ABRAPLATA RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of AbraPlata Resource Corp.

Opinion

We have audited the consolidated financial statements of AbraPlata Resource Corp. ("the Group"), which comprise the consolidated statements of financial position as at December 31, 2019 and December 31, 2018 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Diana Huang.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
May 4, 2020

ABRAPLATA RESOURCES CORP.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	December 31, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	$ 1,812,119	$ 11,662
Receivables	190,791	38,944
Prepaid expenses	204,806	5,442
Total current assets	2,207,716	56,048
Equipment	2,225	-
Right-of-use assets (note 10)	39,231	-
Mineral property interests (note 8)	10,362,971	3,949,776
Total Assets	$ 12,612,143	$ 4,005,824
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities (note 15)	$ 1,245,901	$ 951,026
Lease liabilities (note 11)	33,970	-
Total Liabilities	1,279,871	951,026
Shareholders' Equity		
Share capital (note 13(b))	29,939,924	21,316,200
Reserves (notes 13(c) and (d))	3,089,841	2,057,958
Accumulated other comprehensive loss	(1,817,239)	(1,980,334)
Accumulated deficit	(19,880,254)	(18,339,026)
Total shareholders' equity	11,332,272	3,054,798
Total Liabilities and Equity	$ 12,612,143	$ 4,005,824

Nature of operations (note 1)
Commitments (note 17)
Subsequent events (note 18)

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

Approved on behalf of the Board of Directors:

Director: *(s) "John DeCooman"*

Director: *(s) "Robert Bruggeman"*

ABRAPLATA RESOURCES CORP.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Years ended December 31,	**2019**	**2018**
Administrative expenses		
Consulting fees (note 15)	$ 175,702	$ 191,710
Mineral property written off	-	621,106
Insurance	10,294	21,806
Depreciation of right-of-use assets	2,873	-
Investor relations	116,367	237,708
Office and administration (note 15)	108,301	147,304
Professional fees (note 15)	225,503	251,818
Rent	9,572	47,441
Salaries and benefits (note 15)	50,101	340,624
Share-based payments (notes 13 and 15)	126,168	621,302
Transfer agent and filing fees	49,946	43,915
Travel	11,205	16,895
Accretion of lease liabilities	316	-
Total administrative expenses	886,348	2,541,629
Evaluation and exploration expenses (note 9)	701,787	816,763
Other (income) expenses		
Loss on debt settlement	-	48,370
Interest income	(7,220)	-
Foreign exchange	53,533	16,681
Gain on net monetary position	(93,220)	(102,867)
Total other (income) expenses	(46,907)	(37,816)
Net loss for the year	1,541,228	3,320,576
Other comprehensive (income) loss:		
Impact of hyperinflation	(1,442,213)	(1,528,731)
Foreign currency translation adjustment	1,279,118	2,745,477
Total comprehensive loss for the year	$ 1,378,133	$ 4,537,322
Basic and diluted loss per share	$ 0.02	$ 0.06
Weighted average number of shares outstanding	101,211,532	79,811,785

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

ABRAPLATA RESOURCES CORP.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital Number	Share Capital Amount	Share-based payment reserve	Warrant reserve	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total
Balance, December 31, 2017	65,062,009	$ 18,105,909	$ 875,340	$ 502,102	$ (763,588)	$ (15,018,450)	$ 3,701,313
Private placement, net of share issue costs	13,687,311	2,504,344	-	59,214	-	-	2,563,558
Shares issued to SSR Mining Inc.	2,509,265	602,224	-	-	-	-	602,224
Shares issued for debt	414,893	103,723	-	-	-	-	103,723
Share-based payments	-	-	621,302	-	-	-	621,302
Impact of hyperinflation	-	-	-	-	1,528,731	-	1,528,731
Foreign currency translation adjustment	-	-	-	-	(2,745,477)	-	(2,745,477)
Net loss for the year	-	-	-	-	-	(3,320,576)	(3,320,576)
Balance, December 31, 2018	81,673,478	21,316,200	1,496,642	561,316	(1,980,334)	(18,339,026)	3,054,798
Private placement, net of share issue costs	40,000,000	2,219,455	-	-	-	-	2,219,455
Shares issued to SSR Mining Inc.	24,160,385	1,208,019	-	-	-	-	1,208,019
Shares issued for mineral interests	300,000	15,000	-	-	-	-	15,000
Acquisition of Aethon	103,624,999	5,181,250	108,918	796,797	-	-	6,086,965
Share-based payments	-	-	126,168	-	-	-	126,168
Impact of hyperinflation	-	-	-	-	1,442,213	-	1,442,213
Foreign currency translation adjustment	-	-	-	-	(1,279,118)	-	(1,279,118)
Net loss for the year	-	-	-	-	-	(1,541,228)	(1,541,228)
Balance, December 31, 2019	249,758,862	$ 29,939,924	$ 1,731,728	$ 1,358,113	$ (1,817,239)	$ (19,880,254)	$ 11,332,272

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

ABRAPLATA RESOURCES CORP.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

Years ended December 31,	**2019**	**2018**
Operating Activities		
Net loss for the year	$ (1,541,228)	$ (3,320,576)
Items not affecting cash:		
Gain on net monetary position	(93,220)	(102,867)
Foreign exchange	53,533	16,681
Share-based payments	126,168	621,302
Mineral property write off	-	621,106
Accretion of lease liabilities	316	-
Depreciation of right-of-use assets	2,873	-
Loss on debt settlement	-	48,370
Changes in non-cash operating working capital:		
Receivables	293,933	30,138
Accounts payable and accrued liabilities	(142,533)	(258,460)
Prepaid expenses	(164,547)	12,354
Cash (used in) operating activities	(1,464,705)	(2,331,952)
Investing Activities		
Additions to mineral interests, net of recovery	(675,822)	(285,642)
Cash obtained upon acquisition of Aethon	1,734,658	-
Transaction costs incurred for acquisition of Aethon	(172,669)	-
Cash provided by (used in) investing activities	886,167	(285,642)
Financing Activities		
Repayment of lease liabilities	(2,518)	-
Proceeds on issuance of shares, net of issuance costs	2,219,455	2,563,558
Cash provided by financing activities	2,216,937	2,563,558
Impact of foreign exchange rate on cash and cash equivalents	162,058	43,475
Change in cash and cash equivalents during the year	1,800,457	(10,561)
Cash and cash equivalents, beginning of the year	11,662	22,223
Cash and cash equivalents, end of the year	$ 1,812,119	$ 11,662
Cash and cash equivalents are comprised of:		
Cash	$ 512,119	$ 11,662
Term deposits	1,300,000	-
	$ 1,812,119	$ 11,662

Included in term deposits is $50,000 pledged to guarantee credit cards, which is available to the Company if the credit cards were cancelled.

