UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2018**

Commission File Number: **333-182072**

Hunt Mining Corp.

(Exact name of Registrant as specified in its charter)

British Columbia, Canada	**1041**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*

23800 East Appleway Ave. Liberty Lake, WA 99019 (509) 290-5659
(Address of principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ **No** ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ **No** ☐

Check whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	☐	**Accelerated Filer**	☐
Non-accelerated Filer	☐	**Smaller Reporting Company**	☒

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ **No** ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:
As of November 15, 2018, the registrant's outstanding common stock consisted of 63,588,798 shares.

Hunt Mining Corp.

Consolidated Interim financial statements

Nine months ended September 30, 2018 and 2017 **Page**

Hunt Mining Corp.

Expressed in U.S. Dollars

Interim Consolidated Balance Sheets

	NOTE	September 30, 2018	December 31, 2017
CURRENT ASSETS:			
Cash	17	$ 60,240	$ 78,145
Accounts receivable	12,17,20	977,322	2,144,830
Prepaid expenses		7,054	13,750
Other deposit		-	55,092
Inventory	7	1,996,748	333,320
Total Current Assets		3,041,364	2,625,137
NON-CURRENT ASSETS:			
Mineral Properties	8	438,062	438,062
Property, plant and equipment	10	3,838,361	5,033,490
Performance bond	11,17	357,830	434,639
Total Non-Current Assets:		4,634,253	5,906,191
TOTAL ASSETS:		$ 7,675,617	$ 8,531,328
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities	13,16,17	$ 7,515,849	$ 6,673,319
Bank indebtedness	21	319,499	-
Interest payable	16,17	262,751	151,024
Transaction taxes payable	17	25,972	47,188
Loan payable and current portion of long-term debt	14,16,17	2,245,044	1,062,428
Total Current Liabilities:		10,369,115	7,933,959
NON-CURRENT LIABILITIES:			
Long-term debt	14,16,17	1,065,262	1,368,594
Asset retirement obligation	9	825,213	773,436
Total Non-Current Liabilities:		1,890,475	2,142,030
TOTAL LIABILITIES:		$ 12,259,590	$ 10,075,989
STOCKHOLDERS' DEFICIENCY:			
Capital stock: Authorized- Unlimited No Par Value Issued and outstanding - 63,588,798 common shares (December 31, 2017 - 63,588,798 common shares)	15	$ 24,695,186	$ 24,695,186
Additional paid in capital		9,696,520	9,696,520
Deficit		(39,196,246)	(35,993,656)
Accumulated other comprehensive income (loss)		220,567	57,289
Total Stockholders' Deficiency:		(4,583,973)	(1,544,661)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY:		$ 7,675,617	$ 8,531,328

Going Concern (Note 3)
Commitments and Provision (Note 19)
Subsequent Events (Note 22)

Approved on behalf of the Board of Directors

Signed CEO "Tim Hunt"

Signed CFO "Ken Atwood"

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

Hunt Mining Corp.

Expressed in U.S. Dollars

Interim Consolidated Statements of Operations and Comprehensive Income (Loss)

	NOTE	3 month period ended September 30, 2018	3 month period ended September 30, 2017	9 month period ended September 30, 2018	9 month period ended September 30, 2017
OPERATING EXPENSES:					
Professional fees	16	144,406	180,352	480,670	461,656
Directors fees		762	787	2,351	2,291
Exploration expenses		220,537	191,232	481,484	563,982
Travel expenses		27,730	63,467	145,240	213,131
Administrative and office expenses	16	42,191	13,649	135,195	213,404
Payroll expenses	16	64,767	103,989	266,643	281,711
Share based compensation	15,16	-	34,528	-	34,528
Interest expense	16	142,309	134,748	371,137	323,657
Banking charges		14,502	24,646	56,485	94,134
Depreciation	10	403,022	37,999	1,208,688	635,337
Total operating expenses:		$ 1,060,226	$ 785,397	$ 3,147,893	$ 2,823,831
OTHER INCOME/(EXPENSE):					
Silver and gold recovery (loss), net of expenses	20	(96,162)	$ 340,480	$ 106,452	$ 3,200,226
Interest income		2,316	4,206	9,854	12,042
Miscellaneous expense		-	-	-	5,217
Transaction taxes		(3,225)	(6,147)	(13,484)	(23,977)
Gain (loss) on foreign exchange		42,077	296,056	(101,542)	133,251
Contingent liability recovery		-	-	-	(7,749)
Accretion expense	9	(18,659)	(17,462)	(55,977)	(52,386)
Total other income (expense):		$ (73,653)	$ 617,133	$ (54,697)	$ 3,266,624
NET INCOME (LOSS) FOR THE PERIOD		$(1,133,879)	$ (168,264)	$ (3,202,590)	$ 442,793
OTHER COMPREHENSIVE INCOME (LOSS), net of tax:					
Change in value of performance bond	11	14,616	(15,610)	(76,809)	13,751
Foreign currency translation adjustment		46,905	(221,390)	240,087	(282,699)
TOTAL NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD:		$(1,072,358)	$ (405,264)	$ (3,039,312)	$ 173,845
Weighted average shares outstanding - basic and diluted		63,588,798	63,588,798	63,588,798	63,588,798
Weighted average shares outstanding - diluted		-	111,088,798	-	111,088,798
NET INCOME (LOSS) PER SHARE - BASIC AND DILUTE		$ (0.02)	$ (0.01)	$ (0.05)	$ 0.00
NET INCOME (LOSS) PER SHARE - DILUTED:		$ -	$ (0.00)	$ -	$ 0.00

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

Hunt Mining Corp.

Expressed in U.S. Dollars

Interim Consolidated Statement of Changes in Stockholders' Deficiency

	Capital Stock	Deficit	Accumulated Other Comprehensive Income (Loss)	Additional Paid in Capital	Total
Balance -January 1, 2017	$ 24,695,186	$ (37,649,570)	$ (29,326)	$ 9,661,992	$ (3,321,718)
Net Income	-	1,655,914	-	-	1,655,914
Other comprehensive income	-	-	86,615	-	86,615
Share based compensation	-	-	-	34,528	34,528
Balance - December 31, 2017	$ 24,695,186	$ (35,993,656)	$ 57,289	$ 9,696,520	$ (1,544,661)
Balance - January 1, 2018	$ 24,695,186	$ (35,993,656)	$ 57,289	$ 9,696,520	$ (1,544,661)
Net Income (loss)	-	(3,202,590)	-	-	(3,202,590)
Other comprehensive income	-	-	163,278	-	163,278
Balance - September 30, 2018	$ 24,695,186	$ (39,196,246)	$ 220,567	$ 9,696,520	$ (4,583,973)

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

Hunt Mining Corp.

Expressed in U.S. Dollars

Interim Consolidated Statements of Cash Flows

	NOTE	9 month period ended September 30, 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)		$ (3,202,590)	$ 442,793
Items not affecting cash			
Depreciation	10	1,208,688	635,337
Gain (loss) on foreign exchange		(4,200)	5,042
Share based compensation		-	34,528
Accretion	9	55,977	52,386
Net change in non-cash working capital items			
Decrease (increase) in accounts receivable		1,167,508	(947,950)
Decrease in prepaid expenses		6,355	(14,908)
Decrease (increase) in inventory		(1,663,428)	(541,803)
Increase (decrease) in accounts payable and accrued liabilities		1,186,056	2,763,843
Increase in interest payable		111,727	45,095
Increase (decrease) in transaction taxes payable		(21,216)	12,049
		(1,155,123)	2,486,412
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	10	(178,059)	(1,667,596)
		(178,059)	(1,667,596)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Change in bank line of credit (net)	21	319,499	50,000
Proceeds from loans	14,16	2,345,000	2,500,000
Repayment of loans	14,16	(1,460,006)	(2,800,119)
		1,204,493	(250,119)
NET INCREASE IN CASH:		(128,689)	568,697
EFFECT OF FOREIGN EXCHANGE ON CASH		110,784	(380,041)
CASH, BEGINNING OF PERIOD:		78,145	108,272
CASH, END OF PERIOD:		$ 60,240	$ 296,928
Taxes paid		$ 16,546	$ -
Interest paid		$ 32	$ (312,385)
SUPPLEMENTAL NON-CASH INFORMATION			
Change in value of performance bond		$ (76,809)	$ -
PP&E included in AP		$ -	$ 164,500

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

(Expressed in US Dollars)

1. Nature of Business

Hunt Mining Corp. (the "Company" or "Hunt Mining"), is a mineral exploration and processing company incorporated on January 10, 2006 under the laws of Alberta, Canada and, together with its subsidiaries, is engaged in the exploration of mineral properties in Santa Cruz Province, Argentina.

Effective November 6, 2013, the Company relocated from the Province of Alberta to the Province of British Columbia. The Company's registered office is located at 25th Floor, 700 West Georgia Street, Vancouver, B.C. V7Y 1B3. The Company's head office is located at 23800 E Appleway Avenue, Liberty Lake, Washington, 99019 USA.

