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, 2016**

Commission File Number: **333-182072**

Hunt Mining Corp.

(Exact name of Registrant as specified in its charter)

British Columbia	**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)

Title of each class	Name on each exchange on which registered
NONE	**NONE**

Common Shares, without par value
(Title of Class)

Securities registered pursuant to Section 12(b) of the Act:	Securities registered pursuant to Section 12(g) of the Act:
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 X☐ 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 ☒

ADDITIONAL INFORMATION

Descriptions of agreements or other documents in this report are intended as summaries and are not necessarily complete. Please refer to the agreements or other documents filed or incorporated herein by reference as exhibits. Please see the Exhibit Index at the end of this report for a complete list of those exhibits.

PART I

ITEM 1. BUSINESS

Hunt Mining Corp. (the "Company" or "Hunt"), 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 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. ("CSSA")	Argentina	100%	Holder of Assets and Exploration Company
Ganadera Patagonia SRL	Argentina	40%	Land Holding Company
1494716 Alberta Ltd.	Alberta, Canada	100%	Nominee Shareholder
Hunt Gold USA LLC	Washington, USA	100%	Management Company

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.

Geographic and Segment Information

We have one reportable segment, consisting of evaluation, acquisition and exploration activities which are focused principally in Argentina. We evaluate, acquire, and explore for advanced silver and gold exploration and potential development projects, which may lead to silver and gold production or value adding strategic transactions. We reported no operating revenues during the years ended December 31, 2016, and 2015. Geographic location of mineral properties and plant and equipment is provided in Item 2 – Properties and Notes 7 and 9 – Mineral Properties and Property and Equipment to our Consolidated Financial Statements under the section heading "Item 8. Financial Statements and Supplementary Data" below.

Reclamation

We generally will be required to mitigate long-term environmental impacts by stabilizing, contouring, re-sloping and revegetating various portions of a site after mining and mineral processing operations are completed. These reclamation efforts would be conducted in accordance with detailed plans, which must be reviewed and approved by the appropriate regulatory agencies.

Government Regulation

Our exploration and development activities and other property interests are subject to various national, state, provincial and local laws and regulations in the United States, Argentina, and other jurisdictions, which govern prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters. We have obtained or have pending applications for those licenses, permits or other authorizations currently required to conduct exploration and other programs. We believe that we are in compliance in all material respects with applicable mining, health, safety and environmental statutes and regulations in all of the jurisdictions in which we operate. The Company is not aware of any current orders or directions relating to us with respect to the foregoing laws and regulations.

Environmental Regulation

Our projects are subject to various federal, state and local laws and regulations governing protection of the environment. These laws are continually changing and, in general, are becoming more restrictive. Our policy is to conduct business in a way that safeguards public health and the environment. We believe that our operations are conducted in material compliance with applicable laws and regulations. Changes to current local, state or federal laws and regulations in the jurisdictions where we operate could require additional capital expenditures and increased operating and/or reclamation costs. We are unable to predict what additional legislation, if any, might be proposed or enacted, or what additional regulatory requirements could impact the economics of our projects. During 2015, none of our project sites had any material non-compliance occurrences with any applicable environmental regulations.

Competition

The mineral exploration business is an extremely competitive industry. We are competing with many other exploration companies looking for silver and gold mineral deposits. We are a very early stage mineral exploration company and a very small participant in the mineral exploration business. There is competition for the limited number of silver and gold acquisition and exploration opportunities, some of which is with other companies having substantially greater financial resources than we have. As a result, we may have difficulty acquiring attractive silver and gold projects at reasonable prices. We use consultants and compete with other mining companies for the man hours of consulting time required to complete our studies. We also compete with other mining companies for mining engineers, geologists and other skilled personnel in the mining industry and for exploration and development services.

Metals Market Overview

We are an emerging precious metals exploration company with silver and gold mining properties in Argentina. Descriptions of the markets for these metals are provided below.

Silver Market

Silver has traditionally served as a medium of exchange, much like gold. Silver's strength, malleability, ductility, thermal and electrical conductivity, sensitivity to light and ability to endure extreme changes in temperature combine to make it a widely used industrial metal. While silver continues to be used as a form of investment and a financial asset, the principal uses of silver are industrial, primarily in electrical and electronic components, photography, jewelry, silverware, batteries, computer chips, electrical contacts, and high technology printing. Silver's anti-bacterial properties also make it valuable for use in medicine and in water purification. Additionally, the use of silver in the photovoltaic and solar panel industries is growing rapidly, and new uses of silver are being developed in connection with the use of superconductive wire and radio frequency identification devices.

Most silver product is obtained from mining in which silver is not the principal or primary product. The Silver Institute, an international silver industry association, noted that for 2014 only around 31% of output came from so-called primary silver mines, where silver is the main source of revenue. The following table sets forth for the periods indicated on the London Fix high and low silver fixes in U.S. dollars per troy ounce.

Silver	Year	High	Low
	2010	$30.70	$15.14
	2011	$48.70	$26.16
	2012	$37.23	$26.67
	2013	$32.23	$18.61
	2014	$22.05	$15.28
	2015	$18.23	$13.71
	2016	$20.71	$13.58
	2017 *	$18.34	$15.95

* Through April 7, 2017

Gold Market

Gold has two main categories of use: fabrication and investment. Fabricated gold has a variety of end uses, including jewelry, electronics, dentistry, industrial and decorative uses, medals, medallions and official coins. Gold investors buy gold bullion, official coins and jewelry. The supply of gold consists of a combination of production from mining and the draw-down of existing stocks of gold held by governments, financial institutions, industrial organizations and private individuals. The following table sets forth for the periods indicated on the London Fix PM high and low gold fixes in U.S. dollars per troy ounce.

Gold	Year	High	Low
	2010	$1,420	$1,058
	2011	$1,895	$1,319
	2012	$1,792	$1,540
	2013	$1,694	$1,192
	2014	$1,385	$1,142
	2015	$1,296	$1,049
	2016	$1,366	$1,077
	2017	$1,258	$1,151

* Through April 7, 2017

Employees

As at December 31, 2016, we had 30 full and part time employees and 4 individuals working on a consulting basis. Our operations are managed by our officers with input from our directors. We engage geological, metallurgical, and engineering consultants from time to time as required to assist in evaluating our property interests and recommending and conducting work programs. The increase in the number of employees and consultants during 2016 was due to the purchase of the Mina Martha property and activity to refurbish the mill and camp.

ITEM 1A. RISK FACTORS

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 1B. UNRESOLVED STAFF COMMENTS

None.

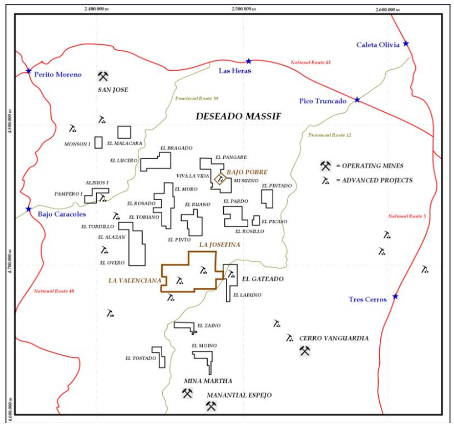
ITEM 2. PROPERTIES

Mineral Exploration Activity

Properties

The majority of the Company's assets are located in Argentina. The Company owns a 25,000-acre ranch called the La Josefina Estancia, on which the Company's La Josefina project is located.

The Company also owns mobile housing units, trucks and additional mechanical equipment, all purchased within the last ten years and in good physical condition, to support exploration activities on the Company's projects, all located in Argentina.



La Josefina Property

The La Josefina property was our primary exploration property because it occupies 52,800 hectares and approximately 90% of the nearly 65,000 meters drilled by us. It is located in North-Central Santa Cruz province in southern Argentina, within the region known as Patagonia.

Exploration Agreement between Fomicruz and CCSA

In March 2007, CCSA was awarded the exploration and development rights from Fomento Minero de Santa Cruz Sociedad del Estado ("Fomicruz") through a required public bidding process to explore the La Josefina Project. As Fomicruz is a government owned company in Santa Cruz province in Argentina, it cannot make individual agreements with a private company without first publishing the offer and giving other private companies the opportunity to submit bids, but the first company making an offer has the right to match any new offer.

The definitive agreement between CCSA and Fomicruz was finalized in July, 2007. Pursuant to this agreement, CCSA was obligated to spend US$6 million in exploration and complete pre-feasibility and feasibility studies during a 4 year exploration period (excluding three months each year for winter holiday) commencing in October, 2007 at La Josefina in order to earn mining and production rights for a 40-year period in a joint venture partnership ("JV") with Fomicruz. CCSA may terminate this agreement at the end of each exploration stage if results are negative.

The 4-year exploration period was originally planned to proceed in the following three stages:

Target Area	**Year 1 To July 2008**	**Year 2 July 2008 to July 2009**	**Years 3 & 4 July 2009 to July 2011**	**Totals**
Noreste Area	US$300,000	US$400,000	US$500,000	US$1,200,000
Veta Norte	500,000	800,000	800,000	2,100,000
Central Area	500,000	800,000	900,000	2,200,000
Piedra Labrada	200,000	100,000	200,000	500,000
TOTAL US$	**US$1,500,000**	**US$2,100,000**	**US$2,400,000**	**US$6,000,000**

At the successful completion of positive pre-feasibility and feasibility studies, which cannot be assured, a new joint venture company will be formed to develop the project. This new company will have joint participating ownership with 91% owned by CCSA and 9% by Fomicruz; however, upon inception Fomicruz may elect to increase its participating interest in the new joint venture company to either a 19%, 29% or 49% by reimbursing CCSA 10%, 20% or 40%, respectively, of CCSA's total investment in the project. Once the choice is made by Fomicruz, there are no means to modify the agreement.

Other conditions of the agreement:

1. CCSA posted a US$600,000 performance bond (equal to 10% of the total proposed exploration investment).

2. CCSA must maintain the La Josefina mining rights by paying the annual canons due the province on the project's 398 pertenencias.

3. CCSA must complete surface agreements (lease or buy) with the surface landowners, as required by the Federal mining law, to gain legal access to the farms (estancias) that cover the project. Most of the project and all of the current target areas lie within two large farms that have been unoccupied for many years - Estancia La Josefina and Estancia Piedra Labrada. The major part of mineralization occurs on Estancia La Josefina, which CCSA purchased in 2007. CCSA rents Estancia Piedra Labrada, which it uses as an exploration field camp.

Since CCSA fulfilled its exploration requirement mandated by the agreement with Fomicruz, the performance bond was no longer required to secure the La Josefina project. In June 2010, the Company used the bond to secure the La Valenciana project.

On November 15, 2012, we signed an amendment to our agreement with Fomicruz which extends the time we have to develop the La Josefina project by four years, from 2015 to 2019. The Company has agreed to make a minimum investment of US$12 million, of which it has already invested approximately US$9 million. Additionally, and subject to proof of compliance with committed investments, the Company has the option to continue exploration for a second additional term of four years, ending on June 30, 2019, requiring it to make an additional investment US$6 million, which will bring the total investments in the La Josefina Project to US$18 million.

Total costs incurred to date are approximately US$15 million.

The 2012 agreement provided a participating interest for Fomicruz over the minerals and metals extracted of 19% and the purchase option of up to a 49% participating interest in the incorporation of the future Company to be organized for the production and exploitation of the project, having Fomicruz contributing capital for the equivalent of such increase in percentage of participation. 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 purchase 10% of the Fomicruz's initial 19% JV Corporation ownership interest by negotiating a purchase price with Fomicruz.

In December, 2007, CCSA purchased the "La Josefina Estancia", a 92 square kilometer parcel of land within the La Josefina Project area. CCSA plans to use the La Josefina Estancia as a base of operations for Santa Cruz exploration. The purchase price for the La Josefina Estancia was US$710,000.

Initially, the La Josefina property was excluded from our exploration agreement with Eldorado Gold. This property was made subject to the exploration agreement with Eldorado Gold on May 7, 2013, an agreement later terminated by Eldorado in July 2013.

In 2014, the Company conducted a shallow Diamond drilling campaign, including 12 holes totaling 651 meters in length completed on the Maria Belen target and 15 holes totaling 957 meters on the Sinter target. Detailed results of the La Josefina drilling program are included in the Company's website, www.huntmining.com.

By late 2015, when the options for test milling the material that would be mined at La Josefina under this bulk sampling program seemed very limited, the Company began talks and eventual negotiations with Coeur Mining Inc. to the purchase the assets of the Mina Martha project approximately 110 km (65 miles) to the south of La Josefina from Coeur's Argentine subsidiary, Coeur Argentina SRL.

The Company has been actively pursuing a new exploration partner for the La Josefina project, as of the date of this filing these discussions are still in process.

Personnel

- Danilo Silva; General Manager of Hunt's Argentina Subsidiary – Has served as a Senior Geologist and Project Manager with Yamana Resources and Buenaventura mining companies in his homeland of Argentina, and as general manager for Platero Resources
- Vicente Sanchez; Exploration Manager – Professional Geologist from Argentina who leads all Hunt's Argentinean geologic crews
- Mariano Ibaldi; Exploration Data Management – Professional Geologist who is meticulous in his documentation and analysis of data collected from all forms of sampling
- Jorge Garay; Exploration Geologist – Senior Geologist and Project Manager with tremendous exploration experience in Santa Cruz
- Klaus Triebel; Resource Estimation, Mine Planning & Pit Design – Most recently with Coeur as Manager – Resource Estimation, Mr. Triebel is a Senior Mine Geologist and Engineer
- Martin Fromm; Consultant – Mine Management – Mining Engineer from Argentina, recently a Project Manager for Patagonia Gold S.A. at their Capa Oeste and Lomada mines

Much of the following information is derived from, and based upon the La Josefina 2010 Technical Report, which is available for Hunt Mining Corp. on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Property Description and Location

The La Josefina Project is situated about 450 km northwest of the city of Rio Gallegos, in the Department of Deseado, Santa Cruz province, Argentina within a scarcely populated steppe-like region known as Patagonia.

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 boundaries of the property are summarized in the following table:

Boundary	**Latitude/Longitude**	**Gauss-Krüger ***
North	47°45'00" S	4,711,533 N
South	48°00'06" S	4,683,433 N
East	69°10'47" W	2,486,505 E
West	69°30'08" W	2,462,505 E

* The Argentine National Grid System (Gauss-Krüger) uses the Gauss-Krüger (also known as Transverse Mercator or TM) projection and is based on the Campo Inchauspe datum which uses the International 1924 (also known as Hayford) ellipsoid. Argentina is divided into seven zones which, similar to UTM zones, are north-south slices centered on 72°, 69°, 66°, 63°, 60°, 57° and 54° W longitude. Unlike UTM which effectively has two meridians of zero scale distortion, in Gauss-Krüger only the central meridian has zero scale distortion. Unlike UTM where the easting offset is always 500,000m, each zone in the Gauss-Krüger Campo Inchauspe system has a different offset to remove coordinate ambiguity between zones. Zone 1 has an easting offset of 1,500,000m with each successive zone adding 1,000,000m to the offset. Consequently, grid coordinates are often quoted without explicitly specifying the zone as would normally be done with UTM coordinates. A new national grid named POSGAR is currently being introduced. This datum uses the WGS84 ellipsoid and has already become common in some provinces.