Non-cash investing and financing activities		
Shares issued for debt	$ -	$ 103,723
Shares issued for mineral interests	$ 1,223,019	$ 602,224
Shares and fair value of options and warrants issued for acquisition of Aethon	$ 6,086,965	$ -
Fair value of finder's warrants	$ -	$ 59,214
Interest received	$ 7,220	$ -

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

1. Nature of operations

AbraPlata Resource Corp. (formerly Angel Bioventures Inc.) (the “Company” or "AbraPlata") was incorporated on August 31, 1993 under the Alberta Business Corporations Act. On September 30, 2015, the Company’s incorporation jurisdiction was moved to British Columbia. AbraPlata is a mineral exploration and development company engaged in the acquisition, exploration and development of mineral resource properties in Argentina and Chile. The Company’s registered and records office and principle place of business is located at Suite 550, 220 Bay Street, Toronto, Ontario, M5J 2W4.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2019, the Company has a working capital of $927,845 (December 31, 2018– deficiency of $894,978) and has an accumulated deficit of $19,880,254. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continues a going concern. These Consolidated Financial Statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

Subsequent to year-end, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company’s operations. Management have given consideration as to the impact of COVID-19 on the Company and concluded that the consolidated financial statements appropriately reflect and disclose management’s best estimate and uncertainty regarding the impact of COVID-19 on the Company’s future operations and financial results.

2. Basis of preparation

Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized for issue by the Board of Directors on May 4, 2020.

Basis of measurement

These consolidated financial statements are expressed in Canadian dollars, the Company’s presentation currency and have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies used in the preparation of these consolidated financial statements are the policies listed in the note 5. These accounting policies have been applied consistently to all periods presented in these consolidated financial statements as if the policies have always been in effect.

3. Hyperinflation

Due to various qualitative factors and developments with respect to the economic environment in Argentina during the year ended December 31, 2018, including, but not limited to, the acceleration of multiple local inflation indices, the three-year cumulative inflation rate of the local Argentine wholesale price index exceeding 100% in May 2018 and the significant devaluation of the Argentine Peso, Argentina was designated a hyper-inflationary economy as of July 1, 2018 for accounting purposes.

Accordingly, IAS 29, Financial Reporting in Hyper-Inflationary Economies, has been applied to these consolidated financial statements as the Company's Argentine operating subsidiaries (the "Argentine Subsidiaries") use the Argentine Peso as its functional currency. The Company also followed the interpretive guidance for first time adoption of IAS 29 included within IFRIC 7. The consolidated financial statements are based on the historical cost approach in IAS 29.

The application of hyperinflation accounting requires restatement of the Argentine subsidiaries' non-monetary assets and liabilities, shareholders' equity and comprehensive loss items from the transaction date when they were first recognized into the current purchasing power which reflects a price index current at the end of the reporting period before being included in the consolidated financial statements. To measure the impact of inflation on its financial position and results, the Company has elected to use the Wholesale Price Index (Indice de Precios Mayoristas or "IPIM") for periods up to December 31, 2016, and the Retail Price Index (Indice de Precios al Consumidor or "IPC") thereafter. These price indices have been recommended by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE").

For the year ended December 31, 2019, the Company recognized a gain of $1.4 million (2018 - $1.5 million) in relation to the impact of hyperinflation within other comprehensive income. This amount is primarily the result of hyperinflation adjustments recognized on non-monetary assets held by its Argentine subsidiaries as of July 1, 2018, which have been restated from the historic date when they were first recognized to July 1, 2018 (the "Opening Hyperinflation Adjustment"), and then to December 31, 2019 (2018 – to December 31, 2018). On initial application of IAS 29, there is an accounting policy choice to recognize the Opening Hyperinflation Adjustment directly to opening equity or to other comprehensive loss. The Company has elected to recognize this amount to other comprehensive loss and it is included in the comparative figure noted above.

As at December 31, 2019, the IPC was 283.4 (2018 - 184.2), which represents an increase of 154% during the year (2018 - 27%).

4. Change in accounting policy

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after January 1, 2019. The following new standards have been adopted:

IFRS 16, Leases ("IFRS 16")

The Company adopted IFRS 16 – Leases, which is effective for annual reporting periods beginning on or after January 1, 2019. Previously, the Company classified leases as operating or finance leases based on IAS 17 - Leases.

The Company has applied IFRS 16 in accordance with the modified retrospective approach only to contracts that were previously identified as leases. Contracts that were not identified as leases under previous standards were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2018. The Company has determined that there is no change to the comparative periods required as a result of the adoption of this standard.

On initial application, for leases previously classified as operating leases under IAS 17, the Company has elected to record a right-of-use asset based on the corresponding lease liability. As at January 1, 2019, the Company had no lease obligations and during the year ended December 31, 2019, the Company recorded lease obligations of $13,454 and right-of-use assets of $13,454 (See Notes 10 and 11).

4. Change in accounting policy (continued)

IFRS 16, Leases ("IFRS 16") (continued)

When measuring lease liabilities, the Company discounted future lease payments using its incremental borrowing rate on the date of the lease obligations were incurred. The rates applied vary between 10-20%.

The Company has elected to apply the practical expedient on facility leases, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Company's accounting policy for leases under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A lease liability is initially measured at the present value of the unpaid lease payments discounted using the interest rate implicit in the lease or if that rate cannot be reliably determined, the Company's incremental borrowing rate. Subsequently, the Company measures a lease liability at amortized cost using the effective interest method. It is then remeasured to reflect revised in-substance fixed lease payments. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

5. Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and the Company's wholly-owned subsidiaries Aethon Minerals Corporation ("Aethon"); Huayra Minerals Corp.; Argentine subsidiaries AbraPlata Argentina S.A. (formerly Meryllion Argentina S.A.), Pacific Rim Mining Corporation Argentina S.A., and Minera Cerro Bayo S.A.; British Virgin Island subsidiaries ABP Global Inc. (BVI); ABP Diablillos Inc. (BVI); and Agrogir Trading Ltd. (BVI); and Chilean subsidiary Aethon Minerals Chile SpA. All inter-company transactions and balances have been eliminated.

(b) Critical accounting estimates and judgments

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

5. Significant accounting policies (continued)

(b) Critical accounting estimates and judgments (continued)

Critical accounting estimates
Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the determination of environmental obligations, if any; the recoverability of mineral interests; provision for income and other taxes based on management's interpretation of taxation laws which may differ from the interpretation by taxation authorities; and the inputs used in the Black-Scholes option pricing model to account for shares issued with trading restrictions.

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

Acquisition

The determination of the acquirer in the share exchange transaction between the Company and Aethon requires significant judgment assessing the relative voting rights, composition of the governing body, and composition of senior management of the combined entity, amongst other factors. The Company concluded AbraPlata is the acquirer, and its acquisition of all of the outstanding shares of Aethon has been determined to be an asset acquisition as Aethon does not meet the definition of a business under IFRS 3 - Business Combinations. As a result, the acquisition of Aethon has been accounted for as an asset acquisition, whereby all of the assets acquired and liabilities assumed are assigned a carrying value based on relative fair value.

Functional currency
In accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”, management determined that the functional currency of AbraPlata Argentina S.A. (formerly Meryllion Argentina S.A.), Pacific Rim Mining Corporation Argentina S.A., and Minera Cerro Bayo S.A. is Argentine Peso. The functional currency of ABP Global Inc. (BVI) and ABP Diablillos Inc. (BVI) is the US dollar. The functional currency of AbraPlata Resource Corp. Aethon Minerals Corporation, and Huayra Minerals Corp. is Canadian dollar. The function currency of Aethon Minerals Chile SpA is Chilean Peso.

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

Going concern risk assessment
The assessment of the Company’s ability to continue as a going concern involves significant judgment. Refer to our discussion in Note 1.