The consolidated financial statements include the accounts of the following subsidiaries after elimination of intercompany transactions and balances:

Corporation	Incorporation	Percentage ownership	Business Purpose
Cerro Cazador S.A. ("CCSA")	Argentina	100%	Holder of Assets and Exploration Company
Ganadera Patagonia[(1)]	Argentina	40%	Land Holding Company
1494716 Alberta Ltd.	Alberta	100%	Nominee Shareholder
Hunt Gold USA LLC	Washington, USA	100%	Management Company

[(1)] The Company has determined that the subsidiary is a variable interest entity because the Company is the primary beneficiary of the land the subsidiary holds, and therefore consolidates the subsidiary in its financial statements.

The Company's activities include the exploration and processing of minerals from properties in Argentina including the La Josefina project and the Mina Martha project (Note 8). On the basis of information to date, the Company has not yet determined whether the exploration properties contain economically recoverable ore reserves. The underlying value of the mineral properties is entirely dependent upon the existence of reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production or a sale of these properties. The Mina Martha project was purchased in the second quarter of 2016 and refurbishing activities began in late 2016. The Company finished all refurbishments to the Mina Martha project in the first quarter of 2017 and began selling concentrate in the second quarter of 2017.

Despite the sale of concentrate, the La Josefina and Mina Martha projects remains in the exploration stage because management has not established reserves as defined by SEC Industry Guide 7 required to be classified in either the development or production stage. As such, the sales of concentrate are classified as silver and gold recovery, net of expenses in profit and loss.

2. Basis of presentation

These consolidated financial statements have been prepared in conformity with generally accepted accounting principles of the United States of America ("US GAAP").

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments 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 Company's presentation currency is the US Dollar.

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Judgments made by management in the application of US GAAP that have a significant effect on the consolidated financial statements and estimates with significant risk of material adjustment in the current and following periods are discussed in Note 6.

3. Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. During the nine months ended September 30, 2018, the Company had net loss of $3,202,590. As at September 30, 2018, the Company had an accumulated deficit of $39,196,246. The Company intends to continue funding operations through operation of the Martha Mine, La Josefina project and financing arrangements, which may be insufficient to fund its capital expenditures, working capital and other cash requirements for the year ending December 31, 2018.

These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

4. Significant Accounting Policies

The significant accounting policies used in the preparation of these consolidated financial statements are described below.

(a) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

(b) Consolidation

The Company's consolidated financial statements consolidate the accounts of the Company and its subsidiaries. All intercompany transactions, balances and unrealized gains or losses from intercompany transactions are eliminated on consolidation.

(c) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the reporting date. Non-monetary assets and liabilities are translated at the exchange rate prevailing at the transaction date. Revenues and expenses are translated at average exchange rates throughout the reporting period. Gains and losses on translation of foreign currencies are included in the consolidated statement of operations.

The Company's functional currency is the Canadian dollar. All of the Company's subsidiaries have a US dollar functional currency. Financial statements are translated to their US dollar equivalents using the current rate method. Under this method, the statements of operations and comprehensive loss and cash flows for each period have been translated using the average exchange rates prevailing during each period. All assets and liabilities have been translated using the exchange rate prevailing at the balance sheet date. Translation adjustments are recorded as income or losses in other comprehensive income or loss. Transaction gains and losses resulting from fluctuations in currency exchange rates on transactions denominated in currencies other than the functional currency are recognized as incurred in the accompanying consolidated statement of loss and comprehensive loss.

(d) Financial instruments

The Company measures the fair value of financial assets and liabilities based on US GAAP guidance, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions, which are accounted for at the transferor's carrying amount or exchange amount.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income.

See Note 17 to the Consolidated Financial Statements for fair value disclosures.

(e) Cash and equivalents

Cash and equivalents include cash on hand, deposits held with banks and other liquid short-term investments with original maturities of three months or less. The Company has no cash equivalents for all periods presented.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset.

Repairs and maintenance costs are charged to the consolidated statement of operations and comprehensive loss during the period in which they are incurred.

Depreciation is calculated to amortize the cost of the property, plant and equipment over their estimated useful lives using the straight-line method. Plant, buildings, equipment and vehicles are stated at cost and depreciated straight line over an estimated useful life of three to eight years. Depreciation begins once the asset is in the state intended for use by management.

The Company allocates the amount initially recognized in respect of an item of property and equipment to its significant parts and depreciates separately each such part. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains or losses in the consolidated statement of operations and comprehensive loss.

(g) Mineral properties and exploration and evaluation expenditures

All exploration expenditures are expensed as incurred. Expenditures to acquire mineral rights, to develop new mines, to define further mineralization in mineral properties which are in the development or operating stage, and to expand the capacity of operating mines, are capitalized and amortized on a units-of-production basis over proven and probable reserves.

Should a property be abandoned, its capitalized costs are charged to the consolidated statement of loss and comprehensive loss. The Company charges to the consolidated statement of loss and comprehensive loss the allocable portion of capitalized costs attributable to properties sold. Capitalized costs are allocated to properties sold based on the proportion of claims sold to the claims remaining within the project area.

(h) Long-lived assets

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For purposes of evaluating the recoverability of long-lived assets, the recoverability test is performed using undiscounted net cash flows related to the long-lived assets. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value less costs to sell.

(i) Asset retirement obligations

The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development, and/or normal use of the long-lived assets. The Company also records a corresponding asset, which is amortized over the life of the asset. Subsequent to the initial measurement of the asset retirement obligation, the obligation is adjusted at the end of each period to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying the obligation (asset retirement cost).

(j) Income taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the asset and liability method, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recognized if it is more likely than not that some portion or all of the deferred tax asset will not be recognized.

(k) Share-based compensation

The Company offers a share option plan for its directors, officers, employees and consultants. ASC 718 “Compensation – Stock Compensation” prescribes accounting and reporting standards for all share-based payment transactions in which employee services are acquired. Transactions include incurring liabilities, or issuing or offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees, including grants of employee stock options, are recognized as compensation expense in the financial statements based on their fair values. That expense is recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period).

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50, “Equity Based Payments to Non-Employees.” Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued. The fair value of the share-based payment transaction is determined at the earlier of performance commitment date or performance completion date.

(l) Earnings (loss) per share

The calculation of earnings (loss) per share (“EPS”) is based on the weighted average number of shares outstanding for each period. The basic EPS is calculated by dividing the earnings or loss attributable to the equity owners of the Company by the weighted average number of common shares outstanding during the period.

The computation of diluted EPS assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The treasury stock method is used to determine the dilutive effect of the warrants and share options. When the Company reports a loss, the diluted net loss per common share is equal to the basic net loss per common share due to the anti-dilutive effect of the outstanding warrants and share options.

(m) Silver and gold recovery

Recovery of concentrate and other income is recognized when title and the risks and rewards of ownership to delivered concentrate and commodities pass to the buyer and collection is reasonably assured. Sale of concentrate is classified as silver and gold recovery, net of expenses in profit and loss because the Company has not established proven or probable ore reserves and remains in the exploration stage as defined by Industry guide 7.

Not all costs are applied against Silver and gold recovery. Since the Company has no established economically viable proven or probable ore reserves, the Company is treated as an exploration company and as such, only direct mining and milling costs are applied against silver and gold recovery. Other administrative, office, professional fees, and travel are disclosed separately.

From time to time, some of the Company’s sales of concentrate are made under provisional pricing arrangements where the final sale prices are determined by quoted market prices in a period subsequent to the date of sale. In these circumstances, sales are recorded at period end based on latest information about prices and quantities available to management for the expected date of final settlement. Under such arrangements, the Company’s receivable changes as the underlying commodity market price varies, this component of the contract is an embedded derivative which is recognized at fair value with changes in fair value recognized in profit and loss and receivables. Subsequent variations in prices and metal quantities are recognized as they occur.

(n) Inventories

Mineral concentrate and ore stockpiles are physically measured or estimated and valued at the lower of cost or net realizable value. Net realizable value is the estimated future sales price of the product the entity expects to realize when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

If the ore stockpile is not expected to be processed in 12 months after the reporting date, it is included in noncurrent assets and the net realizable value is calculated on a discounted cash flow basis.

Cost of silver concentrate and ore stockpiles is determined by using the first in first out method and comprises direct costs and a portion of fixed and variable overhead costs, including depreciation and amortization, incurred in converting materials into concentrate, based on the normal production capacity.

Materials and supplies are valued at the lower of cost or net realizable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

5. Recently Issued Accounting Pronouncements

Restricted Cash

In November 2016, ASU No. 2016-18 was issued related to the inclusion of restricted cash in the statement of cash flows. This new guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is permitted. The adoption of this guidance will result in the inclusion of the restricted cash balances within the overall cash balance and removal of the changes in restricted cash activities, which are currently recognized in other financing activities, on the Statements of Consolidated Cash Flows. Furthermore, an additional reconciliation will be required to reconcile cash and cash equivalents and restricted cash reported within the Consolidated Balance Sheets to sum to the total shown in the Statements of Consolidated Cash Flows. The adoption of this ASU had no material impact on the Company’s consolidated financial statements.

Intra-Entity Transfers

In October 2016, ASU No. 2016-16 was issued related to the intra-entity transfers of assets other than inventory. This new guidance requires entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is permitted. The adoption of this ASU had no material impact on the Company’s consolidated financial statements.

Statement of Cash Flows

In August 2016, ASU No. 2016-15 was issued related to the statement of cash flows. This new guidance addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is permitted. The adoption of this ASU had no material impact on the Company’s consolidated financial statements.