The La Josefina Project comprises 16 Manifestations of Discovery totaling 52,776 hectares which are partially covered by 399 pertenencias, listed in the following table:

Manifestation of Discovery	File #	Hectares
Julia	409.048/F/98	6
Miguel Ángel	409.058/F/98	3,435
Diana	409.059/F/98	2,995
Noemi	409.060/F/98	3,013
Rosella	409.061/F/98	3,227
Giuliana	409.062/F/98	5,100
Benjamin	409.063/F/98	3,500
Mariana T.	409.064/F/98	3,500
Ailín	409.065/F/98	3,500
Mirta Julia	409.066/F/98	3,500
Ivo Gonzalo	409.067/F/98	3,500
Maria José	409.068/F/68	3,500
Matias Augusto	409.069/F/98	3,500
Sofia Luján	409.070/F/98	3,500
Lucas Marcelo	409.071/F/98	3,500
Nicolás Alejandro	409.072/F/98	3,500
	Total	52,776

There is no geophysics. Geochemistry is conducted through ICP analysis (35+ elements) of all field and drill-hole samples. Even if no elevated precious metal grades are encountered this trace element analysis can still expose possible trends which often preclude gold and silver mineralization.

Royalties

Mineral properties in Argentina carry no federal royalties but the provinces are entitled to collect up to 3% mine-mouth royalty (MMR).

In Santa Cruz, the province has opted to drop this MMR to 1% if the operation is a precious metals mine that produces doré bullion within the province. The agreement between CCSA and Fomicruz stipulates that any doré bullion resulting from future La Josefina operations must be produced in the province, so it is likely the project will carry the minimal 1% MMR. However, because La Josefina is a Mining Resource in which the mineral rights belong to Fomicruz, the project also carries an additional 5% MMR payable to the province. Therefore, the total MMR for any future gold/silver/base metal production at La Josefina under the current agreement could total 6%.

Environmental Liabilities

There are no known environmental liabilities associated with the La Josefina Property.

Permits Required

No permits are required at this time to conduct the proposed exploration.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The project is located in the Deseado Massif mineral district in the north-central part of Santa Cruz province, the southernmost of several Argentine provinces comprising a vast, sparsely-populated, steppe-like region of South America known as Patagonia. The nearest town to the project is Gobernador Gregores (population 2,500), about 110 kilometers to the southwest. The nearest Atlantic coastal town is Puerto San Julián (population 6,800), 190 kilometers to the southeast. The project is reached by driving east from Gobernador Gregores for 40 km on gravel Provincial Route 25 – or west from Puerto San Julián for 170 km on the same road – and then north on gravel Provincial Route 12 for 110 km. Provincial Route 12 crosses the edge of the project and continues another 240 kilometers north to the oil town of Pico Truncado (population 16,500) in the northeastern part of the province.

The provincial gravel roads are generally accessible via two-wheel drive vehicles in dry weather but can become slippery or cannot be used for short periods when wet, so four wheel drive vehicles are sometimes required to access the project. Gobernador Gregores and Puerto San Julián are both served by fixed wing flights two or three times per week, to and from Comodoro Rivadavia (population 135,813), an important industrial center and port city. Comodoro Rivadavia lies 428 km north of Puerto San Julián. It can be reached via paved National Route 3, a major coastal highway. Comodoro Rivadavia serves as the region's major supply center for the booming petroleum and mining industries and is served by several airline daily flights to Buenos Aires and other major cities in Argentina. National Route 3 runs from Buenos Aires on the north to Ushuaia at the southernmost tip of the continent and offers all-weather access to a number of sea ports.

The Patagonia region is classified as a continental steppe-like climate. It is arid, very windy and has two distinct seasons, cold and warm. As Patagonia is located in the southern hemisphere, the cold winter months are from May to September and the warmer summer months are from November to March. The average annual precipitation averages only 200 mm (8 inches), much of which occurs as winter snow. Average monthly temperatures range from 3°C to 14°C, but vary widely depending on elevation. The winds are persistent, cool, dry and gusty, averaging about 36 km/h and directed predominantly to the east-southeast off the Andean Cordillera.

The La Josefina project area consists largely of subdued hilly terrain with internal drainages and playa lakes. Elevations range from 300 meters to 800 meters above sea level. Hill slopes are not steep, usually less than 10 degrees, and the rock exposures on these hillsides are typically abundant. Almost all of the mineralization and significant geochemical and geophysical anomalies are found on the crests or the flanks of these subdued hills.

The area is covered by sparse vegetation, consisting mostly of scattered low bushes and grass. In the area the only inhabitants are farm owners and employees. The nearest farms are Los Ventisqueros, Maria Esther, Las Vallas, La Florentina, La Laguna, La Josefina and Piedra Labrada.

The local economy was formerly based largely on sheep herding and marine fishing but in the late-1980s, sheep herding began a steep decline because of the Hudson volcano eruption and a descending economy; for those reasons many of the former large sheep farms are now unoccupied and in disrepair. The prolific sheep herds have since been replaced by overpopulated herds of wild guanacos, ostriches and flamingos (in the playas). One hundred km southeast of the property is the gold-silver epithermal Cerro Vanguardia Mine owned by AngloGold Ashanti Limited and Fomicruz.

Away from the towns and villages in Patagonia there are few power grids and scant telephone service. The many mineral exploration and development camps scattered widely throughout the Deseado Massif typically rely on diesel or gasoline generators for electrical power and satellite phones or radios for communications. Some communities in the region now have wind power generating stations and experimental hydrogen plants (Pico Truncado for example) and it is possible such stations might someday be utilized in mining camps to supplement their power requirements. However, the recent effort by the Santa Cruz Provincial Government to pave the Provincial Route 12, which runs within several kilometers of the project, may also include the construction of a power line which runs along the highway.

Near surface water tables exist on the La Josefina property.

Manpower is available in the larger communities to serve most exploration or mining operations.

History

Santa Cruz province - and indeed much of Patagonia - has only a short history of mineral prospecting and mining. Until the Cerro Vanguardia mine was commissioned in late 1989, only a few mineral occurrences had been identified within the 100,000 square kilometer area of the Deseado Massif. Notably, although Coeur Mining Corporation ceased active mining operations at its Martha Mine in September, 2012, the Desado Massif continues to host three producing mines: the Cerro Vanguardia Mine (AngloGold Ashanti Limited - Fomicruz), the San Jose – Huevos Verdes Mine (Hochschild Mining plc – Minera Andes Incorporated) and the Manantial Espejo Mine (Pan American Silver Corp.). Additionally, several new mines are being readied for production, and many active exploration projects (including Coeur Mining's Joaquin exploration project) are in progress.

In 1975, the first occurrence of metals known in the La Josefina area was publicly mentioned by the Patagonian delegation of the National Ministry of Mining. They reported the presence of an old lead-zinc mine in veins very near Estancia La Josefina. The mineralization received no further attention until 1994 when a research project by the Institute of Mineral Resources of the Universidad Nacional de la Plata and the geology department of the University of Patagonia San Juan Bosco examined the occurrence. That investigation corroborated not only the presence of base metals, but also precious metals.

In 1994, immediately after the La Josefina gold-silver discovery, Fomicruz claimed the area as a Provincial Mineral Reserve and explored the project in collaboration with the Instituto de Recursos Minerales (INREMI) of La Plata University. The geology and alteration of the project area was mapped at a scale of 1:20,000. Mineralized structures and zones of sinter were mapped at 1:2,500, trenches across the structures were continuously sampled and mapped at scales of 1:100 and ground geophysical surveys consisting of 6,000 m of IP-resistivity and 5,750 meters of magnetic surveys were completed over sectors of greatest interest.

In 1998, after four years of exploring and advancing interest in the project, Fomicruz offered La Josefina for public bidding by international mining companies. In accordance with provincial law, the winner would continue exploring the project to earn the right to share production with Fomicruz of any commercial discoveries. The bid was awarded to Minamérica S. A. ("Minamerica"), a private Argentine mining company. Minamerica dug a limited number of new trenches, initiated a program of systematic surface geochemical sampling, completed several new IP-Resistivity geophysical survey lines and drilled the first exploration holes on the project – 12 diamond core holes totaling 1,320 meters in length. The results of this effort were relatively encouraging but Minamerica nevertheless abandoned the project a year later in 1999.

In 2000, Fomicruz resumed exploration of the project and continued their efforts until 2006. Pits were dug to bedrock on 100- grids over some of the target areas, 3,900 meters of new trenches were dug and sampled, more than 8,000 float, soil and outcrop samples were collected for geochemical analyses, some new IP-Resistivity surveys were completed under contract to Quantec Geophysical Co., and 59 diamond core holes (total 3,680 meters) were drilled to average shallow depth below surface of 55 s. Of these holes, 37 were NQ-size core (47.6mm diameter) and 22 were HQ-size core (63.5mm).

Fomicruz reported spending more than US$2.8 million in exploring and improving infrastructure on the La Josefina Project from 1994 to 2006. In late-2006, the La Josefina Project was again opened to international bidding and in May, 2007, CCSA was awarded the right to explore the project. Throughout 2007 and 2008, CCSA was mainly focused on an intensive drill plan (37,605 meters), and in 2009 and the first quarter of 2010 reviewed all the data gathered in order to generate a geological model for the project, and continued working on regional exploration to define new additional targets for next drilling stages.

Geologic Setting

The La Josefina Project is located near the center of a large non-deformed stable platform known as the Deseado Massif, which covers an area of approximately 100,000 square kilometers in the northern third of Santa Cruz province. The Deseado Massif is a virtual twin of the Somun Cura Massif which encompasses an equally large area in the two adjoining provinces to the north. These two massifs are major metallotectonic features of the Patagonia region, and they are products of the massive continental volcanism formed by extensional rifting during the breakup of the South American and African continents in Jurassic time. The information in this paragraph is derived from "Tectonic Evolution of South America" prepared by Ramos, V.A and Aguirre-Urreta, M.B. in 2000 on behalf of the International Geological Congress.

The massifs are composed primarily of rhyolitic lavas, tuffs and ignimbrites which were erupted over a 50-million year period in middle-to late-Jurassic time (125 to 175 million years ago). The eruptives created a vast volcanic plateau which was subsequently segmented into the two massifs. These massifs are separated and bounded by sediment-filled basins: the Neuquén Basin north of the Somun Cura Massif, the San Jorge Basin between the massifs, and the Austral-Magellan Basin south of the Deseado Massif. These basins, filled largely with Cretaceous-age non-marine sedimentary rocks, are now sites of Argentina's largest oil and gas fields.

General Geology of the Deseado Massif

The geology of the Deseado Massif region has been described and discussed in numerous papers and reports published only during the last fifteen years. The geology has been mapped at various scales by government agencies, most recently covered by a series of 1:250,000 quadrangles published by the Instituto de Geología y Recursos Minerales and Servico Geológico Minero Argentino.

The Deseado Massif is dominated by a few major regional sequences comprised of felsic volcanic and volcaniclastic rocks deposited in middle- to late-Jurassic time. The rocks are broken by a series of regional fractures that probably represent reactivated basement fracture zones. Faults that were active during the period of intense Jurassic extension and volcanism trend mostly NNW-SSE and form a series of grabens, half-grabens and horst blocks which are tilted slightly to the east. Since Jurassic time, the rocks have been cut by normal faults of several different orientations, mainly NW-SE and ENE-WSW, but have undergone very little compression. As a result, they remain relatively undeformed and generally flat-lying to gently dipping, except locally where close to faults, volcanic domes or similar features.

Exposures of rocks older than Jurassic are limited. The oldest pre-Jurassic "basement" rocks are small outcrops of metamorphic rocks thought to be late Precambrian to early Paleozoic in age (about 540 Ma). These rocks have been assigned to the La Modesta Formation in the western part of the area and to the Complejo Río Deseado in the eastern part. They consist of schists, phyllites, quartzites, gneisses and amphibolites and plutonic intrusions.

The Precambrian and older Paleozoic rocks are unconformably overlain by thick continental sedimentary sequences of late-Paleozoic to early-Mesozoic age, called La Golondrina Formation and El Tranquilo Group. La Golondrina Formation is Permian (299–251 Ma) and is up to 2,200m of arkosic to lithic sandstones, siltstones and conglomerates deposited in N-S to NW-SE rift basins along older reactivated basement structures. El Tranquilo Group is Triassic in age (251– 200 Ma) and is up to 650m of rhythmically bedded arkosic sandstones and shales which grade upward into conglomerates and redbeds.

The Triassic sequence is intruded and overlain by the first indications of igneous activity related to the crustal separation and extension initiated in early Jurassic: La Leona and the Roca Blanca Formations. La Leona Formation, early Jurassic in age (175–200 Ma), is composed of calc-alkaline granitic intrusive bodies sparsely scattered throughout the northeastern part of the Deseado Massif. The Roca Blanca Formation is also early Jurassic age, and consists of up to 900m of a coarsening-upward fluvial to lacustrine mudstone and sandstone sequence deposited in grabens or other rift basins, mainly in the south-central part of the Deseado Massif. The upper third of the sequence is distinctly richer in volcanic tuffs and other pyroclastic materials.

The Jurassic volcanic rocks are divided into formal units, but can be treated as a single bimodal (andesite-rhyolite) Jurassic volcanic complex. There are three units in this volcanic complex: the Cerro Leon and Bajo Pobre Formations and the Bahía Laura Group. The last two units make up the most extensive unit in the massif.

The Cerro Leon unit (lower to middle Jurassic in age) consists of hypabyssal mafic rocks composed of andesitic to basaltic dykes and shallow intrusions located in the south-central part of the massif. The Bajo Pobre Formation (middle to upper Jurassic in age) is typically 150-200m thick and is locally up to 600m thick. It is composed of andesites and volcanic agglomerates with minor basalts, which intercalate upwards with mafic tuffs, conglomerates and sediments. Olivine basalts, common in the lower part of the formation in the El Tranquilo anticline region are thought to be products of fissure eruptions from rifts related to the early stages of the Gondwana breakup and continental separation.