(c) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5. Significant accounting policies (continued)

(c) Provisions (continued)

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(d) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These consolidated financial statements are presented in Canadian Dollars. The Company's presentation currency is the Canadian dollar and the Company and its subsidiaries' functional currencies are summarized in note 5(b).

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the consolidated statement of loss and comprehensive loss in the period in which they arise. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive (income) loss in the consolidated statement of comprehensive (income) loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive (income) loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Parent and Subsidiary Companies
The financial position and results of operations whose functional currency is different from the presentation currency are translated as follows:
- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at the average exchange rates for the period.

Exchange differences are transferred directly to other comprehensive (income) loss and are included in a separate component of equity titled "Accumulated other comprehensive income or loss – currency translation adjustment". These differences are recognized in profit or loss in the period in which the operation is disposed of.

(e) Evaluation and exploration expenses

Evaluation and exploration expenses are comprised of costs that are directly attributable to:
- researching and analyzing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

All exploration and evaluation expenditures are expensed until properties are determined to contain economically viable reserves. When economically viable reserves have been determined, technical feasibility has been determined and the decision to proceed with development has been approved, the subsequent costs incurred for the development of that project are capitalized as mining properties, a component of property, plant and equipment.

5. Significant accounting policies (continued)

(e) Evaluation and exploration expenses (continued)

Development expenditures are net of the proceeds of the sale of ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs and classified as mineral interests.

(f) Mineral interests

Mineral interests include any costs relating to the acquisition and claim maintenance of mineral properties, including option payments and annual fees to maintain the property in good standing. When economically viable reserves have been determined, technical feasibility has been determined and the decision to proceed with development has been approved by the Board of Directors, the capitalized mineral interests for that project are capitalized as mining properties, a component of property, plant and equipment. Upon determination and the decision to proceed with development of a mineral interest, the mineral interest is tested for impairment and then reclassified from mineral interests to mining properties, net of any impairment losses.

The Company assesses its capitalized mineral interests for indications of impairment on a regular basis and when events and circumstances indicate a risk of impairment. A mineral interest is written down or written off when the Company determines that an impairment of value has occurred or when exploration results indicate that no further work is warranted.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects.

(g) Impairment of long-lived assets

Long-lived assets are assessed for impairment at each reporting date. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). These are typically individual mines or development projects.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(h) Loss (earnings) per share

The basic loss(earnings) per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period if dilutive. The Company uses the treasury stock method of calculating fully diluted per share amounts whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the year. Diluted loss (earnings)per share has not been presented separately as the outstanding options are anti-dilutive for each period presented.

5. Significant accounting policies (continued)

(i) Equipment

Equipment is carried at cost less accumulated depreciation. Depreciation is charged on a straight line basis so as to write off the cost of these assets less estimated residual value over their estimated useful economic lives, which is expected to be 2 to 5 years.

(j) Cash and cash equivalents

The Company considers deposits that are highly liquid, readily convertible to known amounts of cash, redeemable on demand to be cash equivalents. Interest income is recorded as earned on the accrual basis at the stated rate of interest over the term of the investment.

(k) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity.

Current tax
Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax
Deferred tax is accounted for using the liability method, providing for the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases. A deferred tax liability is recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred income tax asset is recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and losses can be utilized, except where the deferred income tax asset related to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is measured on an undiscounted basis using the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws enacted or substantively enacted at the statement of financial position date. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(l) Share-based compensation

The Company grants share-based awards to certain officers, employees, directors and other eligible persons. For equity-settled awards, the fair value is charged to profit or loss and credited to the related reserve account, on a straight-line basis over the vesting period, after adjusting for the estimated number of awards that are expected to vest.

5. Significant accounting policies (continued)

(l) Share-based compensation (continued)

The fair value of the equity-settled awards is determined at the date of the grant. In calculating fair value, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company. The fair value is determined by using the Black-Scholes option pricing model.

At each statement of financial position date, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in profit or loss with a corresponding entry against the related reserve. No expense is recognized for awards that do not ultimately vest. The amount remains in the related reserve for stock options which expire unexercised. When options are exercised, the related amount in reserve is reclassified to share capital.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement.

(m) Share capital

Common shares
Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Equity units
The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement equity units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements are determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. The value attributed to the warrants is recorded as an equity reserve. If the warrants are exercised, the value attributable to the warrants is transferred to share capital.

(n) Financial instruments

Classification and measurement
IFRS 9 requires financial assets and liabilities to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive loss and those measured at amortized cost. Measurement and classification of financial assets and liabilities is dependent on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset and liabilities.

The Company classified cash and cash equivalents, receivables, accounts payable and accrued liabilities and lease liabilities as amortized costs.

Financial assets and liabilities at amortized costs are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Investments in equity instruments are required to be measured by default at fair value through profit or loss, unless the Company makes an irrevocable election to present subsequent changes in the fair value of its equity investments in other comprehensive (income) loss.

5. Significant accounting policies (continued)

(n) Financial instruments (continued)

De-recognition
The Company derecognizes financial assets 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 risk and rewards of ownership to another entity. A financial liability is derecognized when the obligation under the liability is discharged, canceled or expired. Gains and losses on de-recognition of financial assets and liabilities are generally recognized in the consolidated statements of loss.

Impairment
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized costs based on a probability-weighted estimate of credit losses over the expected life of the financial asset.

The expected credit losses are reviewed and updated at each reporting date as appropriate to reflect changes in the credit risk of the financial instruments, whereby 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 credit loss of 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 twelve month expected credit losses. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the expected credit losses are reversed after the impairment was recognized.

(o) Rehabilitation obligations

The Company recognizes the fair value of a legal or constructive liability for a rehabilitation obligation in the year in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company does not have significant rehabilitation obligations.

(p) New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are not mandatory for accounting periods beginning after January 1, 2019. Those pronouncements that are not applicable or do not have a significant impact to the Company have been excluded from the below. The following has not yet been adopted and the Company does not expect significant impact from adopting these amendments:

Amendments to IFRS 3 Business Combinations

Amendments to IFRS 3, Business Combinations assist in determining whether a transaction should be accounted for as a business combination or an asset acquisition. It amends the definition of a business to include an input and a substantive process that together significantly contribute to the ability to create goods and services provided to customers, generating investment and other income, and it excludes returns in the form of lower costs and other economic benefits.

These amendments are effective for reporting periods beginning on or after January 1, 2020.

6. Financial instruments

(a) Fair value estimation

The fair value of financial instruments are determined by valuation methods depending on hierarchy levels as defined below:

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

The Company does not have any financial instruments included in Level 1, 2 and 3. The carrying values of financial instruments maturing in the short term approximates their fair values.

(b) Financial risks

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

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

The Company is exposed to credit risk with respect to its cash and receivables. The Company's maximum exposure to credit risk is their carrying amounts disclosed in the consolidated statement of financial position. Credit risk associated with cash is minimized by placing these instruments with major Canadian financial institutions with strong investment-grade ratings as determined by a primary ratings agency. Credit risk associated with receivables is minimal as the majority of the balance is owing from Canada Revenue Agency.