Leases

In February 2016, ASU No. 2016-02 was issued related to leases. The new guidance modifies the classification criteria and requires lessees to recognize the assets and liabilities arising from most leases on the balance sheet. This update is effective in fiscal years, including interim periods, beginning after December 15, 2018 and early adoption is permitted. The Company is currently evaluating the updated guidance.

Investments

In January 2016, ASU No. 2016-01 was issued related to financial instruments. The new guidance requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income. This new guidance also updates certain disclosure requirements for these investments. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is not permitted. The adoption of this ASU had no material impact on the Company’s consolidated financial statements.

Revenue recognition

In May 2014, ASU No. 2014-09 was issued related to revenue from contracts with customers. This ASU was further amended in August 2015, March 2016, April 2016, May 2016 and December 2016 by ASU No. 2015-14, No. 2016-08, No. 2016-10, No. 2016-12 and No. 2016-20, respectively. The new standard provides a five-step approach to be applied to all contracts with customers and also requires expanded disclosures about revenue recognition. In August 2015, the effective date was deferred to reporting periods, including interim periods, beginning after December 15, 2017 and will be applied retrospectively. Early adoption is not permitted. The adoption of this ASU had no material impact on the Company's consolidated financial statements.

6. Critical accounting judgments and estimates

(a) Significant judgments

Preparation of the consolidated financial statements requires management to make judgments in applying the Company's accounting policies. Judgments that have the most significant effect on the amounts recognized in these consolidated financial statements relate to functional currency; income taxes; provisions and reclamation and closure cost obligations. These judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Functional Currency

Management determines the functional currency for each entity. This requires that management assess the primary economic environment in which each of these entities operates. Management's determination of functional currencies affects how the Company translates foreign currency balances and transactions. Determination includes an assessment of various indicators. In determining the functional currency of the Company's operations in Canada (Canadian dollar) and Argentina (U.S. dollar), management considered the indicators of ASC 830.

Income Taxes and value-added taxes receivable

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain and subject to judgment. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law in the various jurisdictions in which it operates. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

The Company has receivables due from the Argentinean government for value-added taxes. Significant estimates and judgments are involved in the assessment of recoverability of these receivables. Changes in management's impairment assumptions may result in an additional impairment provision, or a reduction to any previously recorded impairment provision, with the impact recorded in profit and loss.

Provisions

Management makes judgments as to whether an obligation exists and whether an outflow of resources embodying economic benefits of a liability of uncertain timing or amount is probable, not probable or remote. Management considers all available information relevant to each specific matter.

Reclamation and closure costs obligations

The Argentine mining regulations require that mine property be restored in accordance with specified standards and an approved reclamation plan. Significant reclamation activities include reclaiming refuse and slurry ponds, reclaiming the pit and support acreage at surface mines, and sealing portals at deep mines. The Company accrues for the cost of final mine closure reclamation over the estimated useful mining life of the property. At each period, the Company reviews the entire reclamation liability and makes necessary adjustments for revisions to cost estimates to reflect current experience.

The Company has adopted ASC 410, Asset Retirement and Environmental Obligations, which requires legal obligations associated with the retirement of long-lived assets to be recognized at their fair value at the time that the obligations are incurred. Upon initial recognition of a liability, that cost is capitalized as part of the related long-lived asset and allocated to expense over the useful life of the asset.

Title to Mineral Property Interests

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 and title may be affected by undetected defects.

(b) Estimation uncertainty

The preparation of the consolidated financial statements in conformity with US GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

The more significant areas requiring the use of management estimates and assumptions relate to title to mineral property interests; share-based payments, asset retirement obligations and inventories. These estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Company is also exposed to legal risk. The outcome of future proceedings cannot be predicted with certainty. Thus, an adverse decision in a lawsuit could result in additional costs that are not covered, either wholly or partly, under insurance policies and that could significantly influence the business and results of operations.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions is done by application of the Black-Scholes option-pricing model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the Black-Scholes option-pricing model, including the expected life of the stock option, forfeiture rate, and volatility based on historical share prices and dividend yield and making assumptions about them.

(Expressed in US Dollars)

Legal Proceedings

In the normal course of business, legal proceedings and other claims brought against the Company expose us to potential losses. Given the nature of these events, in most cases the amounts involved are not reasonably estimable due to uncertainty about the final outcome. In estimating the final outcome of litigation, management makes assumptions about factors including experience with similar matters, past history, precedents, relevant financial, scientific and other evidence, and facts specific to the matter. This determines whether management requires a provision or disclosure in the consolidated financial statements.

Asset retirement obligation

Upon retirement of the Company's mineral properties, retirement costs will be incurred by the Company. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, the related asset and the expense are affected by estimates with respect to the costs and timing of retiring the assets.

Inventories

Net realizable value tests are performed at each reporting date and represent the estimated future sales price of the product the Company expects to realize when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained ore ounces is based on assay data, and the estimated recovery percentage is based on the expected processing method.

Stockpile tonnages are verified by periodic surveys.

Silver and gold recovery

From time to time, some of the Company's sales of concentrate are made under provisional pricing arrangements where the final sale prices are determined by quoted market prices in a period subsequent to the date of sale. In these circumstances, sales are recorded at period end based on latest information about prices and quantities available to management for the expected date of final settlement.

7. Inventory

	September 30, 2018	December 31, 2017
Silver and gold concentrate	**$ 1,880,861**	$ 128,894
Ore stockpiles	-	98,210
Materials and supplies	**115,887**	106,216
	$ 1,996,748	$ 333,320

8. Mineral properties

(a) Acquisition of Mina Martha project

On May 6, 2016, the Company acquired the assets of the Mina Martha project from Coeur Mining Inc. ("Coeur"). The Mina Martha project consists of land, mineral rights, a mine camp, offices, a warehouse, maintenance shop, mining facilities including a flotation mill and a tailings retention facility.

As at September 30, 2018 this project has a carrying amount of $438,062 (2017 - $438,062) on the interim consolidated balance sheet.

(Expressed in US Dollars)

(b) Acquisition of La Josefina project

In March 2007, the Company acquired the exploration and development rights to the La Josefina project from Fomento Minero de Santa Cruz Sociedad del Estado (“Fomicruz”).

In July 2007, the Company entered into an agreement (subsequently amended) with Fomicruz which provides that, in the event that a positive feasibility study is completed on the La Josefina property, a Joint Venture Corporation (“JV Corporation”) would be formed by the Company and Fomicruz. The Company would own 81% of the joint venture company and Fomicruz would own the remaining 19%. Fomicruz has the option to earn up to a 49% participating interest in the JV Corporation by reimbursing the Company an equivalent amount, up to 49%, of the exploration investment made by the Company. The Company has the right to buy back any increase in Fomicruz’s ownership interest in the JV Corporation at a purchase price of USD$200,000 per each percentage interest owned by Fomicruz down to its initial ownership interest of 19%; the Company can also purchase 10% of the Fomicruz’s initial 19% JV Corporation ownership interest by negotiating a purchase price with Fomicruz. Under the agreement, the Company has until the end of 2019 to complete cumulative exploration expenditures of $18 million and determine if it will enter into production on the property.

As at September 30, 2018 this project has a carrying amount of $Nil (2017 **-** $Nil) on the consolidated balance sheet.

(c) Acquisition of La Valenciana project

On November 1, 2012, the Company entered into an agreement for the exploration of the La Valenciana project in Santa Cruz province, Argentina. The agreement is for a total of 7 years, expiring on October 31, 2019. The agreement requires the Company to spend $5,000,000 in exploration on the project over 7 years. If the Company elects to exercise its option to bring the La Valenciana project into production, it must grant Fomicruz a 9% ownership in a new JV Corporation to be created by the Company to manage the project and the Company will have a 91% ownership interest in the JV Corporation.

As at September 30, 2018 this project has a carrying amount of $Nil (2017 **-** $Nil) on the consolidated balance sheet

9. Asset retirement obligation

On May 6, 2016, the Company purchased the Mina Martha project (Note 8). The Company is legally required to perform reclamation on the site to restore it to its original condition at the end of its useful life. In accordance with FASB ASC 410-20, Asset Retirement Obligations, the Company recognized the fair value of a liability for an asset retirement obligation in the amount of $678,032. The total amount of undiscounted cash flows required to settle the estimated obligation is $1,226,817 which has been discounted using a credit-adjusted rate of 10% (2017 – 10%) and an inflation rate of 2% (2017 – 2%).