The Bahia Laura Group (middle to upper Jurassic in age) covers more than half the area of the massif and hosts more than 90 percent of the known gold-silver occurrences. It is a complex sequence of felsic volcanic-sedimentary rocks that has been divided into two formations according to whether there is a predominance of volcanic flows (Chon Aike Formation) vs. a predominance of volcaniclastic and sedimentary debris (La Matilde Formation). These two formations are complexly intercalated and have rapid lateral changes in facies and thickness which make it virtually impossible to define a coherent regional stratigraphy.

Non-marine sediments of late Jurassic to early Cretaceous age occur at various places throughout the Deseado Massif filling structural or erosional basins in the underlying Jurassic terrain. The presence of continental sediments in these basins, typically less than 150 meters thick, indicates that the massif remained as a positive geological feature throughout the Cretaceous. The most extensive cover rocks are a series of young basalt lava flows, Miocene to Quaternary in age, which blanket large parts of the region. The flows are typically only a few meters thick except where they fill paleo-valleys in the old land surface. In some cases, these thicker lava accumulations stand in relief above the surrounding landscape, providing classic examples of inverted topography caused by differential erosion. The youngest deposit consists of an extensive veneer of Quaternary gravels, especially in the eastern part of the massif.

Geology of the La Josefina Project Area

The oldest unit in the area is the La Modesta Formation, which crops out west of the La Josefina Estancia. It is formed mainly by grey to greenish micaceous-quartz schists and phyllites that occur in small outcrops. An angular unconformity separates the overlying La Modesta Formation from the mid-Jurassic basic to intermediate volcanic rocks of the Bajo Pobre Formation. The most extensive unit is represented by the Jurassic Bahia Laura Group which is divided in the Chon Aike Formation and La Matilde Formation tuffs. The Chon Aike formation is divided into nine members, representing each event a separated volcanic event. Each of the members is comprised of generally similar sequences consisting of basal surge breccia followed by pyroclastic flows (ignimbrites), ash-fall tuffs and finally by re-worked volcaniclastic detritus. Rhyolitic domes intrude the volcanic sequence, grading towards lavas in their upper parts. The lava flows and breccias are best developed in the southern part of the prospect area, where they occur with small vitrophiric bodies. Those volcanic events took place along 4 million years in the upper Jurassic and emplaced the epithermal system that generated the mineralization. Around 800 meters east of La Josefina farm old facilities there is a hill oriented north-south 200 meters long and 20 meters wide, with outcrops of a mega-breccia made out of ignimbrite boulders about 2-3 cubic meters in size. Finally, covering large extensions in the northern part of the area, Tertiary and Quaternary basaltic levels complete the geological sequence.

La Josefina basically draws matching geological features of The Deseado Massif:

- There is one outcrop of metamorphic basement rocks belonging to the Paleozoic-age La Modesta Formation
- There are several small inliers of andesitic volcanics belonging to the Bajo Pobre Formation which underlies the Chon Aike Formation
- The area is dominated by Jurassic-age rhyolitic volcanic units. They belong to Chon Aike Formation.
- Sedimentary and volcaniclastic units of Roca Blanca and La Matilde Formations are not present in the area, or perhaps have not been recognized or mapped yet
- About half of the area is covered by thin Quaternary basalt flows
- The project is crossed by a number of conjugate NNW-SSE and NE-SW sets of strong fault lineaments which are similar to those occurring throughout the Deseado Massif region

The La Josefina project is without known reserves as defined by SEC industry Guide No. 7

Deposit Types

The Deseado Massif is characterized by the presence of low-sulphidation type epithermal vein deposits that are spatially, temporally and genetically related to a complex and long-lived (more than 30 million years) Jurassic bimodal magmatic event associated with tectonic extension that spread out in a surface of 60,000 km^2. The Deseado Massif hosts three active mines, including Cerro Vanguardia (AngloGold Ashanti Limited/Fomicruz), San José (Hochschild Mining plc/Minera Andes Incorporated) and Manantial Espejo (Pan American Silver Corp.). In addition, the region boasts a number of projects at the feasibility stage as well as more than 30 properties at the exploration stage.

Epithermal deposits are high-level hydrothermal systems which usually form within one kilometer of the surface at relatively low temperatures, generally in the range of 50°C to 200°C. They commonly represent deeper parts of fossil geothermal systems and some are associated with hot-spring activity at or near the surface. The term low-sulphidation represents a variety of epithermal deposits characteristically deficient in sulfide minerals. These low-sulphidation systems are also often called "quartz-adularia" vein systems after the two most common gangue (non-valuable) minerals in the veins – quartz and adularia (a potassium-aluminum bearing silicate mineral that forms from low-temperature hydrothermal solutions and is considered diagnostic of a low-sulphidation environment. The known deposits are steeply-dipping to sub-vertical fissure vein systems associated with intermediate to felsic volcanic centers in areas of regional faulting and are localized by structures, up to a or more in width and hundreds of s to several kilometers in length.

Most of the epithermal systems in the Deseado Massif consist of steeply-dipping tabular veins and breccias. The mineralization of economic interest in these veins generally occurs over a limited vertical range and is concentrated in discrete bodies ("shoots") of comparatively small lateral dimensions. They are comprised of quartz veins, stockwork veins and breccias that carry gold, electrum (a gold-silver alloy), silver sulfosalts, and up to a few percent sulfide minerals, mainly pyrite, with variable, but usually small, amounts of base metal sulfides – sphalerite, galena, and/or chalcopyrite. The thickening and thinning along and down the structure - often referred to as "pinch and swell" - is responsible for rod-like high-grade ore shoots that are hallmarks of these systems. Common gangue minerals in the veins are quartz and other forms of silica, such as chalcedony, together with variable amounts of adularia, sericite, and sometimes distinct blades of calcite and rarely barite, either of which may be totally replaced by silica.

The metals associated with low sulphidation epithermal systems are commonly zoned laterally along strike and vertically with depth. The zonation can vary considerably from area to area, but the classic zonation pattern consists of a gold and silver top giving way vertically over a few hundred s depth to a relatively silver-rich zone with continuously increasing base metals (dominantly lead and zinc with sparse copper) at increasing depth. Mineralized epithermal vein systems are also very commonly associated with anomalous amounts of arsenic, mercury, antimony, thallium and/or potassium. Any or all of these elements can form broad halos of varying widths and intensities around the vein systems and they often serve as pathfinder elements in the geochemical exploration for epithermal mineral deposits. The geochemical signature of the Deseado Massif's typical epithermal deposit is characterized by anomalous precious metals (gold-silver) and locally anomalous amounts of arsenic, mercury, antimony, mercury, lead, zinc, manganese and copper.

The alteration halos extending outward in the wall-rocks away from the vein systems are typically relatively small in extent. In the Deseado Massif, more than 90 percent of the epithermal occurrences are hosted by silica-rich rhyodacitic tuffs and ash flow tuffs of the Chon Aike Formation. These rocks are chemically non-reactive and thus not usually widely or conspicuously altered, except perhaps close to the vein where they may be intensely and pervasively silicified. Halos of argillic, sericitic and prophyllitic alteration typically extend outward from the vein for a few s to rarely a few tens of s. In contrast, the andesitic lavas and volcaniclastics of the underlying Bajo Pobre Formation, which host about five percent of the epithermal occurrences, often show conspicuous clay alteration envelopes of variable width and intensity extending outward from the silicification adjacent to the vein.

In addition to the classic low sulphidation epithermal vein systems, La Josefina contains an additional target that represents an uncommon variation of the epithermal deposit model known as hot springs-type gold. Formed as the surface expression of an epithermal system at depth, hot springs-type deposits are characterized by laminated silica layers, known as "sinter," which occasionally may contain some gold. The pipeline conduit, or feeder, for these sinters may contain hydrothermal breccias ("pipeline" breccias).

La Valenciana Property

La Valenciana is the Company's second most advanced project. The property is located on the central-north area of the Santa Cruz Province, Argentina, and is located 25 kilometers to the west of the Company's main Piedra Labrada base camp. 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).

Exploration Agreement between Fomicruz and CCSA

In 2010, the right to develop and mine the property was opened up for bidding to private companies. Hunt Mining Corp, through CCSA, was awarded the prospects and mining rights. We entered into an agreement with Fomicruz effective as of November 15, 2012, for the right to explore and develop the La Valenciana property for a period of seven years. The agreement with Fomicruz requires the Company to spend USD $5,000,000 in exploration on the project over 7 years.

Total costs incurred to date are approximately US$4 million.

Since CCSA fulfilled its exploration requirement mandated by the La Josefina agreement with Fomicruz, the performance bond was no longer required to secure the La Josefina project. In June 2010, the Company used the bond to secure the La Valenciana project.

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. If Fomicruz elects to increase their ownership they can under the following formula up to a maximum of 49% interest.

- To purchase an additional 10% in the JV corporation, Fomicruz must reimburse the Company for 10% of the exploration expenses made by the Company during the exploration period;
- To purchase the next 10% interest in the JV corporation, Fomicruz must reimburse the Company for 20% of the exploration expenses made by the Company during the exploration period;
- To purchase a final additional 20% interest in the JV Corporation, Fomicruz must reimburse the Company for 25% of the exploration expenses made by the Company during the exploration period; bringing Fomicruz's total ownership interest in the JV Corporation to 49%.

At the Company's option it can purchase all but the 9% granted ownership interest in the JV Corporation from Fomicruz for USD $200,000 per percentage point owned. The remaining 9% can be purchased for a mutually agreed amount, to be determined by negotiation between Fomicruz and the Company

Royalties

Mineral properties in Argentina carry no federal royalties but the provinces are entitled to collect up to 3% mine-mouth royalty.

In Santa Cruz, the province has opted to drop this MMR to 1% if the operation is a precious metals mine that produces doré bullion within the province. The agreement between CCSA and Fomicruz stipulates that any doré bullion resulting from future La Valenciana operations must be produced in the province, so it is likely the project will carry the minimal 1% MMR. However, because La Valenciana is a Mining Reserve in which the mineral rights belong to Fomicruz, the project also carries an additional 5% MMR payable to the province. Therefore, the total MMR for any future gold/silver/base metal production at La Josefina under the current agreement could total 6%.

Environmental Liabilities

There are no known environmental liabilities associated with the La Valenciana Property.

Permits Required

No permits are required at this time to conduct the proposed exploration.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

As the property is adjacent to La Josefina, similar conditions exist. The project is located in the Deseado Massif mineral district in the north-central part of Santa Cruz province, the southernmost of several Argentine provinces comprising a vast, sparsely-populated, steppe-like region of South America known as Patagonia. The nearest town to the project is Gobernador Gregores (population 2,500), about 110 kilometers to the southwest. The nearest Atlantic coastal town is Puerto San Julián (population 6,800), 190 kilometers to the southeast. The project is reached by driving east from Gobernador Gregores for 40 km on gravel Provincial Route 25 – or west from Puerto San Julián for 170 km on the same road – and then north on gravel Provincial Route 12 for 110 km. Provincial Route 12 crosses the edge of the project and continues another 240 kilometers north to the oil town of Pico Truncado (population 16,500) in the northeastern part of the province.

The provincial gravel roads are generally accessible via two-wheel drive vehicles in dry weather but can become slippery or cannot be used for short periods when wet, so four wheel drive vehicles are sometimes required to access the project. Gobernador Gregores and Puerto San Julián are both served by fixed wing flights two or three times per week, to and from Comodoro Rivadavia (population 135,813), an important industrial center and port city. Comodoro Rivadavia lies 428 km north of Puerto San Julián. It can be reached via paved National Route 3, a major coastal highway. Comodoro Rivadavia serves as the region's major supply center for the booming petroleum and mining industries and is served by several airline daily flights to Buenos Aires and other major cities in Argentina. National Route 3 runs from Buenos Aires on the north to Ushuaia at the southernmost tip of the continent and offers all-weather access to a number of sea ports.

The Patagonia region is classified as a continental steppe-like climate. It is arid, very windy and has two distinct seasons, cold and warm. As Patagonia is located in the southern hemisphere, the cold winter months are from May to September and the warmer summer months are from November to March. The average annual precipitation averages only 200 mm (8 inches), much of which occurs as winter snow. Average monthly temperatures range from 3°C to 14°C, but vary widely depending on elevation. The winds are persistent, cool, dry and gusty, averaging about 36 km/h and directed predominantly to the east-southeast off the Andean Cordillera.

The area is covered by sparse vegetation, consisting mostly of scattered low bushes and grass. In the area the only inhabitants are farm owners and employees. The nearest farms are Los Ventisqueros, Maria Esther, Las Vallas, La Florentina, La Laguna, La Josefina and Piedra Labrada.

The local economy was formerly based largely on sheep herding and marine fishing but in the late-1980s, sheep herding began a steep decline because of the Hudson volcano eruption and a descending economy; for those reasons many of the former large sheep farms are now unoccupied and in disrepair. The prolific sheep herds have since been replaced by overpopulated herds of wild guanacos, ostriches and flamingos (in the playas). One hundred km southeast of the property is the gold-silver epithermal Cerro Vanguardia Mine owned by AngloGold Ashanti Limited and Fomicruz.

Away from the towns and villages in Patagonia there are few power grids and scant telephone service. The many mineral exploration and development camps scattered widely throughout the Deseado Massif typically rely on diesel or gasoline generators for electrical power and satellite phones or radios for communications. Some communities in the region now have wind power generating stations and experimental hydrogen plants (Pico Truncado for example) and it is possible such stations might someday be utilized in mining camps to supplement their power requirements. However, the recent effort by the Santa Cruz Provincial Government to pave the Provincial Route 12, which runs within several kilometers of the project, may also include the construction of a power line which runs along the highway.

Near surface water tables exist on the La Valenciana property.

Manpower is available in the larger communities to serve most exploration or mining operations.

Geology and Mineralization

Geology of La Valenciana Project, within the Deseado Massif, is characterized by abundant middle-to-late Jurassic Age volcanic and volcaniclastic rock units. The units are dominated by rhyolitic to rhyodacitic ignimbrite flows and lava domes together with subordinate agglomerates, volcanic breccias and tuffs with minor basalts, andesites and volcanic agglomerates intercalated upward with mafic tuffs, conglomerates and sediments. Faults active during the period of intense Jurassic extension and volcanism generally trend NNW-SSE and form a series of grabens, and horst blocks.

Since Jurassic time, the rocks have been cut by normal faults of several different orientations, but have undergone only a moderate amount of compression. In general, the Jurassic rocks remain relatively undeformed and remain flat to gently dipping, except locally where close to faults, volcanic domes or similar features. Thin Quaternary Age basalt flows conceal about half of the Jurassic Age rocks on the La Valenciana project.

The type of mineralization and alteration styles present across the project area are classified as sulfidation type epithermal deposits. Gold and silver occur in fissure vein systems localized in structures, often a meter or more wide and hundreds of meters long. They are comprised of quartz veins, stockworks and breccias, rich in adularia with some calcite, that carry gold, silver, electrum and some sulfides, primarily pyrite with small amounts of base metal sulfides.