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

At December 31, 2019, the Company had a cash and cash equivalents balance of $1,812,119 to settle current liabilities of $1,279,871. All of the Company's financial liabilities other than lease liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

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

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

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

(Expressed in Canadian Dollars)

6. Financial instruments (continued)

(b) Financial risks (continued)

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

Currency risk
Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company is exposed to currency risk through financial assets and liabilities denominated in currencies other than the Canadian dollar, the Company's presentation currency. The Company's financial instruments denominated in currencies that are not the Canadian dollar as at December 31, 2019 are as follows:

Cost	Chilean Peso	US$	Argentina Peso	C$ equivalent
Cash	15,244,689	92,103	11,528,128	397,146
Accounts payable and accrued liabilities	12,003,159	24,837	19,703,661	481,943

The Company's sensitivity analysis suggests that a 10% depreciation or appreciation of the foreign currencies against the Canadian dollar would have resulted in an approximate $8,480 decrease or increase in the Company's other comprehensive income or loss.

As at December 31, 2019, US dollar amounts have been translated at a rate of C$1.2988 per US dollar, Argentine Peso amounts have been translated at C$0.02173 per Argentine Peso and Chilean Peso amounts have been translated at C$0.00175 per Chilean Peso.

7. Capital management

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

The Company depends on external financing to fund its activities and there can be no guarantee that external financing will be available at terms acceptable to the Company. The Company does not believe its current working capital is sufficient to maintain its core operations for the next twelve months, and additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. There is no certainty that additional financing at terms that are acceptable to the Company will be available. The capital structure of the Company currently consists of common shares. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt, new shares or warrants.

Management reviews its capital management approach on a regular basis. There were no changes in the Company's approach to capital management. Pursuant to the second amended and restated share purchase agreement dated March 21, 2017, SSRM has the right to maintain a free carried 19.9% equity interest in the Company until the completion of a qualified financing and to elect, after the completion of a qualified financing, to participate in future equity financings to maintain its ownership level in the Company for as long as SSRM continues to hold not less than ten percent of the then issued and outstanding shares of the Company on a non-diluted basis. During the year ended December 31, 2018 the Company completed a qualified financing and is no longer obligated to maintain SSRM's free carried equity interest. Thus the Company is not subject to any externally imposed capital requirements.

8. Mineral property interests

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

a) Diablillos project
(1) On November 1, 2016, the Company closed a Share Purchase Agreement dated August 23, 2016, as amended and restated on March 21, 2017, and further amended on September 11, 2019, with SSRM and Fitzcarraldo Ventures Inc. (the "Share Purchase Agreement") pursuant to which Huayra acquired from SSRM all of the issued and outstanding shares of Pacific Rim Mining Corporation Argentina S.A., ABP Global Inc. (BVI) and ABP Diablillos Inc. (BVI) (together, the "SSRM subsidiaries"). Through the acquisition of the SSRM subsidiaries, the Company acquired certain exploration projects in Salta and Chubut Provinces, Argentina (the Diablillos and the Aguas Perdidas properties). Comprising the "Diablillos Project"

Cash consideration payable to SSRM consists of the following:

1. US$300,000 on closing; this amount to be increased by an amount equal to the US dollar equivalent of the amount of Argentine Pesos deposited in entity purchased by the Company (paid);
2. US$300,000 on or before February 15, 2017 (as amended) (paid);
3. US$500,000 on 180th day after closing (paid);
4. US$50,000 on or before January 12, 2018 (as amended) (paid);
5. $200,000 to be paid at the closing date of the Arrangement with Aethon (paid);
6. US$5,000,000 to be paid on the earlier of:
   - the date on which a Diablillos Feasibility Study in respect of all or any part of the Diablillos Concessions has been obtained;
   - July 31, 2023; and
   - 90 days after demand by SSRM for payment if (a) AbraPlata's market capitalization exceeds $100,000,000 for 20 consecutive trading days (on the primary stock exchange on which such entity's shares are traded) or (b) after November 1, 2020, the spot price of silver (based on the London Bullion Market Association (LBMA) Silver Price as published by the LBMA on its website (or should that quotation cease, another similar quotation acceptable to the parties acting reasonably) (the "Benchmark") exceeds $25 per ounce for 20 consecutive trading days on the Benchmark;
7. US$7,000,000 to be paid on the earlier of:
   - the date on which Commercial Production occurs in respect of all or any part of the Diablillos Concessions; and
   - July 31, 2025.

Equity consideration consists of 11,294,609 Class B common shares of the Company which automatically converted into a number of Huayra Class A Shares that, upon the completion of the RTO, resulted in SSRM holding common shares of the Company representing 19.9% of the Company's then outstanding common shares. The Share Purchase Agreement provides SSRM an anti-dilution right to maintain 19.9% equity interest in the capital of the Company until the Company completes a qualified financing of a minimum of US$5,000,000. During the year ended December 31, 2018 the Company completed a qualified financing and is no longer obligated to maintain SSRM's free carried equity interest.

The royalty consideration payable to SSRM consists of a 1% net smelter returns royalty. SSRM is entitled to receive advance royalty payments totaling of US$250,000 on November 1, 2017 (paid).

8. Mineral property interests (continued)

(a) Diablillos project (continued)

These advance royalty payments will be deducted and set off against the first US$250,000 of net smelter returns royalty payments otherwise payable in respect of the Diablillos Project. As security for the above obligations the Company has pledged to SSRM all the shares the Company acquired in the two entities which hold interest to the Diablillos Project.

As consideration for SSRM's agreement on September 11, 2019 to amend the Share Purchase Agreement, at the closing date of the Arrangement date with Aethon (additionally to the CAD$200,000 indicated above) AbraPlata issued to SSRM the number of AbraPlata shares which results in SSRM owning in aggregate 17.65% of AbraPlata's share capital (24,160,385 shares issued).

(2) On August 30, 2017 the Company signed an agreement, which was amended September 6, 2019, to acquire all of the issued and outstanding shares of Minera Cerro Bayo S.A. ("Cerro Bayo"), a privately held Argentine company. Cerro Bayo owns certain mineral rights that, as a result of a long-standing border dispute between two neighboring provinces in northwestern Argentina, overlap and potentially conflict with the Company's mineral rights to its Diablillos Ag-Au project. The acquisition of the potentially conflicting mineral rights through the acquisition of Cerro Bayo means that the Company will retain its title to the Diablillos Ag-Au project regardless of the ultimate outcome of the provincial border dispute.

Cash and equity consideration payable under the agreement is as follows:
1. US$225,000 upon closing (paid);
2. US$175,000 on or before February 28, 2018 (paid);
3. US$15,000 upon signing of the September 6, 2019, amendment (paid);
4. US$350,000 and 300,000 common shares on or before November 30, 2019 (paid and issued);
5. US$65,000 on or before April 30, 2020 (unpaid);
6. US$65,000 and 200,000 common shares on or before October 31, 2020;
7. US$65,000 on or before April 30, 2021;
8. US$65,000 on or before October 31, 2021;
9. US$65,000 on or before April 30, 2022;
10. US$65,000 on or before October 31, 2022;
11. US$1,000,000 on or before July 31, 2023; and
12. US$1,170,000 on or before July 31, 2025.

The Company wrote off the acquisition costs incurred in relation to Cerro Bayo agreement in the year ended December 31, 2018.

