,357	(11,331,087)	2,371,436
Net earnings per share:					
Basic		0.05	0.01	0.05	0.01
Diluted		0.05	0.01	0.05	0.01
Weighted average number of shares outstanding:					
Basic		239,169,464	189,742,406	235,025,818	185,286,209
Diluted		239,169,464	190,142,748	235,025,818	185,776,054

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 six months ended June 30, 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	-	(71,301)	-	-	-	-	(71,301)
Share-based payments	-	-	74,589	-	-	-	74,589
Total comprehensive income	-	-	-	-	2,324,690	46,746	2,371,436
Balance, June 30, 2018	**189,742,406**	**95,624,259**	**12,895,722**	**317,197**	**(76,096,330)**	**(245,027)**	**32,495,821**
Shares issued on private placement	6,428,571	296,510	47,401	-	-	-	343,911
Less: issue costs – cash	-	(26,543)	-	-	-	-	(26,543)
Convertible notes – maturity extension	-	-	-	78,312	-	-	78,312
Convertible notes – conversion	33,398,487	1,784,108	395,509	(395,509)	-	-	1,784,108
Share-based payments	-	-	65,032	-	-	-	65,032
Total comprehensive income (loss)	-	-	-	-	266,789	(92,574)	174,215
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	-	(28,563)	-	-	-	-	(28,563)
Shares issued on settlement of trade payables	400,000	21,367	-	-	-	-	21,367
Share-based payments	-	-	234,305	-	-	-	234,305
Total comprehensive loss	-	-	-	-	(11,321,083)	(10,004)	(11,331,087)
Balance, June 30, 2019	**239,169,464**	**98,016,552**	**13,637,969**	**-**	**(87,150,624)**	**(347,605)**	**24,156,292**

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 six months ended June 30

(Unaudited - Expressed in U.S. dollars)

	2019	2018
	$	$
Cash flows (used in) from operating activities		
Net income (loss) for the period	(11,321,083)	2,324,690
Items not affecting cash		
Depreciation and amortization	10,155	13,952
Change in fair value of arbitration award assets, Class B shares and other arbitration award liabilities	(1,166,128)	(3,174,218)
Change in fair value of stock options exercisable into Class B shares	-	(51,463)
Interest income	(1,350)	(5,757)
Share-based payments	226,573	53,596
Write-down of carrying value on transfer to assets held for sale	11,388,588	-
Loss on disposal of equipment	-	1,591
Accretion on convertible notes	-	77,141
Unrealized foreign exchange (gain) loss	-	(82,703)
	(863,245)	(843,171)
Interest received	1,350	4,674
Changes in non-cash operating working capital		
Change in receivables and prepaids	(15,616)	(403)
Change in accounts payable and accrued liabilities	416,648	38,481
	(460,863)	(800,419)
Cash flows (used in) from investing activities		
Mining claims and deferred exploration costs	(275,407)	(917,312)
Reclamation deposit	(77,283)	-
Repayment of drilling advance	-	66,519
Purchase of equipment	-	(1,483)
Proceeds on disposal of equipment	-	550
	(352,690)	(851,726)
Cash flows from (used in) financing activities		
Private placement	345,414	1,490,000
Share issuance costs	(28,563)	(71,301)
Receipt of funding installment (Note 8)	500,000	-
	816,851	1,418,699
Increase (decrease) in cash and cash equivalents	3,298	(233,446)
Foreign exchange effect on cash and cash equivalents	(10,004)	50,774
Cash and cash equivalents[1] – Beginning of period	11,678	497,750
Cash and cash equivalents[1] – End of period	4,972	315,078

[1] Cash and cash equivalents as at June 30, 2019 and 2018 was solely comprised of cash.

Supplemental cash flow information (Note 13)

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 June 30, 2019, the Company had a working capital deficit of $632,331 (December 31, 2018 – working capital deficit of $293,028). At that date, the Company also had an accumulated deficit of $87,150,624 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 August 12, 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.