The La Valenciana project is without known reserves as defined by SEC industry Guide No. 7.

The exploration targets consist of gold and silver mineralized quartz veins in volcanic host rocks. Current work is conducted on the La Josefina and La Valenciana claim blocks. La Josefina includes four major vein systems while La Valenciana harbors three. A total of more than 900 trenches and drillholes have been drilled with approximately 40,000 assayed samples. Higher gold values exceed 100 g/tone and higher silver values are above 1,000 g/t. Veins are formed by upward fluid migration and are therefore typically open to depth.

There is no geophysics. Geochemistry is conducted through ICP analysis (35+ elements) of all field and drill-hole samples. Even if no elevated precious metal grades are encountered this trace element analysis can still expose possible trends which often preclude gold and silver mineralization.

History

Several historical exploration programs, consisting of trenching, mapping and drilling by Fomicruz carried out from 1994 to 2000 and air geophysics including gamma spectrometry from 1996 to 1998, have taken place to date at La Valenciana, with the most recent exploration being conducted by CCSA. Initially, the La Valenciana property was excluded from our exploration agreement with Eldorado Gold. This property was made subject to the exploration agreement with Eldorado Gold on May 7, 2013, an agreement later terminated by Eldorado in July 2013.

In 2014, CCSA conducted a shallow Diamond drilling campaign on the La Valenciana project. This was the first drill program undertaken by the Company at La Valenciana and consisted of 42 holes totaling 3,000 meters, designed to partially test four separate targets: Principal, 19 holes totaling 1,135 meters; Valenciana, 6 holes totaling 438 meters; Rosario, 7 holes totaling 521 meters; and Florentina, 10 holes totaling 726 meters. Detailed results of the La Valenciana drilling program are included in the Company's website, www.huntmining.com.

The Company has been actively pursuing a new exploration partner for the La Valenciana project, as of the date of this filing these discussions are still in process.

There was no drilling activity during 2016 at La Valenciana.

Bajo Pobré Property

The Bajo Pobré property covers 3,190 hectares and is mainly on the Estancia Bajo Pobré. The property is located 90 kilometers south of the town of Las Heras.

In January, 2006, CCSA signed a letter of intent with FK Minera S.A., an arm's length party to CCSA and CCSA's former parent corporation, to acquire a 100% interest in the Bajo Pobré property, a gold exploration property located in Santa Cruz province, Argentina. On March 27, 2007 CCSA signed a definitive lease purchase agreement with FK Minera to acquire the Bajo Pobré property. Pursuant to this agreement, CCSA can earn up to a 100% equity interest in the Bajo Pobré property by making cash payments and exploration expenditures over a 5 year earn-in period.

The required expenditures and ownership levels upon meeting those requirements are:

Year of the Agreement	Payment to FK Minera S.A.	Exploration Expenditures	Ownership
First Year (2007)	US$50,000	US$250,000	0%
Second Year (2008)	US$30,000	US$250,000	0%
Third Year (2009)	US$50,000	$0	51%
Fourth Year (2010)	US$50,000	$0	60%
Fifth Year (2011)	US$50,000	$0	100%

The Company has completed all lease payments to FK Minera S.A., the owner of the Bajo Pobré property. The parties to the contract have finalized an amendment to the contract terms and therefore the Company's ability to retain rights to explore the Bajo Pobré property is affirmed. As part of the amendment, the Company's obligation of exploration expenditures has been waived by FK Minera S.A., thus affirming the Company's right to ownership.

Royalties

If CCSA is able to commence commercial production on the Bajo Pobré property, CCSA shall pay FK Minera S.A. the greater of a 1% Net Smelter Royalty ("NSR") on commercial production or US$100,000 per year. CCSA has the option to purchase the NSR for a lump sum payment of US$1,000,000 less the sum of all royalty payments made to FK Minera S.A. to that point.

Environmental Liabilities

There are no known environmental liabilities associated with the Bajo Pobré Property.

Permits Required

No permits are required at this time to conduct the proposed exploration.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The project is located in the Deseado Massif mineral district in the north-central part of Santa Cruz province, the southernmost of several Argentine provinces comprising a vast, sparsely-populated, steppe-like region of South America known as Patagonia. The project is located about 70 kilometers north of the La Josefina project. The nearest town to the project is Las Heras, about 90 kilometers to the north. The nearest Atlantic coastal town is Caleta Olivia, approximately 180 kilometers to the north. The project is reached by driving southwest from Pico Truncado for approximately 50 km on gravel Provincial Route 12 and then traveling on an unimproved gravel road.

The provincial gravel roads are generally accessible via two-wheel drive vehicles in dry weather but can become slippery or cannot be used for short periods when wet, so four wheel drive vehicles are sometimes required to access the project. Gobernador Gregores and Puerto San Julián are both served by fixed wing flights two or three times per week, to and from Comodoro Rivadavia (population 135,813), an important industrial center and port city. Comodoro Rivadavia lies 428 km north of Puerto San Julián. It can be reached via paved National Route 3, a major coastal highway. Comodoro Rivadavia serves as the region's major supply center for the booming petroleum and mining industries and is served by several airline daily flights to Buenos Aires and other major cities in Argentina. National Route 3 runs from Buenos Aires on the north to Ushuaia at the southernmost tip of the continent and offers all-weather access to a number of sea ports.

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The area is covered by sparse vegetation, consisting mostly of scattered low bushes and grass. In the area the only inhabitants are farm owners and employees. The nearest farms are Los Ventisqueros, Maria Esther, Las Vallas, La Florentina, La Laguna, La Josefina and Piedra Labrada.

The local economy was formerly based largely on sheep herding and marine fishing but in the late-1980s, sheep herding began a steep decline because of the Hudson volcano eruption and a descending economy; for those reasons many of the former large sheep farms are now unoccupied and in disrepair. The prolific sheep herds have since been replaced by overpopulated herds of wild guanacos, ostriches and flamingos (in the playas). One hundred km southeast of the property is the gold-silver epithermal Cerro Vanguardia Mine owned by AngloGold Ashanti Limited and Fomicruz.

Away from the towns and villages in Patagonia there are few power grids and scant telephone service. The many mineral exploration and development camps scattered widely throughout the Deseado Massif typically rely on diesel or gasoline generators for electrical power and satellite phones or radios for communications. Some communities in the region now have wind power generating stations and experimental hydrogen plants (Pico Truncado for example) and it is possible such stations might someday be utilized in mining camps to supplement their power requirements. However, the recent effort by the Santa Cruz Provincial Government to pave the Provincial Route 12, which runs within several kilometers of the project, may also include the construction of a power line which runs along the highway.

Manpower is available in the larger communities to serve most exploration or mining operations.

Geology and Mineralization

The Bajo Pobré project comprises an extensive low sulphidation epithermal gold/silver vein and stock work system located in the North-central region of the Deseado Massif in Santa Cruz Argentina. The known extent of the Bajo Pobré gold system encompasses more than 12 kilometers of exposed vein strike within a 5 square kilometer area of intense hydrothermal alteration. The main vein system generally trends northeast and is comprised of at least five outcropping sub-parallel structures, varying between 1 and 10 meters in width, with an average outcrop width of 3 meters. These sub parallel veins converge on a hill which shows extensive stockwork, strong silicification, acid leaching and argillic alteration. The mineralization is hosted within permeable dacitic to andesitic tuffaceous rocks of the Jurassic age Bajo Pobré Formation.

The Company's Bajo Pobré project does not have any known reserves, and the property does not have any processing infrastructure or equipment on site. There are no power generation facilities on the property, and if it was to become a mine a power generation facility would have to be built or power lines would have to be run to the project. The property does have access to a good water supply that can be utilized for both drilling and processing should it become a mine.

The Bajo Pobré project is without known reserves as defined by SEC industry Guide No. 7.

History

The Bajo Pobré property was discovered in 1970 and has been worked intermittently by several government entities and private companies. However, serious exploration was not initiated until the mid- 90's with detailed geologic mapping and surface sampling. Assays from this sampling yielded up to 40 grams per ton gold. Drill targets identified from surface sampling were augmented in 2002 with additional targets derived from geophysical surveys. In 2003 and 2004, the property saw a limited amount of exploration drilling which tested a small portion of these targets. The specific work that was conducted from 1996 to 2004 included 62 line kilometers of IP/resistivity geophysical surveys, the emplacement and sampling of 40 trenches totaling 2,500 meters, more than 1000 surface chip and channel samples and 12 widely spaced shallow drill holes.

The Company has conducted cursory reconnaissance on the Bajo Pobré property. The Bajo Pobré property was included in our exploration agreement with Eldorado Gold, an agreement later terminated by Eldorado in July 2013.

Mineral Exploration Activity

The Company completed detailed geological mapping, surface soil sampling and advanced drill targeting during 2012 on the Bajo Pobré project. The Company did not carry out any exploration work on the Bajo Pobré project in 2013, 2014, 2015 or 2016.

Total costs incurred to date are approximately US$1.5 million.

There are no current detailed plans to conduct exploration on the property.

El Gateado Property

In March, 2006, CCSA acquired the right to conduct exploration on, through a claims staking process, the El Gateado property for a period of at least 1,000 days, commencing after the Argentine Government issues a formal claim notice, and retain 100% ownership of any mineral deposit found within.

We have 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 our 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 of Argentina under file #406.776/DPS/06.

The El Gateado project is without known reserves as defined by SEC industry Guide No. 7.

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.

Environmental Liabilities

There are no known environmental liabilities associated with the El Gateado Property.

Permits Required

No permits are required at this time to conduct the proposed exploration.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

As the property is adjacent to La Josefina, similar conditions exist. The project is located in the Deseado Massif mineral district in the north-central part of Santa Cruz province, the southernmost of several Argentine provinces comprising a vast, sparsely-populated, steppe-like region of South America known as Patagonia. The nearest town to the project is Gobernador Gregores (population 2,500), about 110 kilometers to the southwest. The nearest Atlantic coastal town is Puerto San Julián (population 6,800), 190 kilometers to the southeast. The project is reached by driving east from Gobernador Gregores for 40 km on gravel Provincial Route 25 – or west from Puerto San Julián for 170 km on the same road – and then north on gravel Provincial Route 12 for 110 km. Provincial Route 12 crosses the edge of the project and continues another 240 kilometers north to the oil town of Pico Truncado (population 16,500) in the northeastern part of the province.

The provincial gravel roads are generally accessible via two-wheel drive vehicles in dry weather but can become slippery or cannot be used for short periods when wet, so four wheel drive vehicles are sometimes required to access the project. Gobernador Gregores and Puerto San Julián are both served by fixed wing flights two or three times per week, to and from Comodoro Rivadavia (population 135,813), an important industrial center and port city. Comodoro Rivadavia lies 428 km north of Puerto San Julián. It can be reached via paved National Route 3, a major coastal highway. Comodoro Rivadavia serves as the region's major supply center for the booming petroleum and mining industries and is served by several airline daily flights to Buenos Aires and other major cities in Argentina. National Route 3 runs from Buenos Aires on the north to Ushuaia at the southernmost tip of the continent and offers all-weather access to a number of sea ports.

The Patagonia region is classified as a continental steppe-like climate. It is arid, very windy and has two distinct seasons, cold and warm. As Patagonia is located in the southern hemisphere, the cold winter months are from May to September and the warmer summer months are from November to March. The average annual precipitation averages only 200 mm (8 inches), much of which occurs as winter snow. Average monthly temperatures range from 3°C to 14°C, but vary widely depending on elevation. The winds are persistent, cool, dry and gusty, averaging about 36 km/h and directed predominantly to the east-southeast off the Andean Cordillera.

The area is covered by sparse vegetation, consisting mostly of scattered low bushes and grass. In the area the only inhabitants are farm owners and employees. The nearest farms are Los Ventisqueros, Maria Esther, Las Vallas, La Florentina, La Laguna, La Josefina and Piedra Labrada.

The local economy was formerly based largely on sheep herding and marine fishing but in the late-1980s, sheep herding began a steep decline because of the Hudson volcano eruption and a descending economy; for those reasons many of the former large sheep farms are now unoccupied and in disrepair. The prolific sheep herds have since been replaced by overpopulated herds of wild guanacos, ostriches and flamingos (in the playas). One hundred km southeast of the property is the gold-silver epithermal Cerro Vanguardia Mine owned by AngloGold Ashanti Limited and Fomicruz.

Away from the towns and villages in Patagonia there are few power grids and scant telephone service. The many mineral exploration and development camps scattered widely throughout the Deseado Massif typically rely on diesel or gasoline generators for electrical power and satellite phones or radios for communications. Some communities in the region now have wind power generating stations and experimental hydrogen plants (Pico Truncado for example) and it is possible such stations might someday be utilized in mining camps to supplement their power requirements. However, the recent effort by the Santa Cruz Provincial Government to pave the Provincial Route 12, which runs within several kilometers of the project, may also include the construction of a power line which runs along the highway.

Manpower is available in the larger communities to serve most exploration or mining operations.

The El Gateado property shares the same general geology as all of the other Santa Cruz properties controlled by the Company. The gold-silver mineralization found at El Gateoado is hosted by rhyolitic volcanics of the Chon Aike Formation, which is the host for most other mineral occurrences found throughout the Deseado Massif. The type of mineralization and alteration observed can be characterized as low sulfidation, epithermal in style. Gold and silver occur in fissure vein systems localized by structures, often more than a meter wide and variable in length. They are comprised of veins, stockworks and breccias, rich in silica with some calcite. The majority of the exposed veins seen on the property are steeply-dipping to sub-vertical. The textures and other characteristics reported for these veins are indicative of high-level systems. This suggests gold-silver mineralization in the veins should extend well below the depths tested by the drilling done to date.

The El Gateado property does not have any processing facilities or equipment. The property has water available on site for drilling and processing if it was to become a mine after successful exploration, which cannot be assured.

The property does not have access to power, so power generation facilities would either have to be developed on site or power lines would have to be run to the project. At this early stage, the Company has not fully estimated what this would cost. The El Gateado property, being early stage, does not have any known reserves and the work has been exploratory in nature.

History

No known exploration had taken place at El Gateado prior to the work completed by CCSA from 2006 to 2011. During that time CCSA conducted an exploration program consisting of surface channel outcrop sampling, trenching, geological mapping, topographic surveying and more than 3,500 meters of diamond core drilling.