The following table describes all of the changes to the Company's asset retirement obligation liability:

	September 30, 2018	December 31, 2017
Asset retirement obligation at beginning of year	$ 773,436	$ 721,695
Foreign exchange	(4,200)	(16,327)
Accretion expense	55,977	68,068
Asset retirement obligation at end of period	$ 825,213	$ 773,436

(Expressed in US Dollars)

10. Property, Plant and Equipment

	Land	Plant	Buildings	Vehicles and Equipment	Total
Cost					
Balance at December 31, 2016	$ 1,035,397	$ 2,631,646	$ 117,500	$ 2,352,222	$ 6,136,765
Additions	-	792,055	-	472,244	1,264,299
Balance at December 31, 2017	1,035,397	3,423,701	117,500	2,824,466	7,401,064
Additions	-	-	-	13,559	13,559
Balance at September 30, 2018	**$ 1,035,397**	**$ 3,423,701**	**$ 117,500**	**$ 2,838,025**	**$ 7,414,623**
Accumulated amortization					
Balance at December 31, 2016	$ -	$ -	$ -	$ 1,201,982	$ 1,201,982
Depreciation for the year	-	753,391	29,375	382,826	1,165,592
Balance at December 31, 2017	-	753,391	29,375	1,584,808	2,367,574
Depreciation for the year	-	753,391	29,375	425,922	1,208,688
Balance at September 30, 2018	**$ -**	**$ 1,506,782**	**$ 58,750**	**$ 2,010,730**	**$ 3,576,262**
Net book value					
At December 31, 2017	$ 1,035,397	$ 2,670,310	$ 88,125	$ 1,239,658	$ 5,033,490
At September 30, 2018	**$ 1,035,397**	**$ 1,916,919**	**$ 58,750**	**$ 827,295**	**$ 3,838,361**

11. Performance bond

The performance bond, originally required to secure the Company's rights to explore the La Josefina property, is a step-up US dollar denominated 2.5% coupon bond, paying quarterly, issued by the Government of Argentina with a face value of $600,000 and a maturity date of 2035. The bond trades in the secondary market in Argentina. The bond was originally purchased for $247,487. As of the nine months ended September 30, 2018, the value of the bond decreased to $357,830 (December 31, 2017 - $434,639). The change in the face value of the performance bond of $76,809 for the nine months ended September 30, 2018 (December 31, 2017- $53,284) is recorded as other comprehensive loss in the Company's consolidated statement of operations and comprehensive loss.

Since Cerro Cazador S.A. ("CCSA") fulfilled its exploration expenditure requirement mandated by the agreement with Fomento Minero de Santa Cruz Sociedad del Estado ("Fomicruz"), the performance bond was no longer required to secure the La Josefina project. Therefore, in September 2010 the Company used the bond to secure the La Valenciana project, an additional Fomicruz exploration project.

12. Accounts receivable

	September 30, 2018	December 31, 2017
Receivable from sale of concentrate	**$ 149,795**	$ 1,144,710
Value added tax ("VAT") recoverable	**780,930**	1,000,120
Other receivables	**46,597**	-
Total accounts receivable	**$ 977,322**	$ 2,144,830

(Expressed in US Dollars)

13. Accounts payable

	Note	September 30, 2018	December 31, 2017
Accounts payables due to related parties	16	**$ 5,584,584**	$ 4,410,894
Trade accounts payable and accrued liabilities		**1,931,265**	2,262,425
Total accounts payable and accrued liabilities		**$ 7,515,849**	$ 6,673,319

14. Loan Payable and long-term debt

The Following is a summary of all loans.

	September 30, 2018	December 31, 2017
Unsecured loan payable to related party at 8% interest per annum, due 2022[1] (Note 16)	**$ 1,615,445**	$ 1,731,022
Unsecured loan payable to related party at 8% interest per annum, due on demand (Note 16)	**994,861**	700,000
Loan payable, repayable in monthly installments ranging between $3,000 and $15,000 per dry metric ton of concentrate, with interest at 6% per annum, secured by concentrate, due 2018[2]	**700,000**	-
	$ 3,310,306	$ 2,431,022
Less current portion	**(2,245,044)**	(1,062,428)
Long-term debt	**$ 1,065,262**	$ 1,368,594

Principal payments on long-term debt are due as follows.

Year ending December 31,	
2018	$ 362,428
2019	$ 375,510
2020	$ 394,590
2021	$ 414,910
2022	$ 68,007

[1]During the year ended December 31, 2017, the maturity date of the loan payable was extended to May 9, 2022 and reclassified as long-term debt. The modification of the loan payable did not result in an extinguishment in accordance with ASC 470-50.

[2] Subsequent to September 30, 2018, loan was repaid. (Note 22)

(Expressed in US Dollars)

15. Capital Stock

Authorized:

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

Issued:

Common Shares	Nine months ended September 30, 2018		Year ended December 31, 2017	
	Number	**Amount**	Number	Amount
Balance, beginning of period	**63,588,798**	**$24,695,186**	63,588,798	$24,695,186
Balance, end of period	**63,588,798**	**$24,695,186**	63,588,798	$24,695,186

Warrants	Nine months ended September 30, 2018		Year ended December 31, 2017	
	Number	**Amount**	Number	Amount
Balance, beginning of period	**48,862,500**	**$ 735,152**	48,862,500	$ 735,152
Balance, end of period	**48,862,500**	**$ 735,152**	48,862,500	$ 735,152

Common share issuances:

No common shares were issued during the nine months ended September 30, 2018 (December 31, 2017 – None).

Stock options

Under the Company's share option plan, and in accordance with TSX Venture Exchange requirements, the number of common shares reserved for issuance under the option plan shall not exceed 10% of the issued and outstanding common shares of the Company, have a maximum term of 5 years and vest at the discretion of the Board of Directors. In connection with the foregoing, the number of common shares reserved for issuance to: (a) any individual director or officer will not exceed 5% of the issued and outstanding common shares; and (b) all consultants will not exceed 2% of the issued and outstanding common shares.

	Range of Exercise prices (CAD)	Number outstanding	Weighted average life (years)	Weighted average exercise price (CAD)	Number exercisable on September 30, 2018
Stock options	$0.15 - $1.00	4,160,000	2.54	$0.21	4,160,000

	September 30, 2018		December 31, 2017	
	Number of options	**Weighted Average Price (CAD)**	**Number of options**	**Weighted Average Price (CAD)**
Balance, beginning of period	4,380,000	$0.21	4,225,000	$0.24
Granted	-	$0.00	200,000	$0.20
Expiration of stock options	(220,000)	$1.00	(45,000)	$3.00
Balance, end of period	4,160,000	$0.21	4,380,000	$0.24

No options were granted during the nine months ended September 30, 2018.

(Expressed in US Dollars)

On June 14, 2017, 200,000 stock options were granted to the Company's controller with an exercise price of $CAD 0.20 and expiry date of June 14, 2022. The $34,528 fair value of the options granted were calculated using the Black-Scholes option pricing model and using the following assumptions:

	Year ended December 31, 2017 2017
Expected volatility	**235.10%**
Expected life (years)	**5**
Expected dividend y	**0%**
Forfeiture rate	**0%**
Stock price	**$CAD 0.23**

On February 27, 2017, 45,000 options with an exercise price of CAD 3.00 expired.

On April 23, 2018, 20,000 options with an exercise price of CAD 1.000 expired.

As at September 30, 2018, the Company's outstanding and exercisable stock options had an aggregate intrinsic value of $339,493 (December 31, 2017 - $316,717).

Warrants:

	Range of Exercise prices (CAD)	Number outstanding	Weighted average life (years)	Weighted average exercise price (CAD)
Warrants	0.05 - 0.40	48,862,500	1.88	$0.07

	September 30, 2018		December 31, 2017	
	Number of warrants	Weighted Average Price (CAD)	Number of warrants	Weighted Average Price (CAD)
Balance, beginning of period	48,862,500	$0.07	48,862,500	$0.07
Warrants	-	-	-	$0.00
Balance, end of period	48,862,500	$0.07	48,862,500	$0.07

(Expressed in US Dollars)

16. Related Party Transactions

Key management personnel include the members of the Board of Directors and executive officers of the Company. Related party transactions and balances not disclosed elsewhere in the Financial Statements are as follows:

		Remuneration, fees or interest expense	Loans or Advances	Remuneration, fees, or interest payments	Loan payments	Included in Accounts Payable	Included in Loan Payable and Long-term debt
		9 months ended September 30				As at September 30, 2018 and December 31, 2017	
Key managerial person	2018	158,666	-	140,666	-	242,255	-
- professional fees	2017	161,117	-	117,222	-	224,255	-
Key managerial person	2018	56,465	-	72,275	-	-	-
- professional fees	2017	55,200	-	62,916	-	15,810	-
A company controlled by a director	2018	362,556	-	-	-	4,020,987	-
- admin, office, and interest expenses	2017	362,766	1,649,325	-	-	3,658,431	-
Key executive person	2018	101,250	-	101,250	-	-	-
- salaries and wages	2017	-	-	-	-	-	-
Former Key Executive person - professional fees	2017	114,222	-	66,630	-	98,549	-
Key executive person	2018	100,143	-	100,143	-	-	-
- salaries and wages	2017	124,977	-	124,977	-	-	-
Director	2018	174,603	1,494,861	46,030	115,578	1,563,597	2,610,306[1]
-loans	2017	111,494	1,000,000	13,105	789,295	235,024	2,431,022

[1]The Company has two unsecured loans payable to related party at 8% interest per annum, with one loan of $994,861 due on demand and the other loan of $1,615,445 due 2022 (Note 14)

17. Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, performance bond, accounts payable and accrued liabilities, transaction taxes payable, loan payable, interest payable, and long-term debt.

The Company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: inputs, other than quoted prices, that are observable, either directly or indirectly. Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates, and volatility factors, which can be observed or corroborated in the market place.
- Level 3: inputs are less observable, unavoidable or where the observable data does not support the majority of the instruments' fair value.