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 except as discussed below:

Assets held for sale

The Company must report its assets held for sale at the lower of their carrying amount and fair value less costs to sell. Management has estimated the fair value based on the expected pricing to be applied in the Concurrent Financing, as discussed in Note 6. This involves management judgement and requires the Company to perform continuous evaluations. Management has classified the asset held for sale as a non-current asset as at June 30, 2019 as discussed in Note 6. Any change in the assumptions used could impact the carrying value of the asset held for sale on the condensed interim consolidated statement of financial position with a corresponding adjustment to the condensed interim consolidated statement of earnings (loss) and comprehensive income (loss).

(Unaudited - Expressed in U.S. dollars)

5 Receivables and prepaids

	June 30, 2019	December 31, 2018
	$	$
GST receivable	13,413	5,221
Other receivables	9,616	9,616
Other prepaids and advances	36,966	100,251
Deferred transaction costs	70,709	-
	130,704	115,088

6 Asset classified as held for sale

During the three months ended June 30, 2019, the Escalones project met the criteria as an asset held for sale under IFRS 5 *Non-current assets held for sale and discontinued operations*. Accordingly, the Company was required, under IFRS 5, to measure the Escalones project at the lower of its carrying amount and its fair value less costs to sell ("FVLCS") which resulted in a write-down charge being taken upon reclassification.

	June 30, 2019	December 31, 2018
	$	$
Transfer from mining claims and deferred exploration costs (Note 7)	15,780,062	-
Write-down of carrying value on transfer to assets held for sale	(11,388,588)	-
Carrying amount of asset held for sale – June 30, 2019	4,391,474	-

The Company assessed the carrying amount of the asset held for sale as at June 30, 2019 and determined there was no further write-down needed to the value of the asset.

On May 31, 2019 the Company entered into a definitive share purchase agreement (the "Share Purchase Agreement") with Wealth Minerals Ltd. ("Wealth") and its wholly-owned subsidiary, Wealth Copper Ltd. ("Wealth Copper"). Wealth Copper has agreed to acquire all of the issued and outstanding shares of the Company's subsidiaries SASC Metallurgy Corp. and Escalones Copper Corp. (the "Purchased Shares"), and thereby 100% of the Company's Chilean subsidiary, TriMetals Mining Chile SCM, and its interest in the Escalones project (the "Escalones Transaction"). While the Company expects the Escalones Transaction to close in the short-term, the primary assets to be received by the Company as consideration for entering into the Escalones Transaction are not assets which can be readily realised in the short-term. Accordingly, the Company continued to present the assets held for sale as non-current in the consolidated statements of financial position.

As consideration to the Company for the purchase of the Escalones project, Wealth Copper will

(i) issue 25,000,000 common shares in its capital (each, a "Wealth Copper Share"),

(ii) pay an aggregate of Cdn$1,000,000 in cash (the "Cash Consideration") with Cdn $350,000 due upon closing of the Concurrent Financing and $500,000 due on the 12 month anniversary of the closing of the Concurrent Financing. The Cdn$150,000 deposit paid with be credited against the Cash Consideration; and

(iii) grant a 2% net smelter returns royalty payable on production from those mining rights or exploitation concessions that supersede or shall derive from the Escalones Exploration Concessions if the price of copper is greater than US$0.75 per pound or a 1% net smelter returns royalty if the copper price is equal to or less than US$0.75 per pound (the "Royalty"). The Royalty shall be subject to a buyback right pursuant to which the Royalty may be purchased for US$3 million at any time during the 5 years following the first sale of minerals produced from such mining rights or exploitation concessions, and US$5 million after such 5 year period.

At closing of the Escalones transaction, the 25,000,000 Wealth Copper Shares held by the Company, together with the 25,000,000 Wealth Copper Shares held by Wealth, will collectively represent 100% of the issued and outstanding Wealth Copper Shares, excluding any Wealth Copper Shares issued in connection with the Concurrent Financing (as defined below).