Mineral Exploration Activity - El Gateado

CCSA began field reconnaissance work on the El Gateado property in 2006 with the completion of a topographic survey, base map generation, and a staked grid. In late 2006 and early 2007, CCSA drilled 13 holes on the El Gateado property. Results of this drilling program, based on assay results over 1 g/t Au, were as follows (and are included in the Company's Filing Statement dated November 30, 2009, as filed on SEDAR on December 3, 2009):

Hole	From (m)	To (m)	Length (m)	Au (g/t)
GAT-DDH06 001	146.6	147.4	0.80	11.70
GAT-DDH06 001	140.2	140.8	0.60	8.24
GAT-DDH06 001	142.5	143.2	0.70	6.50
GAT-DDH06 001	144.0	145.0	1.00	4.78
GAT-DDH06 001	141.4	142.0	0.60	3.92
GAT-DDH06 001	145.0	145.8	0.80	3.82
GAT-DDH06 001	139.7	140.2	0.50	3.76
GAT-DDH06-006	21.0	22.5	1.50	3.64
GAT-DDH06 001	139.2	139.7	0.50	3.03
GAT-DDH06 001	143.2	144.0	0.80	2.92
GAT-DDH07-007	33.0	33.5	0.50	2.61
GAT-DDH06 001	140.8	141.4	0.60	2.52
GAT-DDH06 001	137.7	138.7	1.00	2.39
GAT-DDH07-008	58.6	59.5	0.90	2.33
GAT-DDH06 001	145.8	146.6	0.80	1.89
GAT-DDH07-008	55.4	55.9	0.50	1.77
GAT-DDH07-008	57.2	58.0	0.80	1.34
GAT-DDH07-012	9.0	9.5	0.50	1.32
GAT-DDH06-003	36.7	37.5	0.76	1.30
GAT-DDH07-013	10.0	11.0	1.00	1.29
GAT-DDH07-012	35.0	36.0	1.00	1.08
GAT-DDH06-004	67.0	68.0	1.00	1.07
GAT-DDH07-007	32.0	32.6	0.50	1.07
GAT-DDH06-004	16.0	17.0	1.00	1.01

CCSA incurred approximately US$706,000 in exploration expenses on the initial El Gateado drilling program. CCSA's management conducted all exploration processes except for drilling, which was conducted by an independent Argentine drilling contractor. All assay results above were based on assay work performed by an independent assay laboratory.

CCSA was encouraged by these drilling results. However, we did not conduct any exploration activity on the El Gateado property in 2008, 2009 or 2010.

In the first quarter of 2011, CCSA prepared roads and drill pads at El Gateado. Our Company has spent approximately $50,000 on this infrastructure work. During 2011, the Company completed 2,358 meters of drilling on the El Gateado property.

The Company did not carry out any exploration work on the El Gateado project in 2012, 2013 or 2014.

Total costs incurred to date are approximately US$1.5 million.

There are no current detailed plans to conduct exploration on the property.

Mina Martha Property

Location

The Martha property ("Martha") is located in the Province of Santa Cruz, Argentina (Figure 1.1.1). The closest community is the town of Gobernador Gregores, situated approximately 50 road kilometers (km) to the west-southwest of Martha. The property is the site of past exploration for, and surface and underground mining and recovery of, silver and gold from epithermal veins and vein breccias, previously operated by Coeur Mining Inc. (formerly, Coeur d'Alene Mine Corp, "Coeur"), and Yamana Inc. ("Yamana").

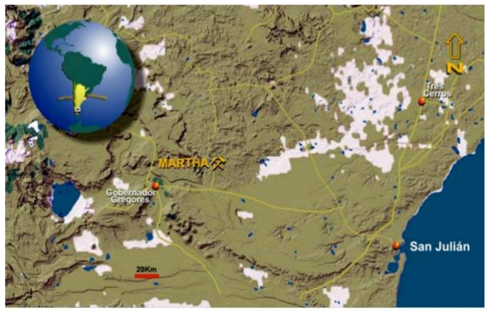


Figure 1.1.1. Location of the Martha Property in the Province of Santa Cruz, Argentina.

Property Description and Ownership

The property was purchased by Cerro Cazador SA (CCSA), an Argentine subsidiary of Hunt, from an Argentine subsidiary of Coeur. The intent to purchase was announced February 10, 2016 and closed May 11, 2016 as disclosed by Hunt on its website (www.huntmining.com). See note 7 of the 2016 financial statements for details on the purchase of the Mina Martha property.

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 remaining from the former operations of Coeur. In addition, Hunt 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 Hunt (www.royalgold.com). In addition, the provincial government holds a 3% pit-head royalty from future production-

Geology and Mineralization

Silver and gold mineralization at Martha is hosted in Jurassic-aged felsic volcanic rocks of the Chon Aike Formation of the Bahia Laura volcanic complex (BLVC). Host rocks are relatively shallowly dipping ignimbrites, locally inter-bedded with thin sections of sedimentary strata.

The oldest geological unit in the Martha area is a crystal rich, dacitic ignimbrite, which is overlain by a thin, tuffaceous unit. Further up in the Chon Aike sequence rocks change to crystal rich, rhyolitic ignimbrite followed again by a thin layer of tuffaceous sediments. The upper part of the sequence at Martha is comprised of lithic rich, rhyodacitic ignimbrite related to a caldera-forming, volcanic event.

Most of the historic mineral deposits were hosted in the crystal rich ignimbrites and tuffaceous units (Paéz et al, 2015) although, locally, upper lithic fragment tuffs and ignimbrites can host high-grades of vein-hosted silver and gold. An example of the latter is the mineralization in the Betty deposit at Martha.

Martha mineralization is epithermal, intermediate sulfidation in style, hosted in quartz veins, veinlets and vein breccias cutting the margins of the Jurassic-aged caldera (Primero de Abril Caldera; Paéz et al, 2015). Vein widths vary significantly on surface from a few centimeters up to several meters. Banded textures are common in the wider veins. Adularia is a common gangue mineral in the quartz veins.

Status of Exploration

Exploration at Martha ceased in 2012; being focused in that year on work in the immediate mine area only. No district-scale exploration has been conducted since 2011. Exploration targets exist in the immediate mine and greater property areas. Hunt has plans to recommence prioritized exploration to support a future estimation of Mineral Resources and Mineral Reserves and potential recommencement of operations.

Currently, Hunt is compiling historic exploration data from all exploration data left on site to be used to support its future exploration, development and production activities.

Development and Operations

Currently the mine and mill facilities at Martha are dormant. All production operations at Martha ceased in 2012. Coeur maintained watch over the property and conducted some cleanup and environmental monitoring during the dormancy. This work continues by Hunt to ready the property for new exploration and development in support of a potential recommencement of production.

Hunt is considering initial potential production from remnant blocks of silver and gold mineralization in the Martha vein and to the east in the R4 and Del Medio System veins. Hunt's plan is to verify historic mineralization on these and other proximal structures with its own program of exploration and evaluation to determine the viability of new mining from surface and underground platforms. Other vein-hosted silver and gold mineralization targets occur on the Martha property and are slated for subsequent exploration confirmation and evaluation.

Mineral Resource and Mineral Reserve Estimates

There are no current Mineral Resources or Mineral Reserves on the Martha property. The former operator, Coeur filed the most recent Technical Report for Martha on www.sedar.com, January 2010, in which it disclosed Mineral Reserves and Mineral Resources effective at the end of 2009. In 2012, Coeur suspended activities at Martha and restated Martha's Mineral Reserves as Mineral Resources, effective at year-end 2012 and annually thereafter; comprised of 52,000 tonnes of Indicated Mineral Resources with an average silver grade of 465 g/t and an average gold grade of 0.58 g/t and 185,000 tonnes of Inferred Mineral Resources with an average silver grade of 163 g/t and 0.17 g/t of gold (Table 6.4.2). These Mineral Resources are considered historic in nature.

The Qualified Person has not done sufficient work to classify any of these historical estimates as current Mineral Resources or Mineral Reserves. Hunt Mining is not treating the historical estimates as current Mineral Resources or Mineral Reserves.

Property Location

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 (Figure 4.1.1). Access to Martha is by approximately 50 km of all-weather, graded, gravel roads commencing in Gobernador Gregores, a community of approximately 7,000 residents, to the east on provincial road (Ruta Provincial) 25, then turning north-northeast on Ruta Provincial 12, then east on a private access road to the site of the former mill and mine.

Figure 4.1.1. Location of Hunt's Martha and La Josefina projects in Santa Cruz, Argentina

A small airstrip is located to the east of Gobernador Gregores, though not serviced by regular commercial flights.

Property Size

The Martha property is secured by over 6,000 hectares of mineral concessions and more than 35,700 hectares of surface rights.

Table 4.2.1 Mineral concessions covering the Martha property

Name	**Number**	**Type**	**Size (hectacres)**	**Annual Holding Costs (US$)** [1]
Martha	409.211/P/98	Mina (veins)	374	$1,344
Martha II	401.462/P/01	Mina (veins)	430	$1,493
Martha III	401.463/P/01	Mina (veins)	150	$533
Wendy	401.461/P/01	Mina (disseminated)	2,200	$4,693
Baco 3	408.507/P/98	Mina (disseminated)	100	$213
Baco 5	406.128/P/02	Mina (disseminated)	438	$1,067
Ana	406.127/P/02	Mina (disseminated)	2,400	$5,120
All			**6,092**	**$14,463**

1 Holding costs are paid semi-annually, in two equal amounts (half the annual cost). $14AR to $1US conversion used.

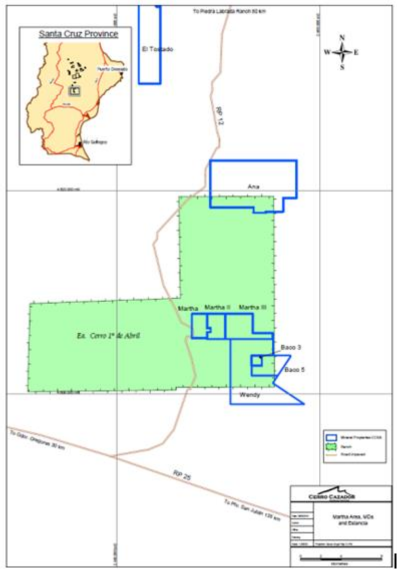
There are three types of mineral concessions in Argentina:

Cateos (granting exploration rights);
Manifestaciones de Descubrimiento ("MD", "statement of discovery") and;
Minas (granting production rights).

The initial stage in the concession process is filing a Cateo which gives the filer exclusive prospecting rights over that area. Cateos can be any size but may not exceed 10,000 hectares. Once granted, the holder of a Cateo has exclusive right to establish an MD to protect its discoveries on a Cateo. MD's are filed as either a vein or a disseminated discovery. A square protection zone of up to 840 hectares for a vein, or 7,000 hectares for a disseminated MD can be declared around the discovery. The holder must provide an annual report presenting a program of work and investment for the protection zone. Once an MD is filed and granted the remaining area of the original Cateo is relinquished. An MD can later be converted to a Mina granting the holder the right to commence production subject to obtaining other permits. Surface landowners must grant permission to access mineral concessions.

All of Hunt's concessions at Martha are held as Minas. Annual payments are made to the Santa Cruz provincial government – half in June, half in December – located in the city of Rio Gallegos. In addition to the mineral concessions, Hunt has a 20-year renewable lease, from an Argentine corporation, of a nearby ranch (estancia) called "Estancia Cerro Primero de Abril". This ranch, approximately 35,700 hectares in size, surrounds the Martha mine and mill area.

Mineral concessions and surface land at Martha



Royalties and Taxes

The provincial governments in Argentina own the minerals. In October 2014, a new provincial law increased the mining royalty applicable to doré and concentrate to 3% of the pit-head (mine mouth) value, with certain allowable deductions. In addition, Royal Gold holds a 2% Net Smelter Return royalty on Martha.

We are not aware of any other rights, encumbrances, or obligations attached to Hunt's Martha property.

Environmental Liabilities

In conjunction with the purchase of the Martha assets, Coeur provided Hunt with guarantees against any employment and environmental liabilities. The amount of the guarantee is approximately$1,000,000. On May 6, 2016 the Company purchased the Mina Martha project that has an estimated life of 8 years. 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.

The Company capitalized that cost as part of the carrying amount of the flotation plant acquired as part of the Mina Martha project, which is depreciation on a straight-line basis over 8 years. See financial statement note 8 for details of the asset retirement obligation.

Permits Required to Conduct Work

Hunt is applying to reinstate previous operating permits granted by the province, including those to operate the historic mine, plant and tailings. To accomplish this, Hunt has engaged an independent consultant to perform an environmental audit of the property as agreed with the province. With regard to community relations, Hunt has experience with the local communities, notably the town of Gobernador Gregores. We are not aware of any impediments to the Martha project from the community relations aspect. We are not aware of any other significant factors or risks that may affect access, title, or the right or ability of Hunt to perform work on the property.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Martha is located 50 km by road northeast of Gobernador Gregores and 175 km westnorthwest of Puerto San Julian; both active population centers in the province of Santa Cruz, Argentina. Access to Martha is via public gravel roads comprised of provincial routes 25 (east to west) and 12 (north to south). The Martha area is fully accessible by two-wheel-drive vehicles most of the year. The topography of the area is dominated by rounded hills, and flat-topped mesas separated by valleys and canyons with an altitude of about 350 m above sea level at the former mill site. Martha is located in a moderately arid area of southern Argentina where the chief vegetation types are drought resistant shrubs and grasses. The climate can be cold in winter with frequent snowfalls and strong winds but work is rarely affected by the weather.

The project site infrastructure includes offices, first-aid facilities, workshops, warehouse, powder magazines, underground mining equipment, surface utility and miscellaneous vehicles, crushing and grinding circuits (4 lines; 120 tonnes per day - tpd - each, maximum, throughput), flotation concentrators (two lines of rougher and cleaners), a tailings storage facility, water tanks, diesel storage, diesel power generation, communication satellite and WIFI and LAN networks, among others. In addition, all consumables remaining on site became the property of Hunt with the purchase.

Worker housing and cafeteria facilities exist at the Martha mill site though some employees commuted from Gobernador Gregores. Approximately 5 km west of the former mine there is also a 60-person camp with housing and dining facilities, warehouse/storage facilities, an office, and a laboratory with wet chemistry and fire assay capabilities. Some historic core and exploration samples are stored near the camp. Hunt's current workforce consists of geologists and support staff that stay in onsite camp facilities or in Gobernador Gregores.

Some surface water is available from ponds and springs. Process water was also available from dewatering activities of the underground operations. Water for domestic use at the camp is transported in trucks from Gobernador Gregores. Power is provided by on-site diesel generators.

History

Exploration and production at Martha has a relatively short history, commencing in the late 1990's with the activities of Yamana. There is no evidence of preYamana mining activity.

Yamana

In 1997, Yamana conducted regional exploration reconnaissance work in Santa Cruz, Argentina. This program resulted in the discovery of a wide vein, up to 4.7 true width meters on surface, grading up to 6.9 grams/metric tonne (g/t) gold (Au) and 5,200 g/t silver (Ag). This discovery outcrop occurred on the vein that subsequently named Martha. Surface work continued in the area in the spring of 1997.