(Expressed in US Dollars)

Fair value

As at September 30, 2018, there were no changes in the levels in comparison to December 31, 2017. The fair values of financial instruments are summarized as follows:

	September 30, 2018		September 30, 2017	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	$	**$**	$	$
Financial Assets				
FVTPL				
Cash (Level 1)	60,240	60,240	296,928	296,928
Available for sale				
Performance bond (Level 1)	357,830	357,830	395,106	395,106
Loans and receivables				
Accounts receivable	977,322	977,322	1,074,403	1,074,403
Financial Liabilities				
Other financial liabilities				
Bank indebtedness	319,499	319,499	50,000	50,000
Accounts payable and accrued liabilities	7,515,849	7,515,849	6,109,375	6,109,375
Transaction taxes payable	25,972	25,972	130,716	130,716
Interest payable	262,751	262,751	98,388	98,388
Loan payable	2,245,044	2,245,044	3,171,192	3,171,192
Long-term debt	1,615,445	1,615,445	-	-

Cash and performance bond are measured based on Level 1 inputs of the fair value hierarchy on a recurring basis.

The carrying value of accounts receivable, accounts payable and accrued liabilities, transaction taxes payable, loan payable, interest payable, and long-term debt approximate their fair value because of the short-term nature of these instruments and because long-term debt approximates a market rate of interest. The Company assessed that there were no indicators of impairment for these financial instruments.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company places its cash with high quality financial institutions and limits the amount of credit exposure with any one institution. Accounts receivable consist of trade receivables and VAT recoverable and are not considered subject to significant risk, because the amounts are due from a government and a customer who is considered credit worthy.

The Company has concentrations of credit risk with respect to its trade receivables, the majority of which are concentrated geographically in Argentina amongst a small number of customers. As at September 30, 2018, the Company had one customer whose trade receivable of $149,795 (December 31, 2017 – $1,144,710) accounted for greater than 10% of the total trade receivables. The Company controls credit risk through monitoring procedures, and by performing credit evaluations of its customers, but generally does not require collateral to secure accounts receivable.

The Company has concentrations in the volume of sales it made to customers. For the nine months ended September 30, 2018, the Company made sales of $1,431,360 to one customer which accounted for greater than 10% of the total silver and gold recovery, net of expenses (2017 - $498,529).

The Company currently maintains a substantial portion of its day-to-day operating cash balances at financial institutions. At September 30, 2018, the Company had total cash balances of $60,240 (December 31, 2017- $78,145) at financial institutions, where $Nil (December 31, 2017- $Nil) is in excess of federally insured limits.

18. Segmented Information

All of the Company's operations are in the mineral properties exploration industry with its principal business activity in mineral exploration. The Company conducts its activities primarily in Argentina. All of the Company's long-lived assets are located in Argentina. All of the Company's silver and gold recovery arose from sales made in Argentina.

19. Commitments

On October 31, 2011, the Company signed an agreement with the owners of the Piedra Labrada Ranch for the use and lease of facilities on the same premises as the Company's La Josefina facilities. The initial term was for three years beginning November 1, 2011 and ended on October 31, 2014, including annual commitments of $60,000. The Company extended this agreement on April 30, 2015 for three years with an option to renew for a second three-year term.

20. Silver and Gold Recovery (loss)

Silver and gold recovery include the sales from concentrate sold during the nine months ended September 30, 2018 of $1,488,914 (2017 - $6,451,417). Silver and gold recovery revenues have been reported net of direct operating expenses of $1,591,860 for the nine months ended September 30, 2018 (2017 -$1,807,077). Accounts receivable include $149,795 (December 31, 2017 -$1,144,710) for the sales of concentrate.

21. Bank Indebtedness

The Company has a variable rate line of credit available for $330,000 with interest charged at the lender's Index Rate plus 1.0%, with a floor of 4.25%. As at September 30, 2018 the balance of bank indebtedness was $319,499 (December 31, 2017- $Nil) (Note 22).

22. Subsequent Events

Subsequent to September 30, 2018, the Company had sales of silver and gold concentrate of approximately $787,000. Funds from this shipment were used to repay $700,000 of loan payable (Note 14).

Subsequent to September 30, 2018, the Company received a new loan payable in the amount of $700,000.

Subsequent to September 30, 2018, the Company reduced its line of credit available balance to $250,000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the operating results, corporate activities and financial condition of Hunt Mining Corp. (hereinafter referred to as "we", "us", "Hunt Mining", "HMX", or the "Company") and its subsidiaries provides an analysis of the operating and financial results between December 31, 2017 and September 30, 2018 and a comparison of the material changes in our results of operations and financial condition between the nine months period ended September 30, 2017 and the nine months period ended September 30, 2018. This discussion should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2017.

This discussion and analysis contain forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those set forth under the heading "Risk Factors and Uncertainties" in our Annual Report on Form 10-K for the period ended December 31, 2017, and elsewhere in this Quarterly Report on Form 10-Q.

The interim statements have been prepared in accordance with US Generally Accepted Accounting Principles ("US GAAP") as required under U.S. federal securities laws applicable to the Company, and as permitted under applicable Canadian securities laws. The Company is a reporting company under applicable securities laws in Canada and the United States. The reporting currency used in our financial statements is the United States Dollar.

The information contained within this report is current as of November 15, 2018, unless otherwise noted.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Cautionary Note to U.S. Investors Regarding Reserve and Resource Estimates

The Company uses Canadian Institute of Mining, Metallurgy and Petroleum definitions for the terms "proven reserves", "probable reserves", "measured resources", "indicated resources" and "inferred resources". U.S. investors are cautioned that while these terms are recognized and required by Canadian regulations, including National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), the U.S. Securities and Exchange Commission ("SEC") does not recognize them.

Canadian mining disclosure standards differ from the requirements of the SEC under SEC Industry Guide 7, and reserve and resource information referenced in this Form 10-Q may not be comparable to similar information disclosed by companies reporting under U.S. standards. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserve". Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made.

The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources" or "indicated mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. Disclosure of "contained ounces" in a resource estimate is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as tonnage and grade without reference to unit measures. The requirements of NI 43- 101 for identification of "reserves" are also not the same as those of the SEC, and reserves in compliance with NI 43-101 may not qualify as "reserves" under SEC standards.

Cautionary Note Regarding Forward-Looking Statements

Certain statements made in this Quarterly Report on Form 10-Q may constitute "forward-looking statements about the Company and its business. Forward looking statements are statements that are not historical facts and include, but are not limited to, reserve and resource estimates, estimated value of the project, projected investment returns, anticipated mining and processing methods for the project, the estimated economics of the project, anticipated Hunt Mining recoveries, production rates, grades, estimated capital costs, operating cash costs and total production costs, planned additional processing work and environmental permitting. The forward-looking statements in this report are subject to various risks, uncertainties and other factors that could cause the Company's actual results or achievements to differ materially from those expressed in or implied by forward looking statements.

These risks, uncertainties and other factors include, without limitation:

- risks related to uncertainty of Hunt Mining property valuation assumptions;
- uncertainties related to raising sufficient financing to fund the project in a timely manner and on acceptable terms;
- changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfill expectations and realize the perceived potential of the Company's properties;
- uncertainties involved in the estimation of Hunt Mining reserves and resources;
- the possibility that required permits may not be obtained on a timely manner or at all;
- the possibility that capital and operating costs may be higher than currently estimated and may preclude commercial development or render operations uneconomic;
- the possibility that the estimated recovery rates may not be achieved;
- risk of accidents, equipment breakdowns and labor disputes or other unanticipated difficulties or interruptions;
- the possibility of cost overruns or unanticipated expenses in the work program;
- risks related to projected project economics, recovery rates, estimated NPV and anticipated IRR; and
- other factors identified in the Company's SEC filings and its filings with Canadian securities regulatory authorities.

Forward-looking statements are based on the beliefs, opinions and expectations of the Company's management at the time they are made, and other than as required by applicable securities laws, the Company does not assume any obligation to update its forward-looking statements if those beliefs, opinions or expectations, or other circumstances, should change.

Hunt Mining Corporation – Corporate Overview

Hunt Mining Corp. (the "Company" or "Hunt Mining"), is a mineral exploration and processing company incorporated on January 10, 2006 under the laws of Alberta, Canada and, together with its subsidiaries, is engaged in the exploration of mineral properties in Santa Cruz Province, Argentina.

Effective November 6, 2013, the Company continued from the Province of Alberta to the Province of British Columbia. The Company's registered office is located at 25th Floor, 700 West Georgia Street, Vancouver, B.C. V7Y 1B3. The Company's head office is located at 23800 E Appleway Avenue, Liberty Lake, Washington, 99019 USA.

The consolidated interim financial statements include the accounts of the following subsidiaries after elimination of intercompany transactions and balances:

Corporation	Incorporation	Percentage ownership	Business Purpose
Cerro Cazador S.A. ("CCSA")	Argentina	100%	Holder of Assets and Exploration Company
Ganadera Patagonia(1)	Argentina	40%	Land Holding Company
1494716 Alberta Ltd.	Alberta	100%	Nominee Shareholder
Hunt Gold USA LLC	Washington, USA	100%	Management Company

(1) The Company has determined that the subsidiary is a variable interest entity because the Company is the primary beneficiary of the land the subsidiary holds, and therefore consolidates the subsidiary in its interim financial statements.