On or prior to closing of the Escalones transaction, Wealth Copper shall have entered into a letter of intent (completed) with a TSX Venture Exchange listed issuer ("ListingCo") in respect of a reverse take-over transaction (the "Going-Public Transaction"), whereby ListingCo (which, after the closing of the Going-Public Transaction, shall be the "Resulting Issuer") is to acquire all of the issued and outstanding Wealth Copper Shares from Wealth and TMI and continue the business of Wealth Copper in exchange for the issuance of common shares in the capital of ListingCo to the Wealth Copper shareholders on a one (1) for one (1) basis. The Share Purchase Agreement contemplates that in connection with the Going-Public Transaction, Wealth Copper and/or ListingCo shall have completed private placement financings to raise an aggregate of at least Cdn$5,000,000 (the "Concurrent Financing"). The Company's ownership interest in the Resulting Issuer is not to be less than 30% immediately after giving effect to the Going-Public Transaction and the Concurrent Financing and the Company is to be granted the right to participate in future equity financings of the Resulting Issuer to allow the Company to maintain up to its pro rata ownership interest in the equity capital of the Resulting Issuer. In addition, following closing of the Going-Public Transaction, the Company and Wealth will each be granted the right to nominate one director to the board of directors of the Resulting Issuer for so long as each holds at least 20% of the issued and outstanding shares of the Resulting Issuer.

(Unaudited - Expressed in U.S. dollars)

7 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	87,801	50,613	138,414
Field supplies	1,046	-	1,046
Camp	4,947	3,711	8,658
Consulting and supervision	40,841	25,191	66,032
Environmental	2,943	3,314	6,257
Technical consulting	-	4,489	4,489
Travel and accommodation	3,331	-	3,331
Share-based payments	7,732	-	7,732
Value added tax credits	-	112	112
	148,641	87,430	236,071
Transfer to assets held for sale (Note 6)	-	(15,780,062)	(15,780,062)
Balance at June 30, 2019	**16,972,400**	**-**	**16,972,400**

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.

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 27, 2019 the Company has the right until June 30, 2024 to purchase the Boezio Concessions upon payment of $8,100,000. As at June 30, 2019 $3,400,000 has been paid. The remaining $4,700,000 is payable as follows: $200,000 and 500,000 shares of Wealth Copper on August 30, 2019, $200,000 on June 30, 2020, $300,000 on June 30, 2021, $500,000 on each of June 30, 2022 and 2023, and a final payment of $3,000,000 on June 30, 2024.

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). On May 31, 2019, the Company executed a share purchase agreement with Wealth and reclassified the Escalones property to an asset held for sale (Note 6).

8 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 interest thereon running from August 1, 2012 to the date of payment of the award by Bolivia.

As at June 30, 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' recovery 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.

On April 4, 2019 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 during the three months ended June 30, 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.

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, prior to November 23, 2018, 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 (Asset) was derecognized and the arbitration award asset was recorded at its estimated fair value. The estimated fair value of the arbitration award asset was $15,480,198 as at June 30, 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 $761,510 and $1,166,128 for the three and six months ended June 30, 2019 respectively comprises an unrealized fair value gain of $3,605,379 (2018 - $nil) on the total arbitration award assets and an unrealized fair value loss of (exclusive funding proceeds) $2,439,251 (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.

9 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 June 30, 2019. Refer to note 8 for the number of Class B shares issued and related terms.

Financings
During the six months ended June 30, 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 $28,563. In addition, the Company issued 400,000 common shares at a price of Cdn $0.05 per share to settle trade debts payable.

During the six months ended June 30, 2018, the Company completed a private placement in three tranches 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.

(Unaudited - Expressed in U.S. dollars)

Stock options

The Company's stock options outstanding as at June 30, 2019 and the changes for the six 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	11,200,000	0.06	
Balance – June 30, 2019	20,068,333	0.13	2.33
Exercisable – June 30, 2019	15,235,000	0.16	2.22

During the three and six months ended June 30, 2019, the Company recorded share-based payments, in respect of the vesting of previously granted stock options and newly granted options, of $166,951 and $226,573, respectively, (2018 - $20,599 and $53,596, respectively) was recorded as a charge to operations and $7,732 was included in deferred exploration costs for the six months ended June 30, 2019.