Yamana initiated reconnaissance drilling on the property in January 1998 with shallow reverse circulation (RC) methods. Holes drilled during this phase returned samples with precious metals values of sufficient grade, in sulfidic and oxidized material along the Martha vein system, to justify additional drilling. Definition drilling used a combination of diamond drill core (DDH) and RC methods sited between (in-filling) the reconnaissance-phase drill holes. This work supported the completion of an initial Mineral Resource estimation in late 1999, followed by creation of the first mine plan for the property in February 2000.

The mineral rights were subsequently transferred to Compañía Minera Polimet S.A (Polimet); a wholly owned subsidiary of Yamana. Mine development started in October 2000 utilizing contractors. Mine production, from shallow surface pits, started late that year and the first direct shipping ore (DSO) was exported in February 2001. Mining activities lasted until October 2001 and the export of DSO continued to February 2002. Yamana produced nearly 2,300 gold ounces and 1.7 million silver ounces from approximately 4,000 tones of material (Coeur, Martha Mine Technical Report, 2006).

Coeur

On April 3, 2002, Coeur purchased Yamana's 100 percent interest in Polimet for US$2.5 million. From that point in time to late 2007, Coeur shipped Martha mined material to its Cerro Bayo mill and concentrator facilities near the town of Chile Chico, Chile; a distance of nearly 900 kilometers by road. Beginning in January 2008, all mine production from Martha was processed at a new mill and flotation plant located at the Martha mine site.

Exploration History

Since discovery of the Martha vein by Yamana, exploration proceeded at Martha annually until Coeur terminated activities in 2012. Typically, methods used in exploration included initial prospecting, sampling and mapping, followed by detailed sampling via trenching, geochemical analyses on the collected samples, air and ground geophysical surveying and, ultimately, drilling by RC and Core methods to evaluate anomalous geochemical results; in general, all of which are typical methods used within the minerals industry.

Yamana used RC drilling methods with track-mounted drills in the early days of the project. Coeur conducted some RC drilling in the province but shifted to diamond coring methods at Martha. Core drilling, completed from surface and underground platforms, consisted of IEW (25 mm), BQ (36 mm), NQ (47 mm) and HQ (64 mm) diameter drill holes. In addition, Coeur collected a significant amount of data from other exploration techniques, such as air and ground geophysics, Aster remote sensing data collection and interpretation and high-resolution topographic data collection.

Mine and Mill Production

Mining began at Martha by Yamana and continued by Coeur until late 2012. Yamana's mine production yielded Direct Shipping Ore (DSO), from shallow pits and limited underground workings, which was sent to foreign smelters.

From 2002 through late 2007, Coeur shipped all of its Martha concentrates to its Cerro Bayo mill and flotation plant near the town of Chile Chico in Region XI of southern Chile. Concentrates were trucked east from Martha to San Julian then north to Comodoro Rivadavia then west to Chile Chico; a distance of over 900 km. The cutoff grade for Mineral Reserves was, as a result, high (Table 6.4.4).

In 2006 and 2007, exploration and definition drilling was increased to define sufficient Mineral Reserves and additional Mineral Resources to justify the capital expense to build a mill and flotation concentrator on site at Martha. This program was successful and onsite processing commenced in December 2007. As a result, the Mineral Reserve cut-off grade, effective January 1, 2008 was reduced to 550 g/t silver equivalent

During its years of production, Martha produced over 530,000 tonnes of material and over 24 million ounces of silver and 31 thousand ounces of *gold)*.

Martha Mineralized Zones

Silver and gold mineralization at Martha is located within a series banded and brecciated, veins and veinlets. The style of mineralization has been interpreted to be intermediate-sulfidation in character. The main trend of the mineralized systems is WNW and EW and dip steeply to moderately to the S, SW. On surface, mineralized structures can be several meters wide but often are much less than a meter in true width but may expand in width in the subsurface. Figure 7.3.1 shows some of the mineralized veins on surface and in shallow mine exposures.
Exploration target area

Several valid exploration target areas exist on the acquired property. They are grouped herein into four priority areas based on historic mineral resources, proximity to the mill and the amount and results of prior exploration work.

Priority 1. Martha Cluster; This cluster has produced the majority of Martha's silver and gold and contained the largest amount of historic mineral resources all from the Martha, R4 and Del Medio System veins. Together, the three systems form a belt of WNW-striking veins that is nearly 2 km long. Generally the veins dip to the S and SW at steep to moderate angles.

Priority 2. Northern Cluster; Veins in this cluster area occur within dacitic tuff and lithic ignimbrite, which stratigraphically overlies the more favorable crystal ignimbrite. Principal veins in this cluster include: Betty, Betty West, Martha Norte, Ivana and Isabel Oeste. A few core holes, drilled in the Isabel Oeste target, in this cluster intersected high-grade silver mineralization in the crystal ignimbrite.

Priority 3. Areas peripheral to Martha; Veins in this area are Martha Oest Martha Sur, Futuro, Esperanza, Estero and Wendy. It is reasonable to expect that review of historic data will identify zones deserving of new exploration investment. Of particular interest is the large block of thin, lithic ignimbrite and crystal ignimbrite S and SW of the).

Priority 4. This area lies to the north of the main Martha concession within the Ana concession. A small breccia body of sulfidic, base and precious metal mineralization, called Tesoro, occurs in this block. Other notable vein targets in the Ana block are Leonor and Teres Exploration

The prior property owners conducted exploration at Martha relatively continuously over its more than 10-year history. Typically, work commenced with standard geologic mapping and reconnaissance to identify areas for more detailed work and, ultimately, drilling targets

Other Projects:

The Company has completed an analysis of the regional data generated from the Eldorado Exploration agreement with the goal of identifying new precious metal targets in its Santa Cruz property portfolio. The Company is determining which properties continue to have merit and warrant further generative exploration.

ITEM 3. LEGAL PROCEEDINGS

Contingent liability in connection with a lawsuit filed in Buenos Aires on March 18, 2011 by a former director and accounting consultant against our Company and its subsidiaries for damages in the amount of US$249,041, including wages, alleged bonus payments, interest and penalties. Management considers the lawsuit to be baseless and intends to defend our Company and its subsidiaries to the fullest extent possible (see Note 17(c) to audited consolidated financial statements for the year ended December 31, 2015).

ITEM 4. MINE SAFETY DISCLOSURES

The Company has no active mining operations or dormant mining assets at this time, and has no outstanding mine safety violations or other regulatory safety matters to report.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the TSX Venture Exchange, also referred to as the "TSXV", and trades under the symbol "HMX.V". The following table sets forth the high and low sales prices per share expressed in Canadian dollars and volume traded on the TSXV from January 1, 2015 through December 31, 2016.

	High $	Low $	Volume (shares)
2015			
First Quarter	0.29	0.07	2,649,700
Second Quarter	0.14	0.01	256,700
Third Quarter	0.04	0.01	1,275,500
Fourth Quarter	0.02	0.01	738,800
2016			
First Quarter	0.06	0.01	617,300
Second Quarter	0.26	0.04	1,603,700
Third Quarter	0.30	0.14	922,400
Fourth Quarter	0.26	0.18	550,600

As of December 31, 2016, there were 1,421 registered holders of record of the Company's common share and an undetermined number of beneficial holders.

Exchange Rates

We maintain our books of account in United States dollars and references to dollar amounts herein are to the lawful currency of the United States except that we are traded on the Toronto Venture Stock Exchange (TSXV) and, accordingly, stock price quotes and sales of stock are conducted in Canadian dollars (C$). The following table sets forth, for the periods indicated, certain exchange rates based on the noon rate provided by the Bank of Canada. Such rates are the number of Canadian dollars per one (1) U.S. dollar (US$). The high and low exchange rates for each month during the previous six months were as follows:

	High	Low
Jan-17	1.3458	1.3032
Dec-16	1.3598	1.3081
Nov-16	1.3588	1.3298
Oct-16	1.3434	1.3005
Sep-16	1.3281	1.2823
Aug-16	1.3178	1.2765

The following table sets out the exchange rate (price of one U.S. dollar in Canadian dollars) information as at each of the years ended December 31, 2015 and 2016.

	Year Ended December 31 (Canadian $ per U.S. $)	
	2016	2015
Rate at end of Period	1.3427	1.3840
Low	1.2562	1.1728
High	1.4661	1.3990

Dividends

We have not paid any cash dividends on our common shares since our inception and do not anticipate paying any cash dividends in the foreseeable future. We plan to retain our earnings, if any, to provide funds for the expansion of our business.

Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of common shares and preferred shares without nominal or par value. As at December 31, 2016, the Company's outstanding equity and convertible securities were as follows:

Securities	Outstanding
Voting equity securities issued and outstanding(1)	63,588,798 common shares
Securities convertible or exercisable into voting equity securities – stock options	Stock options to acquire up to 4,255,000 common shares
Securities convertible or exercisable into voting equity securities – warrants	22,500,000 warrants to acquire 22,500,000 common shares at an exercise price of $0.055 per share before July 20, 2020 25,000,000 warrants to acquire 25,000,000 common shares at an exercise price of $0.037 per share before October 13, 2020 1,362,500 warrants to acquire 1,362,500 common shares at an exercise price of $0.297 per share before November 25, 2018

Table Notes:

(1) On June 24, 2015, the Company's common shares were consolidated on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares. All common share, share option, share purchase warrant and per share figures have been adjusted to reflect the 10:1 share consolidation.

Holders

As of December 31, 2016, we had 1,421 stockholders of record.

Dividends

We have never declared or paid cash dividends. There are currently no restrictions which limit our ability to pay dividends in the future.

Securities authorized for issuance under equity compensation plans

Unlimited number of common shares without par value

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. 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.

	December 31, 2016			December 31, 2015		
	Number of options		Weighted Average Price	Number of options		Weighted Average Price
Balance, beginning of period	434,753	$	1.18	494,753	$	1.52
Granted to officers and directors	4,000,000	$	0.11	-	$	-
Forfeiture of stock options	(35,000)	$	1.81	-	$	-
Exercise of stock options	(125,000)	$	0.11	-	$	-
Expiration of stock options	(49,753)	$	2.49	(60,000)	$	4.70
Balance, end of period	4,225,000	$	0.18	434,753	$	1.15
Number of shares available under option plan	2,133,880			5,780,277		

Equity Compensation Plan Information for the Incentive Stock Option Plan

Plan category	Number of securities issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	3,675,000	$0.18	2,133,880
Equity compensation plans not approved by security holders	0	0	0

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Company and Affiliated Purchasers

None.

Section 15(g) of the Securities Exchange Act of 1934

Our company's shares are covered by Section 15(g) of the Securities Exchange Act of 1934, as amended that imposes additional sales practice requirements on broker/dealers who sell such securities to persons other than established customers and accredited investors (generally institutions with assets in excess of $5,000,000 or individuals with net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouses). For transactions covered by the Rule, the broker/dealer must make a special suitability determination for the purchase and have received the purchaser's written agreement to the transaction prior to the sale. Consequently, the Rule may affect the ability of broker/dealers to sell our securities and also may affect your ability to sell your shares in the secondary market.

Section 15(g) also imposes additional sales practice requirements on broker/dealers who sell penny securities. These rules require a one page summary of certain essential items. The items include the risk of investing in penny stocks in both public offerings and secondary marketing; terms important to in understanding of the function of the penny stock market, such as "bid" and "offer" quotes, a dealers "spread" and broker/dealer compensation; the broker/dealer compensation, the broker/dealers duties to its customers, including the disclosures required by any other penny stock disclosure rules; the customers rights and remedies in causes of fraud in penny stock transactions; and, the FINRA's toll free telephone number and the central number of the North American Administrators Association, for information on the disciplinary history of broker/dealers and their associated persons.

The application of the penny stock rules may affect your ability to resell your shares.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

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 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." Our forward-looking statements include our current expectations and projections about future production, results, performance, prospects and opportunities, including reserves and other mineralization. We have 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, our forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause our 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 our forward-looking statements. Projections and other forward-looking statements included in this report have been prepared based on assumptions, which we believe 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 our behalf are expressly qualified in their entirety by these cautionary statements. Except as required by federal securities laws, we disclaim 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 our financial condition and results of operations together with our 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. Our 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.

Our 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, 2016, our only sources of funding were from loans from the Hunt Family Limited Partnership, equity offerings, an advance from the sale of tailing material at Mina Martha and a loan facility from Ocean Partners. We incurred net operating losses for the years ended December 31, 2016 and 2015. We remain focused on evaluating and searching for mining opportunities in Argentina with near term prospects of mining and the development of the Mina Martha property with anticipated production in 2017. We are also reviewing strategic opportunities, focusing primarily on development or operating properties.

Results of Operations

For the Years Ended December 31, 2016 compared to December 31, 2015

Liquidity and Capital Resources

For the year ended December 31, 2016 the Company generated a net loss of $3,227,600, or $0.05 per share, compared to a net loss of $2,291,555 or $0.08 per share, for the year ended December 31, 2015. The increased net loss was primarily due to the purchase of the Mina Martha property and associated refurbishing costs and net loss per share decrease is a result of the greater number of weighted average shares outstanding.

The Net Loss per Share change is attributable to the 10:1 share capital consolidation in July 2015 and the issuance of 22.5 million shares for proceeds of $1.0 million conducted July 2015 and 25.0 million shares issued in October 2015 for proceeds of $0.5 million. See the accompanying audited financial statements and footnotes disclosures for further details.

Working capital decrease from 2015 to 2016 of $6,675,002 is primarily due to an increase in accounts payable and current liabilities due to the purchase of the Mina Martha property and loan facility with Ocean Partners. See Note 12 in the financial statements for further details.

The total assets increase from 2015 to 2016 of $4,796,451 is primarily due to the purchase of the Mina Martha property and related mineral land, property, plant and equipment.

The non-current liability increased balance from 2015 and 2016 of $721,695 is due to setting up an asset retirement obligation for the Mina Martha property. See note 8 in the financial statements.

The total shareholder's equity decrease from 2015 to 2016 is due to the net from the operating loss offset by the equity offerings during 2016.

Summary of Results of Operations:

						Change from prior year
		December 31, 2016 Restated		**December 31, 2015 Restated**		**December 31, 2016 Restated**
Net loss for the period	$	(3,109,074)	$	(2,466,497)	$	(642,577)
Net loss per share – basic and diluted		(0.05)		(0.08)		0.03
Working capital		(8,168,833)		(1,493,831)		(6,675,002)
Total assets		6,071,128		1,274,677		4,796,451
Total non-current liabilities		971,695		250,000		721,695
Total shareholders' equity		(3,321,718)		(594,346)		(2,727,372)

The Company is an exploration and development stage company and has incurred losses since its inception. As shown in the accompanying consolidated financial statements, the Company has had no revenues and has incurred an accumulated loss of $37,569,591 through December 31, 2016. The Company intends to fund operations for the next twelve months with loans or investments from directors, officers, third parties and the development and anticipation production and sales of material from the Mina Martha property.