The Company's activities include the exploration of mineral properties in Argentina. On the basis of information to date, the Company has not yet determined whether the exploration properties contain economically recoverable ore reserves. The underlying value of the mineral properties is entirely dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production or a sale of these properties.

Principal Properties Review

Ongoing production at the Martha Project is being undertaken without established mineral resources or reserves and the Company has not established the economic viability of the operations on the Martha Project. As a result, there is increased uncertainty and economic risk of failure associated with these production activities. Mineral resources have been defined at La Josefina as disclosed in a 2010 Technical Report: Ailin is part of La Josefina.

Donald J. Birak, an independent geologist, is the qualified person under National Instrument 43-101 who has approved the technical and scientific and technical content of this report.

La Josefina Property

The La Josefina Project is situated about 450 km northwest of the city of Rio Gallegos, in the Santa Cruz province of Argentina within a scarcely populated steppe-like region known as Patagonia. The La Josefina property occupies 52,800 hectares and makes up approximately 90% of all meters drilled by the Company.

The La Josefina Project consists of mineral rights composed by an area of 528 square kilometers established in 1994 as a Mineral Reserve held by Fomicruz, an oil and mining company owned by the Santa Cruz provincial government. The La Josefina Project comprises 16 Manifestations of Discovery totaling 52,767 hectares which are partially covered by 399 pertenencias.

In conjunction with Fomicruz, the Company is currently extracting and processing minerals and from La Josefina for metallurgical test purposes. Results from processing these minerals are expected in the 4th quarter of 2018 at which time a formal agreement will be drafted and signed with Fomicruz regarding royalties.

Mina Martha Property

Martha is located in the province of Santa Cruz, Argentina, at 48o , 41', 33.94" south latitude and 69o , 42', 00.79" west longitude (degrees, minutes, seconds) at approximately 350 meters elevation. The closest community is the town of Gobernador Gregores, situated approximately 50 road kilometers (km) to the west-southwest of Martha.

The property was purchased in 2016 by Cerro Cazador SA (CCSA), an Argentine subsidiary of the Company, from an Argentine subsidiary of Coeur Mining Inc. (Coeur). The intent to purchase was announced February 10, 2016 and closed May 11, 2016 as disclosed by the Company on its website (www.huntmining.com). See note 8 of the 2017 financial statements for details on the purchase of the Mina Martha property. The processing plant at the Martha Project has an estimated useful life of 8 years as it is anticipated that this plant will be used to process material from the Martha and the La Josefina projects.

The Martha property consists of approximately 7,850 hectares of concessions, various buildings and facilities, surface and underground mining and support equipment, a 480 tonne per day (tpd - maximum) crushing, grinding and flotation plant, tailings facility, various stockpiles and waste dumps, employee living and cafeteria quarters, and miscellaneous physical materials. The Company restored and repaired the physical assets acquired in the purchase during the latter part of 2016 and the first quarter of 2017. The In addition, the Company has access to surface ranch ("estancia") lands surrounding the mine and mill site that are approximately 35,700 hectares in size.

Royal Gold Inc. holds a 2% Net Smelter Return (NSR) royalty on all production from the Martha property; the obligation for which transferred from Coeur to the Company (www.royalgold.com). In addition, the provincial government holds a 3% pit-head royalty from future production

La Valenciana Property

La Valenciana is located on the central-north area of the Santa Cruz Province, Argentina. The project encompasses an area of approximately 29,600 hectares and is contiguous to the Company's La Josefina property to the east. The La Valenciana project is comprised of 11 Manifestations of Discovery covering segments of Estancia Canodon Grande, Estancia Flecha Negra, Estancia Las Vallas, Estancia La Florentina, Estancia La Valenciana and Estancia La Modesta (inactive ranches).

Bajo Pobre Property

The Bajo Pobre property covers 3,190 hectares and is mainly on the Estancia Bajo Pobre. The property is located 90 kilometers south of the town of Las Heras. No exploration activity has taken place on the Bajo Pobre Property and no exploration activity is planned for the immediate future.

El Gateado Property

In March 2006, CCSA acquired the right to conduct exploration on the El Gateado property through a claim staking process for a period of at least 1,000 days, commencing after the Government issues a formal claim notice, and retain 100% ownership of any mineral deposit found within. El Gateado is a 10,000-hectare exploration concession filed with the Santa Cruz Provincial mining authority. The El Gateado property is located in the north-central part of Santa Cruz province, contiguous to La Josefina on the east

The Company has not yet received a formal claim notice pertaining to the El Gateado property. Should a mineral deposit be discovered, CCSA has the exclusive option to file for mining rights on the property. The surface rights of the El Gateado claim are held by the following Ranches, Estancia Los Ventisqueros, Estancia La Primavera, Estancia La Virginia and Estancia Piedra Labrada. The El Gateado claims are filed with the government under file #406.776/DPS/06.

The El Gateado project is without known reserves as defined by SEC industry Guide No. 7. No exploration activity has taken place on El Gateado Property and no exploration activity is planned for the immediate future.

Operating results – Revenues and Expenses

The Company's results for 2018 year to date are largely a product of extraction of silver and gold concentrate from the La Josefina and the Mina Martha projects. To date, only sales of silver concentrate from the Mina Martha project have been realized, however gold concentrate sales from the La Josefina project are anticipated for the 4th quarter. Sales of gold and silver concentrate are reported as Silver and gold recovery (loss), net of expenses. Management determined the mine, mill and other direct costs related to concentrate sales are to be an offset to the silver and gold recovery.

During the nine months ended September 30, 2018 the Company sold 207 ounces of gold at an average price of $1,279 and 87,533 ounces of silver at an average price of $16.35 for net proceeds of $1,488,914 (2017 – 472 ounces at an average price of $1,331 and 417,256 ounces of silver at an average price of $17.84). 50 tonnes of gold/silver concentrate were shipped during the nine months ended September 30, 2018 with average grades of Au 129.94 g/mt and Ag 54,952.02 g/mt. (2017 – 200 tonnes of gold/silver concentrate at grades of 73.38 g/mt Au and 64,873.16 g/mt Ag)

Quarterly Results Summary

Company's quarterly results are shown below in the table below:

Hunt Mining - Financial Performance	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net Income (Loss)	(1,133,879)	(1,224,347)	(844,364)	1,213,124	(168,266)	1,272,194	(661,138)	(834,789)
Basic Net Income (Loss) per share	(0.05)	(0.03)	(0.02)	0.03	(0.01)	0.02	(0.01)	(0.01)

Results of Operations for the nine months ended September 30, 2018

	September 30, 2018	December 31, 2017	Period change Favorable (Unfavorable)
Working capital	(7,327,751)	(5,308,822)	(2,018,929)
Total assets	7,675,617	8,531,328	(855,711)
Total non-current liabilities	1,890,475	2,142,030	251,555
Total shareholders' equity	(4,583,973)	(1,544,661)	(3,039,312)

The working capital unfavorable variance is primarily due to costs related to the start-up of the La Josefina property as well as significant delays in planned extraction and processing of materials. As at September 30, 2018, the Company had not made any sales of gold concentrate from this property. The Company realized its two first shipments of gold concentrate subsequent to September 30, 2018.

Total assets decreased during the first three quarters 2018 primarily due to depreciation of capital assets. Receivables decreased as funds relating to previous sales of concentrate were received. Inventory increased over December 31, 2017 as there were significant amounts of gold and silver concentrate ready for sale at September 30, 2018.

The change in total shareholder equity is due to the operating loss during the first three quarters of 2018.

Interim Consolidated Statements of Operations and Comprehensive Income (Loss)

		3 month period ended September 30,		9 month period ended September 30,	
	NOTE	2018	2017	2018	2017
OPERATING EXPENSES:					
Professional fees	16	144,406	180,352	480,670	461,656
Directors fees		762	787	2,351	2,291
Exploration expenses		220,537	191,232	481,484	563,982
Travel expenses		27,730	63,467	145,240	213,131
Administrative and office expenses	16	42,191	13,649	135,195	213,404
Payroll expenses	16	64,767	103,989	266,643	281,711
Share based compensation	15,16	-	34,528	-	34,528
Interest expense	16	142,309	134,748	371,137	323,657
Banking charges		14,502	24,646	56,485	94,134
Depreciation	10	403,022	37,999	1,208,688	635,337
Total operating expenses:		$ 1,060,226	$ 785,397	$ 3,147,893	$ 2,823,831
OTHER INCOME/(EXPENSE):					
Silver and gold recovery (loss), net of expenses	20	(96,162)	$ 340,480	$ 106,452	$ 3,200,226
Interest income		2,316	4,206	9,854	12,042
Miscellaneous expense		-	-	-	5,217
Transaction taxes		(3,225)	(6,147)	(13,484)	(23,977)
Gain (loss) on foreign exchange		42,077	296,056	(101,542)	133,251
Contingent liability recovery		-	-	-	(7,749)
Accretion expense	9	(18,659)	(17,462)	(55,977)	(52,386)
Total other income (expense):		$ (73,653)	$ 617,133	$ (54,697)	$ 3,266,624
NET INCOME (LOSS) FOR THE PERIOD		$(1,133,879)	$ (168,264)	$ (3,202,590)	$ 442,793

Variance Analysis for Net Income

There company's plans of shipping gold concentrate from the La Josefina project during the first three quarters of 2018, were delayed due to difficult winter weather conditions and to delays in formalizing a final agreement with Fomicruz on exportation. The Company did have inventories of concentrated gold on hand at September 30, 2018 which were sold subsequent to September 30, 2018.

