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

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2017**

Commission File Number: **333-182072**



Hunt Mining Corp.

(Exact name of Registrant as specified in its charter)

British Columbia

(State or other jurisdiction of incorporation or organization)

1041

(Primary Standard Industrial Classification Code Number)

23800 East Appleway Ave.
Liberty Lake, WA 99019
(509)-290-5659

(Address of principal executive offices)

Securities Registered pursuant to Section 12(b) of the Act;

Title of each class	Name on each exchange on which registered
None	None

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Name on each exchange on which registered
None	None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Special Note on Forward-Looking Statements

Certain statements contained in this report (including information incorporated by reference) are "forward-looking statements." The Company's forward-looking statements include current expectations and projections about future production, results, performance, prospects and opportunities, including reserves and other mineralization. The Company has tried to identify these forward-looking statements by using words such as "may," "might," "will," "expect," "anticipate," "believe," "could," "intend," "plan," "estimate" and similar expressions. These forward-looking statements are based on information currently available to us and are expressed in good faith and believed to have a reasonable basis. However, the forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause actual production, results, performance, prospects or opportunities, including reserves and mineralization, to differ materially from those expressed in, or implied by, these forward-looking statements.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on the forward-looking statements. Projections and other forward-looking statements included in this report have been prepared based on assumptions, which the Company believes to be reasonable, and in accordance with United States generally accepted accounting principles ("GAAP") or any guidelines of the Securities and Exchange Commission ("SEC"). Actual results may vary, perhaps materially. You are strongly cautioned not to place undue reliance on such projections and other forward-looking statements. All subsequent written and oral forward-looking statements attributable to Hunt Mining Corporation or to persons acting on the Company's behalf are expressly qualified in their entirety by these cautionary statements. Except as required by federal securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

You should read the following discussion and analysis of the Company's financial condition and results of operations together with its financial statements and related notes in this annual report on Form 10-K. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth under "Risk Factors" in this annual report on Form 10-K.

The Company

Hunt Mining Corp., is a mineral exploration 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 W Georgia Street, Vancouver, B.C. V7Y 1B3. The Company's head office is located at 23800 E Appleway Avenue, Liberty Lake, Washington, 99019 USA.

During the year ended December 31, 2017, the major source of funding was from sales of silver-gold concentrate and tailings, exceeding \$9.2 million. Other sources of funding included loans from the Hunt Family Limited Partnership, and a loan facility from Ocean Partners; advanced against future concentrate sales. The Company incurred net operating losses for the aggregate of years ended December 31, 2017 and 2016 but were profitable in 2017 by approximately \$1.66 million. The Company remains focused on evaluating its mining properties in Argentina, with near term prospects of mining the La Josefina gold property and the continuation of production of silver-gold concentrate from the Mina Martha property. The Company is also reviewing strategic opportunities, focusing primarily on development or operating properties.

Results of Operations

For the Years Ended December 31, 2017 compared to December 31, 2016

Liquidity and Capital Resources

For the year ended December 31, 2017 the Company generated a net income of \$1,655,914, or \$0.03 per basic share, compared to a net loss of \$3,109,074 or \$0.05 per basic share, for the year ended December 31, 2016. The increase was due to the sale of silver and gold concentrate and tailings from the Mina Martha property.

Working capital increase from 2016 to 2017 of \$2,860,011 is primarily due to the sale of concentrate and negotiating more favorable repayment terms on loans. See Notes 12 and 14 of the financial statements for further details.

The total assets increase from 2016 to 2017 of \$2,460,200 primarily due to the continued restoration of the Mina Martha plant and equipment to bring it to intended useable state and receivables related to the sale of concentrate. Other capital assets were also acquired during the year that were needed for the extraction and processing of minerals

The non-current liability increased balance from 2016 and 2017 of \$1,170,335 is due to accretion of the asset retirement obligation for the Mina Martha property as well as reclassifying current debt to non-current. See Note 14 of the financial statements.

The total shareholder's equity increase from 2016 to 2017 of \$1,777,057 is due to the net income less adjustments for other comprehensive income, and for stock option offerings during 2017.