(b) Samenta project

During the year ended December 31, 2018 AbraPlata Argentina S.A. ("APA SA") terminated the exploration-with-option-to-purchase agreements related to Samenta mineral property. As a result, all acquisition costs incurred in relation to Samenta property were written off. APA SA acquired the option to purchase the Samenta Cu-Mo porphyry prospect located in the province of Salta in northwestern Argentina during the year ended September 30, 2015. APA SA signed exploration-with- option-to-purchase agreements, which were amended in July 2016, on two separate but contiguous claim groups, Cerro Samenta Norte and Cerro Samenta Sur, comprising the Samenta Project.

Cash consideration payable per the agreement were as follows:
1. US$30,000 upon completion of the due diligence (paid)
2. US$50,000 in February 2017 (paid)
3. US$70,000 in August 2017 (paid)
4. US$90,000 in August 2018 (not to be paid due to termination of the agreement)
5. US$130,000 in August 2019 (not to be paid due to termination of the agreement).

8. Mineral property interests (continued)

(b) Samenta project (continued)

An exercise fee of US$4,230,000 was due at the end of August 2020, but is no longer due as a result of the termination of the agreement. The underlying owners were also entitled to a 1.5% NSR royalty of which 0.5% could be purchased back for US$1,000,000.

(c) Cerro Amarillo project

For the Cerro Amarillo Project, the Company is awaiting the ratification of the appropriate permits to undertake, subject to financing, a stage one drilling campaign. On December 1, 2014, the Company announced that during the congressional deliberations that took place in November 2014, it was determined that any decision regarding the ratification of the drill permit should be delayed pending the completion of an inventory of glaciers in or near the project to be conducted by *Instituto Argentino de Nivología Glaciología y Ciencias Ambientales* ("IANIGLA"), the federal body charged with conducting the inventory under the Protection of Glaciers Law 26.639. IANIGLA has already begun the inventory, which was expected to be completed in 2015.

On July 14, 2016, APA SA, signed an agreement for the right to purchase the Cerro Amarillo project located in the province of Mendoza in Argentina. This agreement is a replacement agreement to the one that was entered into in 2010.

The Company made the following payments:
1. US$25,000 in October 2016, deferred to May 2017 (paid)
2. and will pay US$25,000 annually every November, starting in November 2017, until the earlier of the ratification of appropriate permits or the receipt of exploration permits given in accordance with the legislature of the province of Mendoza (the “Notification Date”). The Company will then make a series of installments in total of US$875,000 over 48-month period from the Notification Date. The due date for November 2018 payment was extended to January 10, 2019 and paid, along with the November 2019 payment, during the year ended December 31, 2019.

An exercise fee of US$2,500,000 will be due by the end of 60 months period from the Notification Date. The underlying owners are also entitled to a 1% NSR royalty which can be purchased back for US$3,000,000. Due to uncertainty of the timing for the completion of the glaciers inventory and the ratification of the permits, the Company wrote down the Cerro Amarillo project to $1 in a prior period.

Due to uncertainty of the timing for the completion of the glaciers inventory and the ratification of the permits, the Company wrote down the Cerro Amarillo project to $1 during the fifteen months ended December 31, 2017. During the year ended December 31, 2019, management decided to pursue exploration on the property again and accordingly, commenced capitalizing acquisition costs incurred.

(d) Arcas Project

On December 19, 2019, the Company completed a plan of arrangement (the "Arrangement") with Aethon, whereby each former Aethon shareholder received 3.75 common share in the capital of AbraPlata for each Aethon common share held prior to the Arrangement. This transaction has been determined to be an acquisition of assets (note 12) and the Arcas Project of Aethon was deemed to be acquired on December 19, 2019 by the Company.

On January 23, 2018, Aethon entered into the option agreement with the optionors, as amended February 28, 2018, pursuant to which Aethon has been granted the option to earn a 100% interest in four blocks of exploration-stage mineral concessions with prospective copper and gold targets located in northern Chile, subject to certain underlying royalties.

8. Mineral property interests (continued)

(d) Arcas Project (continued)

The consideration for the purchase of the databases and the grant of the option is the issuance of an aggregate of 11,200,000 common shares of Aethon (issued). To exercise the option, Aethon must incur cumulative expenditures of at least $750,000 on the exploration and development of the properties within 18 months from the closing of the qualifying transaction of which at least $500,000 must be incurred within 12 months from the closing date. Aethon must also pay an aggregate of $1,000 to the optionors. Any production from the Properties is subject to an existing 0.98% gross sales royalty in favour of a third party and a new 1.02% gross sales royalty in favour of the Optionors, for a total gross sales royalty of 2.0%.

On April 4, 2019, Aethon announced that it had exercised its option to acquire a 100% interest in the properties.

On September 11, 2019, Aethon entered into an Earn-In with Option to Joint Venture Agreement with Rio Tinto Mining and Exploration Limited / Agencia En Chile, a member of the Rio Tinto Group ("Rio Tinto"), to acquire an interest in the Arcas project. Rio Tinto has the right but not the obligation to earn up to a 75% interest in the Arcas Project by funding project expenditures of up to US$25 million as follows:

1st Option: If Rio Tinto incurs total project expenditures of US$4 million within 3 years, and makes aggregate cash payments of US$300,000 during the first two years, it will have the right to acquire a 51% interest in the Arcas project ("Stage 1 earn-in project expenditure") through the acquisition of 51% stock of a new company ("Opco") that will be incorporated. To exercise the option, Rio Tinto shall make the cash payments before the following dates:

1) US$100,000 on or before the first anniversary date;
2) US$200,000 on or before the second anniversary date;

2nd Option: If Rio Tinto incurs additional project expenditures of US$5 million over the subsequent 2 year period, it will have a right to acquire an additional 14% interest in Opco (holder of the Arcas project), resulting in its total interest being 65%; and

3rd Option: If Rio Tinto incurs additional project expenditures of US$16 million over the subsequent 3 year period, it will have a right to acquire an additional 10% interest in Opco (holder of the Arcas project), resulting in its total interest being 75%;

Rio Tinto has agreed to incur minimum project expenditures of US$1 million within one year of securing all necessary approvals to conduct drilling activities which is to be part of the Stage 1 earn-in project expenditure.

In the event Rio Tinto withdraws from the Project, it will pay Aethon an amount equaling the cost to maintain the Project concessions for the 12 month period commencing on the date of termination that have not already been paid.

Under the terms of the agreement, Rio Tinto shall have the right to form a Joint Venture ("JV") with the following key terms:

1) The JV (Opco) may be formed with 51% to Rio Tinto and 49% to Aethon upon satisfaction of the 1st Option; 65% to Rio Tinto and 35% to Aethon upon satisfaction of the 2nd Option; or 75% to Rio Tinto and 25% to Aethon upon satisfaction of the 3rd Option.
2) The JV will be managed by Rio Tinto and funded by each participant in accordance with their interest.
3) Aethon may elect not to fund its interest and be diluted down to a 10% interest. If Aethon is diluted below a 10% interest, its interest will convert to a 1% net smelter royalty capped at US$50 million.
4) Each party will have a right of first refusal should the other party wish to divest its shareholder interest.