Exploration expenses decreased because costs related to the La Josefina project in previous periods were expensed as exploration whereas in the second quarter 2018, they are currently inventoried because they are directly attributable to the production of concentrate.

Travel expenses decreased over 2017 because 2017 required more visits than normal to the Martha property during its startup phase.

Administrative expenses for the nine months ended September 30, 2018 decreased slightly in comparison to the nine months ended September 30, 2017 due to normal fluctuations in business activities and timing of expenses.

As the company gained more experience in extraction and processing of material, payroll was able to be reduced from 2017 due to greater efficiencies.

Interest expense increase for the nine months ended September 30, 2018 because of increased debts over 2017.

Banking fees decreased from 2017. The nine months ended September 30, 2017 was a period when transfers of funds were being sent in to Argentina to fund the restoration of the Martha plant. The nine months ended September 30, 2018 had less transfers comparatively.

The depreciation increase is due to depreciation on the Mina Martha. Amortization on most Mina Martha assets began in April 2017.

Silver and gold recovery (loss), net of expenses was significantly reduced primarily due to costs related to the start-up of the La Josefina property as well as significant delays in planned extraction and processing of material.

Cash flow discussion for the three-month period ended September 30, 2018 compared to September 30, 2017

The cash outflow for operating activities prior to items not affecting cash and non-cash items was $3,202,590 a decrease of $3,645,383 (September 30, 2017 – increase of $2,979,099), due primarily to decreased sales as the Company increased focus on preparing the La Josefina location. The net operating cash flow, after non-cash expenses and working capital adjustment was an outflow of $1,155,123, a decrease of $3,641,535 (September 30, 2017 – increase of $2,949,684).

The investing cash outflow activities during 2018 were for equipment purchases.

Cash inflow from financing activities of $1,204,493 during the nine months period ending September 30, 2018 reflect the funds received from loans, net of repayments.

Financial Position

Cash

The Company's cash position decreased during the nine month period ended September 30, 2018 by $17,905 from December 31, 2017 (September 30, 2017 $188,656). The sources of funds were from the cash received from concentrate sales of $1,488,914, the reduction in receivables of $1,167,508, increase in accounts payable, transaction taxes and interest payable of $933,041 and new funds from loans and operating line of credit of $2,664,499. The uses of cash during 2018 repayments of loans of $1,465,716, inventory costs $1,663,428, operating costs of $2,964,664 and cash paid for capital asset purchases of $178,059.

Accounts receivables

The accounts receivable balance decreased from $2,144,830 in 2017 to $977,322 in 2018 as the Company collected $1,144,710 relating to 2017 concentrate sales. The receivables relating to 2018 concentrate sales are $149,795. Also, there was approximately a reduction in the value of VAT recoverable due to the devaluation of the Argentine Peso.

Inventory

Inventory increased significantly from December 31, 2017 for two main reasons. The first is that at June 30, 2018 the Company had 1 shipment of silver concentrate and 2 shipments of gold concentrate at the shipping port ready for sale. The second is that significant costs were associated with opening the Ailin vein on the La Josefina property which have been inventoried and will be expensed on a pro-rated basis of ounces extracted over anticipated total ounces.

Property Plant and equipment

Property and equipment consist of machinery and equipment primarily in Argentina. Other than paying down the lease on an excavator purchased in 2017, there was only one purchase in 2018 for $13,559.

Mineral interests

Mineral interests remained the same in 2018 as 2017.

Accounts payable, accrued liabilities, bank indebtedness, loans payable and accounts payable with related parties

Bank indebtedness balance at December 31, 2017 was zero but during the first nine months of 2018, the Company made a draw of $318,499.

Accounts payable, accrued liabilities, and transaction taxes payable dropped considerably in the first quarter of 2018 but then increased during the second and third quarters because sales of gold concentrate had not yet been achieved as at September 30, 2018.

The company acquired $2,345,000 in new debt in 2018 and subsequently repaid approximately $1,465,716 during the nine months ended September 30, 2018.

Capital Stock

There were no changes to capital stock during the second quarter and for the year 2018.

Liquidity and Capital Resources

At September 30, 2018, the Company had a negative working capital of $7,327,751 as compared to a negative working capital of $5,308,822 at December 31, 2017. The unfavorable change in working capital is directly related to focusing on preparing the La Josefina property for future extraction of minerals and sales of concentrate in 2018. Significant costs were incurred as resources were focused on La Josefina and, as a result, lower revenues from the Martha property were realized in comparison to 2017.

During the first three quarters of 2018, the Mina Martha mill continued processing material from the Martha mine but at much lower levels. The mill capabilities were modified during 2018 and test material from the La Josefina project was processed successfully. Subsequent to September 30, 2018 the Company was sold two shipments of gold concentrate. The Company plans to continue mining material from both the Mina Martha and the La Josefina projects.

The Company's plan for processing material from Mina Martha and La Josefina and additional exploration discoveries is expected to provide sufficient cash flow to cover operating costs, repay loans in full and cover current liabilities.

Off-balance sheet arrangements

At September 30, 2018, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Transactions with related parties

Key management personnel include the members of the Board of Directors and executive officers of the Company. Related party transactions and balances not disclosed elsewhere in the Financial Statements are as follows:

		Remuneration, fees or interest expense	Loans or Advances	Remuneration, fees, or interest payments	Loan payments	Included in Accounts Payable	Included in Loan Payable and Long-term debt
		9 months ended September 30				As at September 30, 2018 and December 31, 2017	
Key managerial person	2018	158,666	-	140,666	-	242,255	-
- professional fees	2017	161,117	-	117,222	-	224,255	-
Key managerial person	2018	56,465	-	72,275	-	-	-
- professional fees	2017	55,200	-	62,916	-	15,810	-
A company controlled by a director	2018	362,556	-	-	-	4,020,987	-
- admin, office, and interest expenses	2017	362,766	1,649,325	-	-	3,658,431	-
Key executive person	2018	101,250	-	101,250	-	-	-
- salaries and wages	2017	-	-	-	-	-	-
Former Key Executive person - professional fees	2017	114,222	-	66,630	-	98,549	-
Key executive person	2018	100,143	-	100,143	-	-	-
- salaries and wages	2017	124,977	-	124,977	-	-	-
Director	2018	174,603	1,494,861	46,030	115,578	1,563,597	2,610,306[1]
-loans	2017	111,494	1,000,000	13,105	789,295	235,024	2,431,022

[1]The Company has two unsecured loans payable to related party at 8% interest per annum, with one loan of $994,861 due on demand and the other loan of $1,615,445 due 2022 (Note 14)

Proposed Transactions

There are no proposed transactions outstanding other than as disclosed.

Recently issued Accounting Pronouncements

Restricted Cash

In November 2016, ASU No. 2016-18 was issued related to the inclusion of restricted cash in the statement of cash flows. This new guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is permitted. The adoption of this guidance will result in the inclusion of the restricted cash balances within the overall cash balance and removal of the changes in restricted cash activities, which are currently recognized in other financing activities, on the Statements of Consolidated Cash Flows. Furthermore, an additional reconciliation will be required to reconcile cash and cash equivalents and restricted cash reported within the Consolidated Balance Sheets to sum to the total shown in the Statements of Consolidated Cash Flows. The adoption of this ASU had no material impact on the Company's consolidated financial statements.

Intra-Entity Transfers

In October 2016, ASU No. 2016-16 was issued related to the intra-entity transfers of assets other than inventory. This new guidance requires entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is permitted. The adoption of this ASU had no material impact on the Company's consolidated financial statements.

Statement of Cash Flows

In August 2016, ASU No. 2016-15 was issued related to the statement of cash flows. This new guidance addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is permitted. The adoption of this ASU had no material impact on the Company's consolidated financial statements.

Leases

In February 2016, ASU No. 2016-02 was issued related to leases. The new guidance modifies the classification criteria and requires lessees to recognize the assets and liabilities arising from most leases on the balance sheet. This update is effective in fiscal years, including interim periods, beginning after December 15, 2018 and early adoption is permitted. The Company is currently evaluating the updated guidance.

Investments

In January 2016, ASU No. 2016-01 was issued related to financial instruments. The new guidance requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income. This new guidance also updates certain disclosure requirements for these investments. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is not permitted. The adoption of this ASU had no material impact on the Company's consolidated financial statements.

Revenue recognition

In May 2014, ASU No. 2014-09 was issued related to revenue from contracts with customers. This ASU was further amended in August 2015, March 2016, April 2016, May 2016 and December 2016 by ASU No. 2015-14, No. 2016-08, No. 2016-10, No. 2016-12 and No. 2016-20, respectively. The new standard provides a five-step approach to be applied to all contracts with customers and also requires expanded disclosures about revenue recognition. In August 2015, the effective date was deferred to reporting periods, including interim periods, beginning after December 15, 2017 and will be applied retrospectively. Early adoption is not permitted. The adoption of this ASU had no material impact on the Company's consolidated financial statements.