The weighted average grant date fair value of options granted during the six months ended June 30, 2019 was $0.02 per share (2018 - $0.09 per share). The fair value of each option grant during the six months ended June 30, 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	1.54%	1.13%
Expected life	3 years	5 years
Expected volatility	83%	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 June 30, 2019 is as follows:

Expiry date	Exercise price Cdn$	Number of options outstanding	Number of options exercisable
October 31, 2019	0.22	166,667	166,667
October 31, 2019	0.21	200,000	200,000
October 31, 2019	0.05	116,666	116,666
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
November 27, 2021	0.05	2,050,000	683,333
February 8, 2022	0.055	200,000	66,667
February 15, 2022	0.06	2,000,000	2,000,000
April 8, 2022	0.06	6,500,000	4,500,000
May 1, 2022	0.045	2,000,000	666,667
May 9, 2022	0.045	500,000	500,000
June 12, 2022	0.30	1,702,500	1,702,500
		20,068,333	15,235,000

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 June 30, 2019 and the changes for the six 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 – June 30, 2019	27,250,916	0.30	0.46

(Unaudited - Expressed in U.S. dollars)

Warrants to acquire common shares are outstanding at June 30, 2019 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.

Subsequent to June 30, 2019 a total of 8,696,500 warrants at an exercise price of C$0.40 expired unexercised.

10 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 six months ended June 30, 2019 and 2018 is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Directors' fees	11,400	15,525	23,850	29,100
Professional fees	18,620	18,486	37,563	37,445
Share-based payments	140,434	2,716	195,200	12,676
Wages and benefits	15,000	48,750	41,250	89,744
	185,454	85,477	297,863	168,965

Included in accounts payable at June 30, 2019 is an amount of $199,040 (December 31, 2018 - $281,499) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

(Unaudited - Expressed in U.S. dollars)

The Company incurred the following additional expenditures with related parties during the three and six months ended June 30, 2019 and 2018:

	Three months ended June 30,		**Six months ended June 30,**	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Consulting fees	-	737	15,892	4,844
Consulting fees - mineral property costs	-	1,390	943	10,972
Professional fees	86,762	40,844	120,170	59,464
Share issuance costs	6,376	2,775	16,268	28,215
	93,138	45,746	153,273	103,495

11 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 interest thereon running from August 1, 2012 to the date of payment of the award by Bolivia.

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 and other commitments. These fees, costs and expenses will be paid out of any amounts received by SASL in respect of the award or any settlement agreement, thus reducing the amount available to the Class B shareholders. The Company currently estimates that the fees, costs and expenses to be deducted could be between 35% and 45% of the total amount received in respect of the award or any settlement agreement with the Government of Bolivia.

Under the Arbitration Funding Agreement 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. As of June 30, 2019 the Company has only elected to receive a first installment of $500,000 (Note 8).

12 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 June 30, 2019 and December 31, 2018 is as follows:

(Unaudited - Expressed in U.S. dollars)

Identifiable assets	**June 30, 2019**	**December 31, 2018**
	$	$
Bolivia	15,484,486	11,881,004
Canada	110,470	81,442
Chile	4,393,594	15,698,557
United States	17,338,383	17,137,030
Total assets	37,326,933	44,798,033

Identifiable liabilities	**June 30, 2019**	**December 31, 2018**
	$	$
Bolivia	14,305	8,853
Canada	700,390	289,711
Chile	37,173	33,371
United States	16,139	87,859
Total liabilities	768,007	419,794

Geographic segmentation of the Company's net earnings (loss) for the three and six months ended June 30, 2019 and 2018 is as follows:

	Three months ended June 30,		**Six months ended June 30,**	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Bolivia	859,994	1,696,310	1,238,344	3,125,440
Canada	(816,145)	(240,846)	(1,045,595)	(518,075)
Chile	(11,439,383)	(34,796)	(11,452,573)	(39,912)
United States	(25,294)	(116,709)	(61,261)	(242,763)
Net earnings (loss)	(11,420,828)	1,303,959	(11,321,085)	2,324,690

13 Supplemental cash flow information

The Company conducted non-cash investing activities during the six months ended June 30, 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	13,095	50,850
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	7,732	20,993

14 Financial instruments

The Company's financial instruments as at June 30, 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 8).

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.

15 Subsequent events

On July 25, 2019 the Company closed the first tranche of a non-brokered private placement, issuing 5,818,181 common shares at a price of Cdn $0.055 per share, raising gross process of Cdn $320,000 ($243,420).

Subsequent to June 30, 2019 a total of 8,696,500 warrants at an exercise price of C$0.40 expired unexercised.