Summary of Results of Operations:

	<u>December 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>	<u>Change from prior year</u> <u>Favorable (Unfavorable)</u>
Net income (loss) for the year	\$ 1,655,914	\$ (3,109,074)	\$ 4,764,988
Net loss per share – basic:	0.03	(0.05)	0.08
Net loss per share – diluted:	0.01	(0.05)	0.06
Working capital	(5,308,822)	(8,168,833)	2,860,011
Total assets	8,531,328	6,071,128	2,460,200
Total non-current liabilities	2,142,030	971,695	(1,170,335)
Total shareholders' equity	(1,544,661)	(3,321,718)	1,777,057

The Company is in the exploration phase and has incurred losses since its inception up to 2017 at which point it began selling silver and gold concentrate. As shown in the accompanying consolidated financial statements, the Company has an accumulated loss of \$35,993,656 through December 31, 2017. The Company intends to fund operations for the next twelve months sales of material from the Mina Martha property and the Josefina property

Financial Position

Cash

There was a small decrease in cash from 2016 mostly because the company used all excess cash generated from sales to pay down liabilities and purchase new operating assets. Of the \$3,432,377 cash generated from operations, \$2,599,799 was used for investing activities in mining assets and 1,040,289 was used to for financing activities to

repay loans. See the accompanying footnotes 10-14 of the financial statements for details of the significant transactions.

Accounts Receivable

The sale of concentrate played a significant role in the Company's operations during 2017. With sales of 8,740,854, of which \$1,144,740 remained receivable at December 31, 2017, the Company was able to achieve net income for the year. The company also has a value added tax recoverable of approximately \$1,000,120.

Inventory

There remained approximately \$333,000 of mineral inventory at December 31, 2017 from the results of mining and exploration.

Property, plant and equipment

Property plant and equipment consists of office furniture, computer equipment, geological equipment, and the Mina Martha plant and equipment assets. In May 2016 the Mina Martha property purchased for \$3 million and in 2017 it underwent a restoration project to bring it to a useable state. The costs incurred during the restoration process along with acquisition of other mining equipment were the primary reason for the increase in asset costs of \$1,264,299 from 2016. Net of depreciation, total property, plant and equipment value increased by \$98,707.

Trade Liabilities

The Company was able to eliminate liabilities related to the purchase of the Martha property of \$1,500,000, however; there were increases in trade accounts payable and accrued liabilities of approximately \$1,159,331 primarily due to the increase in mining activities.

Loan Payable and Long-term Debt

The Company acquired a new loan facility from a related party during the year up to \$1,000,000 at any given time, of which \$700,000 was outstanding as at December 31, 2017. The Company was also able to renegotiate the terms of its loan acquired in 2016 resulting in \$1,368,594 being reclassified as a non-current liability.

Off-balance sheet arrangements

At December 31, 2017, 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 us.

Contractual Obligations

	Total	Payments due by period			
		< 1 year	1-3 years	3-5 years	> 5 years
Loan Payable	\$ 700,000	\$ 700,000	\$ -	\$ -	\$ -
Long-term Debt	1,731,022	362,428	770,100	598,494	-
Capital Lease Obligations	-	-	-	-	-
Operating Lease Obligations	-	-	-	-	-
Purchase Obligations	-	-	-	-	-
Other Long-Term Liabilities Reflected on the Balance Sheet	-	-	-	-	-
TOTAL	\$2,431,022	\$1,062,428	\$770,100	\$598,494	\$ -

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 year ended December 31, 2017, the Company had net income of \$1,655,914. As at December 31, 2017, the Company had an accumulated deficit of \$35,993,656. The Company intends to continue funding operations through operation of the Martha Mine and equity 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.

Additional Information and Accounting Pronouncements

Discussed below are the accounting policies that the Company believes are critical to its financial statements due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense reported.

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 years 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 year. 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 year.

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 Mina Martha costs are applied against Silver Recovery. Since the Company has no reserves, the Company is treated as an exploration company and as such, only direct mining and milling costs are applied against Silver 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.

Recent 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 Company has made a preliminary evaluation and expects no material impact to arise from the adoption of this standard on January 1, 2018.

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 Company has made a preliminary evaluation and expects no material impact to arise from the adoption of this standard on January 1, 2018.

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 Company has made a preliminary evaluation and expects no material impact to arise from the adoption of this standard on January 1, 2018.

Stock-based compensation

In March 2016, ASU No. 2016-09 was issued related to stock-based compensation. The new guidance simplifies the accounting for stock-based compensation transactions, including income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. This update is effective in fiscal years, including interim periods, beginning after December 15, 2016 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 Company has made a preliminary evaluation and expects no material impact to arise from the adoption of this standard on January 1, 2018.

Inventory

In July 2015, ASU No. 2015-11 was issued related to inventory, simplifying the subsequent measurement of inventories by replacing the lower of cost or market test with a lower of cost and net realizable value test. The update is effective in fiscal years, including interim periods, beginning after December 15, 2016 and early adoption is 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 Company has made a preliminary evaluation and expects no material impact to arise from the adoption of this standard on January 1, 2018.

ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is 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.