Financial Position

Cash

The increase in cash from $32,683 in 2015 to $108,272 in 2016 resulted primarily from cash used for operating expense of $898,035, cash used in investing activities of $2,549,855 offset by cash provided from financing activity of $3,685,693. See the accompanying footnotes 9-13 in the financial statements for details of the significant transactions.

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 purchase of the Mina Martha property for $3 million. The purchase along with acquisition costs were the primary reason for the increase from 2015 ($728,498) to 2016 ($4,934,783).

Off-balance sheet arrangements

At December 31, 2016, we 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

	Payments due by period				
Contractual obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
[Long-Term Debt Obligations]	3,471,311	3,471,311	0	0	0
[Capital Lease Obligations]	0	0	0	0	0
[Operating Lease Obligations]	0	0	0	0	0
[Purchase Obligations]	1,500,000	1,500,000	0	0	0
[Other Long-Term Liabilities Reflected on the Registrant's Balance Sheet under GAAP]	0	0	0	0	0
TOTAL	**4,971,311**	**4,971,311**	**0**	**0**	**0**

Additional Information and Accounting Pronouncements

Going Concern

The accompanying consolidated financial statements have been prepared under the assumption that the Company will continue as a going concern. The Company is an exploration and development stage company and has incurred losses since its inception. As shown in the accompanying consolidated financial statements, the Company has had no revenues and has incurred an accumulated loss of $37,569,591 through December 31, 2016. The Company intends to fund operations for the next twelve months with loans or investments from directors, officers, third parties and anticipated production from the Mina Martha property. On November 25, 2016, the Company closed a non-brokered private placement for total gross proceeds of $229,433 (see Note 10(b) to the Company's consolidated financial statements for the year ended December 31, 2016)

The Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable mineral reserves, the ability to obtain necessary financing to complete development and fund operations and any future production or proceeds during 2017 from the Mina Martha property. Additionally, the current capital markets and the deteriorating commodity markets worldwide are significant obstacles to raising the required funds. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. If the going concern basis was not appropriate for these consolidated financial statements, adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used.

Discussed below are the accounting policies that we believe are critical to our 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.

Mineral Reserves

When and if we determine that a mineral property has proven and probable reserves, subsequent development costs are capitalized to mineral properties. When mineral properties are developed and operations commence, capitalized costs are charged to operations using the units-of-production method over proven and probable reserves. "Mineralized material" as used in this annual report, although permissible under SEC's Industry Guide 7, does not indicate "reserves" by SEC standards, and therefore all development costs incurred by us are expensed when incurred. The Company cannot be certain that any part of the deposits at the La Josefina, La Valenciana and other properties will ever be confirmed or converted into SEC Industry Guide 7 compliant "reserves".

Asset Retirement Obligations

We record asset retirement obligations in accordance with Auditing Standards Codification ("ASC") 410, "Asset Retirement and Environmental Obligations" ("ASC 410"), which establishes a uniform methodology for accounting for estimated reclamation and abandonment costs. According to ASC 410, the fair value of a liability for an asset retirement obligation ("ARO") is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. An offsetting asset retirement cost is capitalized as part of the carrying value of the assets with which it is associated, and depreciated over the useful life of the asset.

Long Lived Assets

Long lived assets are recorded at cost and per the guidance of ASC 360 the Company assesses the recoverability of its long lived assets, including goodwill, whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. If the sum of estimated future net cash flows on an undiscounted basis is less than the carrying amount of the related asset, impairment is considered to exist.

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 activity, 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 anticipates adopting this new guidance effective 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 is currently evaluating this guidance and the impact it will have on the Consolidated Financial Statements and disclosures.

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 is currently evaluating this guidance and the impact it will have on the Consolidated Financial Statements and disclosures.

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 Company does not expect the updated guidance to have a material impact on the Consolidated Financial Statements and disclosures.

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 does not expect the updated guidance to have an impact on the Consolidated Financial Statements or disclosures

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 does not expect the updated guidance to have a material impact on the Consolidated Financial Statements and disclosures.

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 Company does not expect the updated guidance to have an impact on the Consolidated Financial Statements or disclosures.

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 does not expect the updated guidance to have an impact on the Consolidated Financial Statements or disclosures.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Hunt Mining Corp.

Consolidated Financial Statements

DAVIDSON & COMPANY LLP Chartered Professional Accountants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
Hunt Mining Corp.

We have audited the accompanying consolidated financial statements of Hunt Mining Corp. (the "Company"), which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity, and cash flows for the years ended December 31, 2016, and 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hunt Mining Corp. as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years ended December 31, 2016, and 2015 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that Hunt Mining Corp. will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Hunt Mining Corp. has suffered recurring losses from operations and has a net capital deficiency. These matters, along with the other matters set forth in Note 3, indicate the existence of material uncertainties that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

May 16, 2017

A member of Nexia International

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Hunt Mining Corp.

Expressed in U.S. Dollars

Consolidated Balance Sheets

	NOTE	December 31, 2016	December 31, 2015 (Note 19)
CURRENT ASSETS:			
Cash		$ 108,272	$ 32,683
Accounts receivable		126,453	85,982
Prepaid expenses		17,593	6,527
Total Current Assets		252,318	125,192
NON-CURRENT ASSETS:			
Mineral Properties	7	438,062	-
Property, plant and equipment	9	4,934,783	728,498
Performance bond	11	381,355	352,578
Other deposit	17a	64,610	68,409
Total Non-Current Assets:		5,818,810	1,149,485
TOTAL ASSETS:		$ 6,071,128	$ 1,274,677
CURRENT LIABILITIES:			
Bank indebtedness	13	-	29,362
Accounts payable and accrued liabilities	14	3,087,611	1,508,028
Purchase price payable	7	1,500,000	-
Deferred advances	7	190,269	-
Interest payable	14	53,293	-
Transaction taxes payable		118,667	81,633
Loan payable	12, 14	3,471,311	-
Total Current Liabilities:		8,421,151	1,619,023
NON-CURRENT LIABILITIES:			
Asset retirement obligation	8	721,695	-
Contingent liability	17a	250,000	250,000
Total Non-Current Liabilities:		971,695	250,000
TOTAL LIABILITIES:		$ 9,392,846	$ 1,869,023
STOCKHOLDERS' DEFICIENCY:			
Capital stock: *Authorized- Unlimited No Par Value Issued and outstanding - 63,588,798 common shares (December 31, 2015 - 62,150,298 common shares)*	10	24,695,186	24,560,711
Additional paid in capital		9,661,992	9,296,239
Deficit		(37,649,570)	(34,540,496)
Accumulated other comprehensive income (loss)		(29,326)	89,200
Total Stockholders' Equity:		(3,321,718)	(594,346)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY:		$ 6,071,128	$ 1,274,677

Going Concern (Note 3)
Commitments and Provision (Note 17)

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

Hunt Mining Corp.
Expressed in U.S. Dollars

Consolidated Statements of Operations and Comprehensive Loss

	NOTE	Years ended December 31, 2016	2015 (Note 19)
OPERATING EXPENSES:			
Professional fees	14	$ 508,817	$ 297,012
Exploration expenses		783,127	370,225
Travel expenses		259,532	149,057
Administrative and office expenses	14	319,896	349,651
Payroll expenses	14	501,350	519,302
Share based compensation	10,14	256,484	1,542
Interest expense	14	208,427	-
Banking charges		30,187	42,059
Depreciation	9	83,540	87,784
Total operating expenses:		2,951,360	1,816,632
OTHER INCOME/(EXPENSE):			
Interest income		17,841	10,567
Miscellaneous income		-	6,954
Transaction taxes		(60,313)	(69,104)
Loss on foreign exchange		(71,579)	(473,282)
Contingent liability accrual	17a	-	(125,000)
Accretion expense	8	(43,663)	-
Total other expense:		(157,714)	(649,865)
LOSS - before income tax		(3,109,074)	(2,466,497)
Other comprehensive income, net of tax:			
Change in value of performance bond	11	28,777	62,146
Foreign currency translation adjustment		(147,303)	112,796
TOTAL NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR:		$ (3,227,600)	$ (2,291,555)
Weighted average shares outstanding - basic and diluted		62,313,989	30,170,846
NET LOSS PER SHARE - BASIC AND DILUTED:		$ (0.05)	$ (0.08)

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

Hunt Mining Corp.

Expressed in U.S. Dollars

Consolidated Statement of Changes in Stockholders' Equity (Deficiency)

	Capital Stock	Deficit	Accumulated Other Comprehensive Income (Loss)	Additional Paid in Capital	Total
Balance - January 1, 2015	$ 23,916,232	$ (32,073,999)	$ (85,742)	$ 8,668,814	$ 425,305
Net Loss	-	(2,466,497)	-	-	(2,466,497)
Other comprehensive loss	-	-	174,942	-	174,942
Capital stock issued, net	1,270,362	-	-	-	1,270,362
Portion of units attributable to warrants issued	(625,883)	-	-	625,883	-
Share based compensation	-	-	-	1,542	1,542
Balance - December 31, 2015	$ 24,560,711	$ (34,540,496)	$ 89,200	$ 9,296,239	$ (594,346)
Balance - January 1, 2016	$ 24,560,711	$ (34,540,496)	$ 89,200	$ 9,296,239	$ (594,346)
Net Loss	-	(3,109,074)	-	-	(3,109,074)
Other comprehensive loss	-	-	(118,526)	-	(118,526)
Capital stock issued, net	243,744	-	-	-	243,744
Portion of units attributable to warrants issued	(109,269)	-	-	109,269	-
Share based compensation	-	-	-	256,484	256,484
Balance - December 31, 2016	$ 24,695,186	$ (37,649,570)	$ (29,326)	$ 9,661,992	$ (3,321,718)

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

Expressed in U.S. Dollars

Consolidated Statements of Cash Flows

	NOTE	Years ended December 31, 2016	2015 (Note 19)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss		$ (3,109,074)	$ (2,466,497)
Items not affecting cash			
Depreciation	9	83,540	87,784
Gain of foreign exchange		3,799	14,331
Accretion		43,663	-
Stock based compensation	10	256,484	1,542
Increase in provision		-	125,000
Realized gain on marketable securities		-	(7,009)
Net change in non-cash working capital items			
Decrease (increase) in accounts receivable		(40,697)	(24,677)
Decrease (increase) in prepaid expenses		(11,016)	6,317
Increase in accounts payable and accrued liabilities		1,784,939	797,932
Increase in interest payable		53,293	(25,545)
Decrease in taxes payable		37,034	-
Net cash used in operating activities		(898,035)	(1,490,822)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property plant and equipment	9	(2,111,793)	(3,020)
Purchase of mineral property		(438,062)	-
Net cash used in investing activities		(2,549,855)	(3,020)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of share capital	10	243,744	1,270,362
Purchase of marketable securities		-	(475,113)
Redemption of marketable securities		-	482,122
Change in bank line of credit (net)	13	(29,362)	29,362
Proceeds from loan	12, 14	3,500,000	-
Repayment of loan	12, 14	(28,689)	(70,760)
Net cash from financing activities		3,685,693	1,235,973
NET INCREASE (DECREASE) IN CASH:		237,803	(257,869)
EFFECT OF EXCHANGE RATE CHANGES ON CASH		(162,214)	191,187
CASH, BEGINNING OF YEAR:		32,683	99,365
CASH, END OF YEAR:		$ 108,272	$ 32,683
SUPPLEMENTAL CASH FLOW INFORMATION			
Taxes paid		$ -	$ -
Interest paid		$ 59,536	$ 875

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

(Expressed in US Dollars)

1. Nature of Business

Hunt Mining Corp. (the "Company" or "Hunt"), 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 #530, 355 Burrard Street Vancouver, B.C. V6C 2G8. 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. ("CSSA")	Argentina	100%	Holder of Assets and Exploration Company
Ganadera Patagonia(1)	Argentina	40%	Land Holding Company
1494716 Alberta Ltd.	Alberta, Canada	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 of mineral properties in Argentina and the Mina Martha project (Note 7). 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. The Mina Martha project was purchased in the second quarter of 2016 and refurbishing activities began in late 2016.

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 years are discussed in Note 6.

3. Going Concern

The accompanying 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, 2016, the Company incurred a net loss of $3,109,074. As at December 31, 2016, the Company had an accumulated deficit of $37,649,570 and has earned minimal incidental incomes since inception. The Company intends to fund operations through operations of the Martha Mina 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, 2017.

The ability of the Company to emerge from the exploration stage is dependent upon, among other things, obtaining additional financing to continue operations, and development of its business plan. In response to these problems, management intends to raise additional funds through public or private placement offerings.

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 15 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 highly 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.

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 activity, 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 anticipates adopting this new guidance effective 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 is currently evaluating this guidance and the impact it will have on the Consolidated Financial Statements and disclosures.

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 is currently evaluating this guidance and the impact it will have on the Consolidated Financial Statements and disclosures.

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 Company is currently evaluating the updated guidance.

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 is currently evaluating the updated guidance.

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 Company is currently evaluating the updated guidance.

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 is currently evaluating the updated guidance.

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

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 judgement. 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.

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.

(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. 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 currently pending and 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.

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.

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, 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.

7. 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.

The transaction has been accounted for as acquisition of assets. The consideration of $3,000,000 paid by Hunt Mining Corp., and the transaction costs of $129,360 have been allocated to the assets and liabilities acquired based on their relative fair value on the date of acquisition. As at December 31, 2016, $1,500,000 of the purchase consideration remains payable. Subsequent to December 31, 2016, the Company entered into a preliminary agreement to extend the original repayment date of May 6, 2017 by 90 days and made subsequent payments of $100,000. Coeur is currently finalizing documents for the amended agreement.

The following table summarizes the allocation of the purchase price and the related acquisition costs to the fair value of the assets acquired at the date of acquisition

Consideration Paid:		
Cash consideration paid:	$	3,000,000
Transaction costs incurred:		129,360
	$	**3,129,360**
Net identifiable assets acquired:		
Vehicles and Equipment	$	1,155,000
Buildings		117,500
Plant		1,775,536
Land		321,294
Mineral properties		438,062
Asset retirement obligation		(678,032)
	$	**3,129,360**

Subsequent to December 31, 2016, the Company began preliminary operations at the Mina Martha project resulting in production and shipment of concentrate and repayments on the Ocean Partners loan (Note 12).

As at December 31, 2016, the Company had received an advance of $190,269 (2015 – $0(zero)) corresponding to future sales of its tailings at the Mina Martha project. As of December 31, 2016 no amounts have been recorded as revenue.