(Expressed in Canadian Dollars)

8. Mineral property interests (continued)

	Diablillos Argentina	Cerro Amarillo	Samenta Argentina	Arcas Project	Total
Balance, December 31, 2017	$ 4,704,781	$ 1	$ 152,269	$ -	$ 4,857,051
Additions, cash	285,642	-	-	-	285,642
Additions, shares	602,224	-	-	-	602,224
Hyperinflationary adjustment	1,425,864	-	-	-	1,425,864
Foreign exchange translation	(2,561,490)	-	(38,409)	-	(2,599,899)
Write off	(507,246)	-	(113,860)	-	(621,106)
December 31, 2018	3,949,775	1	-	-	3,949,776
Additions, cash	688,246	66,308	-	-	754,554
Additions, shares	1,223,019	-	-	-	1,223,019
Additions, upon acquisition of Aethon	-	-	-	4,473,979	4,473,979
Recovery, cash	(78,732)	-	-	-	(78,732)
Hyperinflationary adjustment	1,431,672	11,484	-	-	1,443,156
Foreign exchange translation	(1,448,185)	(11,837)	-	57,241	(1,402,781)
December 31, 2019	$ 5,765,795	$ 65,956	$ -	$ 4,531,220	$ 10,362,971

9. Evaluation and exploration expenses

Years ended December 31,	**2019**	**2018**
Diablillos		
Camp costs	$ 146,055	$ 144,535
Engineering and geology	-	163,575
Drilling	353,413	7,044
Legal and regulatory fee	14,421	66,905
Personnel costs	57,196	137,273
Report	-	126,395
Travel and transport	56,824	76,731
Other	12,389	21,731
Impact of hyperinflation	57,063	51,647
	697,361	795,836
Cerro Amarillo		
Camp costs	522	1,107
Legal and regulatory fee	2,579	17,103
Travel and transport	-	68
Impact of hyperinflation	1,325	2,649
	4,426	20,927
Total evaluation and exploration expenses	**$ 701,787**	**$ 816,763**

(Expressed in Canadian Dollars)

10. Right-of-use Assets

		Office leases
Balance, January 1, 2019	$	-
Addition		13,454
Addition from acquisition of Aethon		27,915
Depreciation		(2,873)
Impact of hyperinflation		893
Impact of foreign exchange		(158)
Balance, December 31, 2019	**$**	**39,231**

11. Lease Liabilities

Balance, January 1, 2019	**$**	**-**
Additions		13,454
Additions from acquisition of Aethon		22,308
Accretion		316
Lease payments		(2,518)
Impact of hyperinflation		19
Impact of foreign exchange		391
Balance, December 31, 2019	**$**	**33,970**

12. Acquisition of Aethon

On December 19, 2019 (the "Effective Date"), the Company and Aethon completed the previously announced business combination of AbraPlata and Aethon whereby AbraPlata acquired all of the issued and outstanding common shares of Aethon and Aethon became a wholly-owned subsidiary of AbraPlata, pursuant to an arrangement agreement entered into between AbraPlata and Aethon on September 11, 2019 and amended on October 15, 2019.

On the Effective Date, each common share of Aethon issued and outstanding immediately prior to the effective time of the Arrangement was converted into the right to receive 3.75 AbraPlata shares.

The Company issued 103,624,999 common shares valued at $5,181,250 based on the quoted market price of the Company's common shares on the Effective Date. The Company also issued 7,704,375 stock options in substitution of Aethon's stock options of which 2,492,500 options were vested on Effective Date. The fair value of the stock options was estimated as $108,918 using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.17, risk-free rate of 1.65%, dividend rate of 0%, expected life of between 1.03 to 4.52 years, and volatility of 100%. The Company also issued 56,625,000 warrants and 3,127,725 broker warrants in substitution of Aethon's warrants and broker warrants with each warrant exercisable at $0.27 and broker warrant exercisable at $0.14 for one common share of the Company. The fair value of the warrants was estimated as $794,958 using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.17, risk-free rate of 1.65%, dividend rate of 0%, expected life of 3.35 years, and volatility of 100%. The fair value of the broker warrants was estimated as $1,839 using the Black-Scholes Option Pricing Model with the following weighted average assumptions: share price on issuance date of $0.17, risk-free rate of 1.65%, dividend rate of 0%, expected life of 0.35 years, and volatility of 100%.

Aethon was determined not to meet the definition of a business as per IFRS 3 as substantially all of the fair value of Aethon's assets were concentrated in its mineral property interest and cash, and it did not have any processes or outputs. Accordingly, the acquisition was treated as an asset acquisition.

(Expressed in Canadian Dollars)

12. Acquisition of Aethon (continued)

Details of the allocation of the estimated fair value of identifiable assets and liabilities acquired and purchase considerations are as follows:

Purchase consideration:		
Issuance of common shares	$	5,181,250
Issuance of stock options		108,918
Issuance of warrants and broker warrants		796,797
Transaction costs incurred		172,669
Total consideration paid	$	6,259,634
Identifiable net assets acquired:		
Cash	$	1,734,658
Receivables		445,780
Prepaid expenses		34,817
Equipment		2,201
Right-of-use asset		27,915
Mineral property interest		4,473,979
Accounts payable and accrued liabilities		(437,408)
Lease liability		(22,308)
Balance, December 19, 2019	$	6,259,634

13. Share capital

a) Authorized

Authorized: Unlimited common shares without par value. Unlimited first preferred shares without par value. Unlimited second preferred shares without par value.

b) Issued share capital

As at December 31, 2019, 21,284,381 shares were placed in escrow. At December 31, 2019, 3,192,678 shares remain in escrow (December 31, 2018 – 9,557,984).

On April 18, 2019 the Company closed a non-brokered private placement of 15,000,000 units at a price of $0.05 per unit for total gross proceeds of $750,000. Each unit consisted of one common share and one non-transferable common share purchase warrant. Each warrant is exercisable for five years to purchase an additional common share at a price of $0.10. The warrants were valued at $nil using the residual method. The Company paid finder's fees of $2,400 and incurred $10,923 in share issue costs.

On October 31, 2019, the Company closed a non-brokered private placement of 25,000,000 units at a price of $0.06 per unit for gross proceeds of $1,500,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share at a price of $0.10 for a period of twenty-four months. The warrants were valued at $nil using the residual method. The Company paid finder's fees of $8,100 and incurred $9,122 share issue costs.

On July 16, 2018, the Company closed the second tranche of a non-brokered private placement of 495,062 units at a price of $0.20 per unit for gross proceeds of $99,012. Each unit consists of one common share of the Company, and one transferrable common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company at a price of $0.30 per share for a period of three years. In addition, the Company incurred share issue costs of $4,187.

13. Share capital (continued)

b) Issued share capital (continued)

On May 4, 2018, the Company closed the first tranche of a non-brokered private placement of 3,092,140 units at a price of $0.20 per unit for gross proceeds of $618,428. Each unit consists of one common share of the Company, and one transferrable common share purchase warrant. Each warrant is exercisable to acquire, one additional common share of the Company at a price of $0.30 per share for a period of three years. In connection with the first tranche of the private placement, the Company paid commissions of $2,400 and issued 32,571 non-transferrable share purchase warrants to certain persons who introduced subscribers to the Company. Each finder's warrant is exercisable to acquire an additional common share of the Company at an exercise price of $0.30 per share for a period of three years. Fair value of the finder warrants was estimated as $3,249 (note 13(d)). All securities issued in connection with the Private Placement are subject to a four-month-and-one-day statutory hold period. In addition, the Company incurred share issue costs of $16,442.