Critical Accounting Estimates

(a) Significant judgments

Preparation of the consolidated financial statements requires management to make judgments in applying the Company's accounting policies. Judgments that have the most significant effect on the amounts recognized in these consolidated financial statements relate to functional currency; income taxes; provisions and reclamation and closure cost obligations. These judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Functional Currency

Management determines the functional currency for each entity. This requires that management assess the primary economic environment in which each of these entities operates. Management's determination of functional currencies affects how the Company translates foreign currency balances and transactions. Determination includes an assessment of various indicators. In determining the functional currency of the Company's operations in Canada (Canadian dollar) and Argentina (U.S. dollar), management considered the indicators of ASC 830.

Income Taxes and value-added taxes receivable

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain and subject to judgment. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law in the various jurisdictions in which it operates. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

The Company has receivables due from the Argentinean government for value-added taxes. Significant estimates and judgments are involved in the assessment of recoverability of these receivables. Changes in management's impairment assumptions may result in an additional impairment provision, or a reduction to any previously recorded impairment provision, with the impact recorded in profit and loss.

Provisions

Management makes judgments as to whether an obligation exists and whether an outflow of resources embodying economic benefits of a liability of uncertain timing or amount is probable, not probable or remote. Management considers all available information relevant to each specific matter.

Reclamation and closure costs obligations

The Argentine mining regulations require that mine property be restored in accordance with specified standards and an approved reclamation plan. Significant reclamation activities include reclaiming refuse and slurry ponds, reclaiming the pit and support acreage at surface mines, and sealing portals at deep mines. The Company accrues for the cost of final mine closure reclamation over the estimated useful mining life of the property. At each period, the Company reviews the entire reclamation liability and makes necessary adjustments for revisions to cost estimates to reflect current experience.

The Company has adopted ASC 410, Asset Retirement and Environmental Obligations, which requires legal obligations associated with the retirement of long-lived assets to be recognized at their fair value at the time that the obligations are incurred. Upon initial recognition of a liability, that cost is capitalized as part of the related long-lived asset and allocated to expense over the useful life of the asset.

Title to Mineral Property Interests

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 and title may be affected by undetected defects.

(b) Estimation uncertainty

The preparation of the consolidated financial statements in conformity with US GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

The more significant areas requiring the use of management estimates and assumptions relate to title to mineral property interests; share-based payments, asset retirement obligations and inventories. These estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Company is also exposed to legal risk. The outcome of future proceedings cannot be predicted with certainty. Thus, an adverse decision in a lawsuit could result in additional costs that are not covered, either wholly or partly, under insurance policies and that could significantly influence the business and results of operations.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions is done by application of the Black-Scholes option-pricing model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the Black-Scholes option-pricing model, including the expected life of the stock option, forfeiture rate, and volatility based on historical share prices and dividend yield and making assumptions about them.

Legal Proceedings

In the normal course of business, legal proceedings and other claims brought against the Company expose us to potential losses. Given the nature of these events, in most cases the amounts involved are not reasonably estimable due to uncertainty about the final outcome. In estimating the final outcome of litigation, management makes assumptions about factors including experience with similar matters, past history, precedents, relevant financial, scientific and other evidence, and facts specific to the matter. This determines whether management requires a provision or disclosure in the consolidated financial statements.

Asset retirement obligation

Upon retirement of the Company's mineral properties, retirement costs will be incurred by the Company. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, the related asset and the expense are affected by estimates with respect to the costs and timing of retiring the assets.

Inventories

Net realizable value tests are performed at each reporting date and represent the estimated future sales price of the product the Company expects to realize when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained ore ounces is based on assay data, and the estimated recovery percentage is based on the expected processing method.

Stockpile tonnages are verified by periodic surveys.

Silver and gold recovery

From time to time, some of the Company's sales of concentrate are made under provisional pricing arrangements where the final sale prices are determined by quoted market prices in a period subsequent to the date of sale. In these circumstances, sales are recorded at period end based on latest information about prices and quantities available to management for the expected date of final settlement.

Going Concern

We have incurred an accumulated loss of $39,196,246 (See Footnote 3 to the financial statements). We anticipate incurring additional losses before realizing growth in revenue and we will depend on additional financing in order to meet our continuing obligations and ultimately to attain profitability. Our ability to obtain additional financing, whether through the issuance of additional equity or through the assumption of debt, is uncertain. Accordingly, our financial statements for the period ended September 30, 2018 include an explanatory paragraph regarding our ability to continue as a going concern. The financial statements contained in this report do not include any adjustments that might result from the uncertainty about our ability to continue our business.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKETRISK

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure controls and procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, our management evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2018.

Our management, with the participation of our president (our principal executive officer, principal accounting officer and principal financial officer), evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on this evaluation, our president (our principal executive officer, principal accounting officer and principal financial officer) has concluded that, as of the end of such period, our disclosure controls and procedures were effective to ensure that information that is required to be disclosed by us in the reports we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our president (our principal executive officer and our principal accounting officer and principal financial officer), as appropriate, to allow timely decisions regarding required disclosure.

Evaluation of Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Internal control over financial reporting is a process designed by, or under the supervision of, our president (our principal executive officer and our principal accounting officer and principal financial officer), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of our Company are being made only in accordance with authorizations of management and directors of our Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

Further, the evaluation of the effectiveness of internal control over financial reporting was made as of a specific date, and continued effectiveness in future periods is subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has conducted, with the participation of our president (our principal executive officer and our principal accounting officer and principal financial officer), an evaluation of the effectiveness of our internal control over financial reporting as of September 30, 2018 in accordance with the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control — Integrated Framework. Based on this assessment, management concluded that as of September 30, 2018, our company's internal control over financial reporting was effective based on present Company activity

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in our internal control over financial reporting identified in connection with the evaluation described above during the quarter ended September 30, 2018 that has materially affected or is reasonably likely to materially affect our internal controls over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings: There are no proceedings to report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds. None

Item 3. Default Upon Senior Securities: There are no defaults to report.

Item 4. Mine Safety Disclosures: N/A

Item 5. Other Information: None

ITEM 6. EXHIBITS

		Incorporated by reference			
Exhibit Number	**Document Description**	**Form**	**Date**	**Number**	**Filed herewith**
3.1	Articles of Incorporation – British Columbia	F-1/A-4	06/30/14	3.4	
10.1	Exploration and Option Agreement between Cerro Cazador S.A. and FK Minera S.A. dated March 28, 2007	F-1/A-2	12/20/12	10.1	

10.2	Agreement between Fomento Minero de Santa Cruz Sociedad del Estado and Hunt Mining Corp.'s subsidiary, Cerro Cazador, S.A., with respect to the La Josefina property, dated July 24, 2007	F-1/A-2	12/20/12	10.2
10.3	Share Purchase Agreement among Sinomar Capital Corp., Cerro Cazador S.A., HuntMountain Resources Ltd. and HuntMountain Investments, LLC, dated October 13, 2009	F-1/A-3	03/28/14	10.3
10.4	Executive Employment Agreement with Matthew J. Hughes dated January 1, 2012	F-1/A-3	03/28/14	10.4
10.5	Executive Employment Agreement with Timothy R. Hunt dated January 1, 2012	F-1/A-3	03/28/14	10.5
10.6	Executive Employment Agreement with Danilo P. Silva dated January 1, 2012	F-1/A-3	03/28/14	10.6
10.7	Executive Employment Agreement with Matthew A. Fowler dated January 1, 2012	F-1/A-3	03/28/14	10.7
10.8	Exploration Agreement Among Eldorado Gold Corporation, Hunt Mining Corp. and Cerro Cazador, S.A. dated May 3, 2012	F-1/A-3	03/28/14	10.8
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10.10	Amended Agreement between Fomento Minero de Santa Cruz Sociedad del Estado and Hunt Mining Corp.'s subsidiary, Cerro Cazador, S.A., with respect to the La Valenciana property, dated November 15, 2012	F-1/A-3	03/28/14	10.10

10.11	Buyer's Contract with Ocean Partners USA, Inc., Hunt Mining Corp and Huntwood Industries, Inc. dated September 28, 2016	10-K	05/22/17	10.11	
10.12	Advance Payment Facility Agreement with Ocean Partners USA, Inc., Hunt Mining Corp and Huntwood Industries, Inc. dated October 28, 2016	10-K	05/22/17	10.12	
14.1	Code of Ethics	10-K	05/19/17	14.1	
21.1	List of Subsidiaries	10-K	05/22/17	21.1	
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the Chief Executive Officer				X
32.2	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the Chief Financial Officer				X
99.1	2011 Stock Option Plan of Hunt Mining Corp.	F-1/A-2	12/20/12	99.1	
99.2	Audit Committee Charter	F-1	06/12/12	99.1	
101.INS	XBRL Instance Document				X
101.SCH	XBRL Taxonomy Extension – Schema				X
101.CAL	XBRL Taxonomy Extension – Calculations				X
101.DEF	XBRL Taxonomy Extension – Definitions				X
101.LAB	XBRL Taxonomy Extension – Labels				
101.PRE	XBRL Taxonomy Extension – Presentation				X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, on this 15th day of November 2018.

HUNT MINING CORPORATION
(the "Registrant")

BY: ***TIMOTHY HUNT***
Timothy Hunt
Principal Executive Officer and President

BY: ***Ken Atwood***
Ken Atwood
Principal Financial Officer and Principal Accounting Officer

EXHIBIT INDEX

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