On February 8, 2018, the Company issued 414,893 shares to settle debt of $97,500 recording a loss on debt settlement of $6,223.

On January 12, 2018 the Company closed, on a non-brokered basis, an offering of 10,100,109 units at a price of $0.20 per unit for total gross proceeds of $2,020,022. Each unit consisted of one common share and one non-transferable common share purchase warrant. Each warrant is exercisable for two years to purchase an additional common share at a price of $0.30 but will expire earlier if, for any ten consecutive trading days on the TSX Venture Exchange, the closing price of the common shares equals or exceeds $0.40. In connection with the financing the Company paid to certain arm's length parties a finder's fee comprised of cash fee of $106,760 and share purchase warrants exercisable to acquire up to 530,800 common shares of the Company. The warrants are exercisable for a period of two year from the date of issuance at a price of $0.30 per common share. Fair value of the finder warrants was estimated as $55,965 (note 13(d)). In addition, the Company incurred share issue costs of $44,115.

Pursuant to SSRM's contractual anti-dilution right to maintain a 19.9% equity interest in the capital of the Company (note 8(a)), under the second amended and restated share purchase agreement dated March 21, 2017, 2,509,265 common shares were issued to SSRM. The fair value of these shares was determined to be $602,224, based on the trading price of the Company's shares on the date of issue of $0.24 per share.

c) Stock options

On August 29, 2019, the Company's shareholder ratified in its annual general meeting its stock option plan. The aggregate number of common shares that may be subject to issuance under the stock option plan (together with any other security-based compensation arrangements of the Company in effect from time to time) may not exceed ten per cent (10%) of the Company's outstanding common shares from time to time. The exercise price of any option granted under the stock option plan cannot be less than the weighted average price of the common shares on the principal stock exchange on which the common shares trade for the five days on which common shares were traded immediately preceding the date of grant. Stock options are exercisable for a period of time determined by the plan administrator not exceeding ten years from the date the option is granted.

On March 1, 2019 the Company granted 1,200,000 stock options exercisable at a price of $0.065 per share for a period of five years. The stock options vest 25% immediately, 25% after six months, 25% after twelve months and 25% after eighteen months. The fair value of the stock options was determined to be $50,609 using the Black-Scholes option pricing model with the following assumptions: 5 years expected life; share price at the grant date of $0.06; 93% volatility; risk free interest rate of 1.79%; and a dividend yield of 0%.

On June 1, 2018, the Company granted 1,500,000 incentive stock options to directors, officers and consultants of the Company. The stock options have an exercise price of $0.17 per share and are exercisable for a period of five years from the date of grant. The stock options vest 25% immediately, 25% after six months, 25% after twelve months and 25% after eighteen months. The fair value of the stock options of $200,787 was determined using the Black-Scholes option pricing model with the following assumptions: 5 years expected life; share price at the grant date of $0.175; 103% volatility; risk free interest rate of 2%; and a dividend yield of 0%.

(Expressed in Canadian Dollars)

13. Share capital (continued)

c) Stock options (continued)

On March 21, 2018, the Company granted 1,125,000 incentive stock options to directors, officers and consultants of the Company. The stock options have an exercise price of $0.20 per share and are exercisable for a period of five years from the date of grant. The stock options vest 25% immediately, 25% after six months, 25% after twelve months and 25% after eighteen months. The fair value of the stock options of $167,969 was determined using the Black-Scholes option pricing model with the following assumptions: 5 years expected life; share price at the grant date of $0.195; 104% volatility; risk free interest rate of 2%; and a dividend yield of 0%.

Expected volatility was estimated based on similar-sized entities in the industry.

During the year ended December 31, 2019, the company recorded $126,168 (2018 - $621,302) in share-based expense related to the stock options.

The movement in the Company's share options for the years ended December 31, 2018 and 2019 are as follows:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2017	3,162,500	$ 0.52
Granted	2,625,000	0.18
Cancelled	(312,500)	0.56
Forfeited	(300,000)	0.41
Balance, December 31, 2018	5,175,000	0.35
Granted	1,200,000	0.065
Granted upon acquisition of Aethon	7,704,375	0.14
Cancelled	(700,000)	0.63
Cancelled	(150,000)	0.065
Balance, December 31, 2019	13,229,375	$ 0.19

(Expressed in Canadian Dollars)

13. Share capital (continued)

c) Stock options (continued)

Stock options outstanding as at December 31, 2019:

Expiry date	Options outstanding	Exercise price ($)	Remaining contractual life (years)	Options exercisable
March 19, 2020[i]	350,000	0.63	0.22	350,000
March 19, 2020[i]	200,000	0.20	0.22	200,000
March 19, 2020[i]	200,000	0.17	0.22	200,000
March 19, 2020[i]	100,000	0.07	0.22	100,000
April 15, 2020[i]	100,000	0.63	0.29	100,000
April 15, 2020[i]	50,000	0.20	0.29	50,000
April 15, 2020[i]	50,000	0.17	0.29	50,000
June 2, 2020	200,000	0.63	0.42	200,000
June 2, 2020	100,000	0.20	0.42	100,000
June 2, 2020	100,000	0.17	0.42	100,000
June 2, 2020	50,000	0.07	0.42	50,000
December 19, 2020	601,875	0.14	0.97	200,625
December 19, 2020	187,500	0.16	0.97	187,500
June 7, 2022	500,000	0.63	2.44	500,000
November 22, 2022	900,000	0.25	2.90	900,000
March 21, 2023	675,000	0.20	3.22	675,000
June 1, 2023	1,050,000	0.17	3.42	1,050,000
April 26, 2023	6,313,125	0.14	3.32	2,104,375
March 1, 2024	900,000	0.07	4.17	450,000
June 24, 2024	601,875	0.14	4.48	-
	13,229,375	0.19	2.89	7,567,500

[i] These stock options expired unexercised subsequent to December 31, 2019.

d) Warrants

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price ($)
Balance, December 31, 2017	1,245,448	$ 0.33
Issued	14,250,682	0.30
Expired	(1,245,448)	0.53
Balance, December 31, 2018	14,250,682	0.30
Issued	40,000,000	0.10
Issued upon acquisition of Aethon	59,752,725	0.27
Balance, December 31, 2019	114,003,407	$ 0.21

(Expressed in Canadian Dollars)

13. Share capital (continued)

d) Warrants (continued)

Warrants outstanding as at December 31, 2019:

Expiry date	Warrants outstanding	Exercise price ($)	Remaining contractual life (years)
January 11, 2020[i]	10,630,909	0.30	0.03
May 4, 2021	3,124,711	0.30	1.34
April 26, 2020[i]	3,127,725	0.14	0.32
July 13, 2021	495,062	0.30	1.53
October 31, 2021	25,000,000	0.10	1.84
April 8, 2024	10,384,000	0.10	4.27
April 18, 2024	4,616,000	0.10	4.30
April 26, 2023	56,625,000	0.27	3.32
	114,003,407	0.21	2.67

[i] These warrants expired unexercised subsequent to December 31, 2019.

On April 18, 2019 in connection with the private placement (note 13(b)) the Company issued 15,000,000 warrants exercisable at $0.10 for a period of five years.

On October 31, 2019, in connection with the private placement (note 13(b)) the Company issued 25,000,000 warrants. Each warrant entitles the holder to acquire one additional common share at a price of $0.10 for a period of twenty-four months.

On May 4, 2018 in connection with the private placement (note 13(b)) the Company granted 3,092,140 warrants exercisable at $0.30 for a period of three years. On May 4, 2018 the Company granted 32,571 finders warrants exercisable at $0.30 for a period of three years. The fair value of the finders' warrants was estimated as $3,249 using the Black-Scholes Option Pricing Model with the following assumptions: share price on vesting date of $0.195, risk-free rate of 1.87%, dividend rate of 0%, expected life of 3 years, and volatility of 95%.

On January 12, 2018 in connection with the private placement (note 13(b)) the Company granted 10,100,109 warrants exercisable at $0.30 for a period of two years. On January 12, 2018 the Company granted 530,800 finders warrants exercisable at $0.30 for a period of two years. The fair value of the finders' warrants was estimated as $55,965 using the Black-Scholes Option Pricing Model with the following assumptions: share price on vesting date of $0.245, risk-free rate of 1.71%, dividend rate of 0%, expected life of 2 years, and volatility of 90%.

Expected volatility was estimated based on similar-sized entities in the industry.

(Expressed in Canadian Dollars)

14. Income taxes

The provision for income taxes for the years ended December 31, 2019 and 2018 differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 27.0% as follows:

	2019	2018
Loss before recovery of income taxes	$ 1,541,228	$ 3,320,576
	27%	27%
Expected income tax (recovery)	(416,000)	(897,000)
Items not deductible (taxable) for tax purposes	9,000	148,000
Effect of tax rate change	(94,000)	57,000
Higher rate in foreign jurisdictions	(25,000)	(29,000)
Tax losses carry forward expired	89,000	-
Change in unrecognized tax benefit	437,000	721,000
Actual income tax recovery	$ -	$ -

The Company recognizes deferred tax assets on losses or other deductible amounts where it is probable that sufficient future taxable profits will be available to realize such assets. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2019	2018
Tax losses carry forward	$ 3,630,000	$ 2,630,000
Mineral interests	706,000	1,736,000
Share issue costs and other	212,000	129,000
Unrecognized deferred tax assets	$ 4,548,000	$ 4,495,000

As at December 31, 2019, the Company has Canadian non-capital loss carry-forwards of approximately $12,657,000 (2018 - $8,311,000) that are available to reduce taxable income in Canada. These losses expire between 2027 and 2039. As at December 31, 2019, the Company has Argentine loss carry-forwards of approximately $849,000 (2018 - $1,542,000) that are available to reduce taxable income in Argentina. These losses expire between 2020 and 2024.

As at December 31, 2019 and 2018, the Company has unrecognized deferred tax liabilities of $1,373,000 due to temporary differences arising on the initial recognition of the acquisition of all of the issued and outstanding common shares of Minera Cerro Bayo S.A. and ABP Global Inc. As at December 31, 2019, the Company has unrecognized deferred tax liabilities of $245,000 due to temporary differences arising on the initial recognition of the acquisition of all of the issued and outstanding common shares of Aethon.

(Expressed in Canadian Dollars)

15. Related party transactions

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company. Amounts paid and accrued to directors, former director, officers and companies in which directors and officers are shareholders or partners are as follows:

	2019	2018
Salaries and benefits	$ 13,178	$ -
Administration	60,000	100,000
Directors fees, included in salaries and benefits	18,750	200,000
Consulting fees	90,000	118,486
Professional fee	68,677	73,849
Share-based payments	97,978	453,614
	$ 348,583	$ 945,949

As at December 31, 2019, $50,422 (December 31, 2018 – $523,939) was payable to directors, officers and companies in which directors and officers are shareholders or partners of the Company. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

During the year ended December 31, 2018 payable in the amount of $52,500 due to an officer of the Company was settled by issuing 223,404 shares.

16. Segmented information

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Company's interim CEO. During the year ended December 31, 2019, the Company has two (2018 – one) operating segments.

The Company's reportable segments are based on the geographic region for the Company's operations and include Argentina and Chile.

The segmental report is as follows:

As at December 31, 2019	Argentina	Chile	Total
Current assets	$ 426,619	$ 1,781,097	$ 2,207,716
Equipment	-	2,225	2,225
Right-of-use asset	12,188	27,043	39,231
Mineral property interest	5,831,751	4,531,220	10,362,971
Total assets	6,270,558	6,341,585	12,612,143
Total liabilities	719,484	560,387	1,279,871
Net loss for the year ended December 31, 2019	$ (1,491,665)	$ (49,563)	$ (1,541,228)

(Expressed in Canadian Dollars)

17. Commitments

Effective June 1, 2017, the Company has agreed to pay a monthly fee of $10,000 for provision of management and administrative services. The agreement was amended starting from September 1,2018 the monthly fee was reduced to $5,000. The agreement may be terminated by the Company with 60-days written notice, which was provided to be effective May 31, 2020.

As at December 31, 2019, the Company has mineral interest commitments at its Diablillos and Cerro Amarillo projects in the form of option payments, although as at the current date the Company had the commitments shown in the table below, some of these commitments could be reduced, deferred or eliminated pending the outcome of the strategic review. The Company also has operating expenses in Buenos Aires, Chile, Vancouver and Toronto.

The Company has the following commitments:

	Years ended December 31,				
	2020	2021	2022	2023	After 2024
Cerro Amarillo	$ 34,345	$ 34,345	$ 34,345	$ 34,345	$ 4,636,575
Diablillos	178,594	178,594	178,594	8,242,800	11,223,946
Total mineral interest commitments	212,939	212,939	212,939	8,277,145	15,860,521
Minimum office rental payments in Argentina	13,601	-	-	-	-
Minimum office rental payments in Canada	24,101	-	-	-	-
Total commitments	$ 250,641	$ 212,939	$ 212,939	$ 8,277,145	$ 15,860,521

18. Subsequent events

(a) On January 31, 2020, AbraPlata entered into a letter agreement, through its wholly-owned subsidiary, AbraPlata Argentina SA, to acquire a 100% interest in the La Coipita project (“La Coipita”) located in San Juan province, Argentina by paying a total of US$4,265,000 in staged payments over 60 months (US$65,000 paid) to the optionors (“Project Owners”). In the event the project is placed into commercial production, the Project Owners shall be entitled to collect 1.1% of the net smelter return (“NSR”), of which AbraPlata may purchase for US$3,000,000 during the 60 months after the first staged payment was made, or for US$5,000,000 thereafter until start-up of construction of the project.

On February 5, 2020, AbraPlata Argentina SA entered into a binding letter agreement to sell its right to acquire the 1.1% NSR from the Project Owners. In consideration, the purchaser will invest in AbraPlata by way of subscription for common shares or share units in its next equity financing for the sum of $125,000 (received). The purchaser’s parent company is a major shareholder of AbraPlata.

(b) On January 8, 2020, the Company granted 10,400,000 stock options to a number of officers, directors and consultants under the Company's stock option plan. The options have an exercise price of $0.065 per share. Each option is exercisable for five years from the date of grant to purchase one common share. The options vest over 24 months, with 25% of the options vesting in every six months.