(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 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.

(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.

8. Asset retirement obligation

On May 6, 2016 the Company purchased the Mina Martha project (Note 7) that has an estimated life of 8 years. 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% and an inflation rate of 2%.

The Company capitalized that cost as part of the carrying amount of the flotation plant acquired as part of the Mina Martha project, which is depreciation on a straight-line basis over 8 years.

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

(Expressed in US Dollars)

	December 31, 2016	December 31, 2015
Asset retirement obligation at beginning of year	$ -	$ -
Additions	678,032	-
Accretion expense	43,663	-
Asset retirement obligation at end of year	$ 721,695	$ -

9. Property, Plant and Equipment

	Land	Plant	Buildings	Vehicles and Equipment	Total
Cost					
Balance at December 31, 2014	$ 714,103	$ -	$ -	$ 1,129,817	$ 1,843,920
Additions	-	-	-	3,020	3,020
Balance at December 31, 2015	714,103	-	-	1,132,837	1,846,940
Additions	321,294	2,631,646	117,500	1,219,385	4,289,825
Balance at December 31, 2016	**$ 1,035,397**	**$ 2,631,646**	**$ 117,500**	**$ 2,352,222**	**$ 6,136,765**
Accumulated amortization					
Balance at December 31, 2014	$ -	$ -	$ -	$ 1,030,658	$ 1,030,658
Depreciation for the year	-	-	-	87,784	87,784
Balance at December 31, 2015	-	-	-	1,118,442	1,118,442
Depreciation for the year	-	-	-	83,540	83,540
Balance at December 31, 2016	**$ -**	**$ -**	**$ -**	**$ 1,201,982**	**$ 1,201,982**
Net book value					
At December 31, 2015	$ 714,103	$ -	$ -	$ 14,395	$ 728,498
At December 31, 2016	**$ 1,035,397**	**$ 2,631,646**	**$ 117,500**	**$ 1,150,240**	**$ 4,934,783**

10. Capital Stock

On June 24, 2015, the Company's common shares were consolidated on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares. All common shares, share option, share purchase warrants and per share figures in these consolidated financial statements have been adjusted to reflect the 10:1 share consolidation.

a) Authorized:

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

(Expressed in US Dollars)

Issued:

Common Shares	**Year ended December 31, 2016**			Year ended December 31, 2015		
	Number		**Amount**	Number		Amount
Balance, beginning of year	**62,150,298**	**$**	**24,560,711**	14,650,298	$	23,916,232
Non-brokered private placements	**1,313,500**		**229,433**	47,500,000		1,270,362
Exercise of stock options	**125,000**		**14,311**	-		-
Portion of units attributable to warrants issued	**-**		**(109,269)**	-		(625,883)
Balance, end of year	**63,588,798**	**$**	**24,695,186**	62,150,298	$	24,560,711

Warrants	**Year ended December 31, 2016**			Year ended December 31, 2015		
	Number		**Amount**	Number		Amount
Balance, beginning of year	**47,500,000**	**$**	**625,883**	2,500,000	$	138,577
Portion of units attributable to warrants issued	**1,362,500**		**109,269**	47,500,000		625,883
Expiry of warrants	**-**		**-**	(2,500,000)		(138,577)
Balance, end of year	**48,862,500**	**$**	**735,152**	47,500,000	$	625,883

b) Common share issuances:

On November 25, 2016 the Company announced the closing of the non-brokered private placement. The Company issued 1,313,500 units at an issue price of CAD 0.25 per unit. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire common shares at an exercise price of CAD 0.40 per common share until November 25, 2018. The non-brokered private placement raised $229,433, net of cash share issuance costs of $14,604 and the issuance of 49,000 broker warrants on the same terms as the warrants included within the units. The fair value of the warrants attached in the units was determined to be $109,269.

The $109,269 fair value of the 1,313,500 warrants granted as part of the units was calculated using the Black-Scholes option pricing model and using the following assumptions:

	November 25, 2016
Risk free interest rate	0.75%
Expected volatility	252.66%
Expected life (years)	2
Expected dividend yield	0%
Forfeiture rate	0%
Stock price	CAD 0.26

On October 13, 2015, the Company issued 25,000,000 units at CAD 0.02 per unit pursuant to a non-brokered private placement for gross proceeds of $390,881 of which $192,338 was allocated to the fair value of the warrants. All of the proceeds were received from related parties. Each unit consisted of one common share and one common share purchase warrant exercisable at CAD 0.05 per warrant before October 13, 2020.

The $192,338 fair value of the warrants granted was calculated using the Black-Scholes option pricing model and using the following assumptions:

(Expressed in US Dollars)

	October 13, 2015
Risk free interest rate	1.01%
Expected volatility	211.64%
Expected life (years)	5
Expected dividend yield	0%
Forfeiture rate	0%
Stock price	CAD 0.02

On July 20, 2015, the Company issued 22,500,000 units at CAD 0.05 per unit pursuant to a non-brokered private placement for gross proceeds of $879,481, of which $433,545 was allocated to the fair value of the warrants. All of the proceeds were received from related parties. Each unit consisted of one common share and one common share purchase warrant exercisable at CAD 0.075 per warrant before July 20, 2020.

The $433,545 fair value of the warrants granted was calculated using the Black-Scholes option pricing model and using the following assumptions:

	July 20, 2015
Risk free interest rate	0.42%
Expected volatility	205.09%
Expected life (years)	5
Expected dividend yield	0%
Forfeiture rate	0%
Stock price	CAD 0.05

c) 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 December 31, 2016
Stock options	$ 0.15 - $3.00	4,225,000	4.70	$ 0.24	4,225,000

	December 31, 2016.		December 31, 2015	
	Number of options	Weighted Average Price (CAD)	Number of options	Weighted Average Price (CAD)
Balance, beginning of year	434,753	$ 1.59	494,753	$ 2.10
Granted	4,000,000	$ 0.15	-	$ 0.00
Forfeiture of stock options	(35,000)	$ 1.00	-	$ 0.00
Expiration of stock options	(49,753)	$ 3.34	(60,000)	$ 6.50
Exercise of stock options	(125,000)	$ 0.15	-	$ 0.00
Balance, end of year	4,225,000	$ 0.24	434,753	$ 1.59

(Expressed in US Dollars)

On May 20, 2016, the Company granted 4,000,000 options with an exercise price of CAD 0.15 to directors, officers, employees and consultants.

The $256,484 fair value of the options granted was calculated using the Black-Scholes option pricing model and using the following assumptions:

	May 19, 2015
Risk free interest rate	0.75%
Expected volatility	232.04%
Expected life (years)	5
Expected dividend yield	0%
Forfeiture rate	24%
Stock price	CAD 0.11

The aggregate intrinsic value for options vested and total options as at December 31, 2016 is $374,898 (December 31, 2015 - $0 (zero)).

d) Warrants:

Warrants	Range of Exercise prices (CAD)	Number outstanding	Weighted average life (years)	Weighted average exercise price (CAD)
	0.05 - 0.40	48,862,500	4.00	$ 0.07

	December 31, 2016		December 31, 2015	
	Number of warrants	Weighted Average Price (CAD)	Number of warrants	Weighted Average Price (CAD)
Balance, beginning of year	47,500,000	$ 0.06	2,500,000	$ 0.50
Expiration of Warrants	-	-	(2,500,000)	$ 0.50
Warrants (Note 10(b))	-	-	22,500,000	$ 0.075
Warrants (Note 10(b))	-	-	25,000,000	$ 0.050
Warrants (Note 10(b))	1,362,500	$ 0.40	-	-
Balance, end of year	48,862,500	$ 0.07	47,500,000	$ 0.06

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 year ended December 31, 2016, the value of the bond increased to $381,355 (December 31, 2015 - $352,578). The change in the face value of the performance bond of $28,777 for the year ended December 31, 2016 (2015 - $62,146) is recorded as other comprehensive income (loss) in the Company's consolidated statement of loss 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 June 2010 the Company used the bond to secure the La Valenciana project, an additional Fomicruz exploration project.

(Expressed in US Dollars)

12. Loan Payable

The Following is a summary of all notes payable.

	December 31, 2016	December 31, 2015
Unsecured loan payable to Timothy Hunt, at 8% interest per annum, due on demand	$ 1,972,092	$ -
Loan payable to Ocean Partners, repayable in monthly installments of $15,000 per dry metric ton of concentrate, at 6% per annum, secured by concentrate, due 2017 (1)	1,499,219	-
	$ 3,471,311	$ -

(1) Subsequent to December 31, 2016, the Company entered into an agreement with Ocean Partners to extend the original repayment terms of March 2017 to June 2017.

13. Bank indebtedness

During the year ended December 31, 2015, the Company secured a variable rate non-disclosable line of credit with a local bank for a period of one year, during which time the Company drew $29,400 against the $30,000 USD LOC, making monthly interest only payments and paying a one-time 1% fee of $300. At December 31, 2015, the principal balance was $29,362. During 2016 the non-disclosable line of credit was increased to $50,000 and the Company drew $49,920 and paid interest and in December 2016 paid the principal amount in full. At December 31, 2016, the principal balance was $0 (zero).

14. Related Party Transactions

During the year ended December 31, 2016, the Company incurred $155,004 (2015 – $111,544) in professional fees expense relating to the services of the President of CCSA. Included in accounts payable and accrued liabilities as at December 31, 2016 was $180,359 (December 31, 2015 - $65,500) owing to the President of CCSA for professional geological fees.

During the year ended December 31, 2016, the Company incurred $43,200 (December 31, 2015 - $31,056) in professional fees expense relating to the accounting services of a director of CCSA. Included in accounts payable and accrued liabilities as at December 31, 2016, the Company had a payable owing to the director of CCSA of $39,403 (December 31, 2015 – $22,964).

During the year ended December 31, 2016, the Company incurred $347,183 (2015 - $63,217) in administrative and office expenses relating to the rental of office space and various administrative services and expenses payable to Hunt Family Limited Partnership, LLC, ("HFLP") an entity controlled by the Company's President, CEO and Executive Chairman. HFLP also advanced $1,644,712 to the Company for general administrative purposes, of which $1,058,830 was repaid during the year ended December 31, 2016. At December 31, 2016, The Company had a payable owing to HFLP of $1,576,506 (December 31, 2015 - $488,933). The advances accrue interest at 7% per annum, are unsecured and due on demand.

During the year ended December 31, 2016, the Company received a loan from its President in the amount of $2,000,000. The loan earns interest at 8% and is due 2017. During the year ended December 31, 2016 the Company made payments (net of interest accrued) of $27,908 on the loan principle. The Company incurred interest expense of $112,381 of which $53,293 was included in interest payable at year end.

(Expressed in US Dollars)

Included in accounts payable and accrued liabilities as at December 31, 2016, are amounts owing to the Company's Chief Financial Officer for consulting fees of $50,956 (December 31, 2015 – $0 (zero)).

Included in accounts payable and accrued liabilities as at December 31, 2016, are amounts owing to the Company's President for wages of $84,000 (December 31, 2015 – $84,000).

All related party transactions are in the normal course of business, and were measured at the exchange amount which is the amount of consideration established and agreed to by the related party.

Remuneration of directors and key management of the Company

The remuneration awarded to directors and to senior key management, including the Executive Chairman and Chief Executive Officer, the Chief Financial Officer, a Director of the Company, the President of CCSA and a Director of CCSA, is as follows:

	Year Ended	
	December 31, 2016	December 31, 2015
Salaries and benefits	**$ 136,143**	$ 163,531
Consulting fees	**272,181**	142,583
Share based compensation	**164,000**	1,073
	$ 572,324	$ 307,187

15. Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, performance bond, bank indebtedness and accounts payable and accrued liabilities, purchase price payable, transaction taxes payable, loan payable and interest payable.

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.

Fair value

As at December 31, 2016, there were no changes in the levels in comparison to December 31, 2015. The fair values of financial instruments are summarized as follows:

(Expressed in US Dollars)

	December 31, 2016		December 31, 2015	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Financial Assets				
FVTPL				
Cash (Level 1)	108,272	108,272	32,683	32,683
Available for sale				
Performance bond (Level 1)	381,355	381,355	352,578	352,578
Loans and receivables				
Accounts receivable	126,453	126,453	85,982	85,982
Financial Liabilities				
Other financial liabilities				
Bank indebtedness	-	-	29,362	29,362
Accounts payable and accrued liabilities	3,087,611	3,087,611	1,508,028	1,508,028
Purchase price payable	1,500,000	1,500,000	-	-
Transaction taxes payable	118,667	118,667	81,633	81,633
Interest payable	53,293	53,293	-	-
Loan payable	3,471,311	3,471,311	-	-

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, bank indebtedness and accounts payable and accrued liabilities, purchase price payable, transaction taxes payable, loan payable interest payable approximate their fair value because of the short-term nature of these instruments. 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 input tax credits receivable and are not considered subject to significant risk.

The Company currently maintains a substantial portion of its day-to-day operating cash balances at financial institutions. At December 31, 2016, the Company had total cash balances of $108,272 (2015 - $32,683) at financial institutions, where $0 (zero) (2015 - $0 (zero)) is in excess of federally insured limits.

16. Segmented Information

All of the Company's operations are in the mineral properties exploration industry with its principal business activity in the acquisition and exploration of mineral properties. The Company conducts its resource properties exploration activities primarily in Argentina. All of the Company's long-lived assets are located in Argentina.

17. Commitments and Provision

a) On March 18, 2011, a lawsuit was filed against the Company and its subsidiaries by a former director and consultant "the Consultant". The lawsuit claimed that the Consultant was an employee of the Company, not a consultant, since 2006. The total value of the claim was US$249,041, including wages, alleged bonus payments, interest and penalties. The consolidated financial statements include a provision of $250,000 at December 31, 2016 (December 31, 2015 - $250,000). Management intends to defend the Company and its subsidiaries to the fullest extent possible.

(Expressed in US Dollars)

As of December 31, 2016, the Company has been notified that amounts totaling 1,025,610 pesos ($64,610) ($68,409 as at December 31, 2015) was withheld from its Argentine bank account and placed in escrow with the Court pending the outcome of the lawsuit filed on March 18, 2011 against the Company.

b) 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.

18. Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2016	2015
Loss for the year	$ (3,109,074)	$ (2,466,497)
Expected income tax (recovery)	$ (886,000)	$ (641,000)
Change in statutory, foreign tax, foreign exchange rates and other	(87,000)	(99,000)
Permanent Difference	386,000	(199,000)
Change in unrecognized deductible temporary differences	587,000	939,000
Total income tax expense (recovery)	$ -	$ -

The valuation allowance for deferred tax assets as of December 31, 2016 was $(4,829,000) and (December 31, 2015 – $(4,164,000) respectively. The change in the valuation allowance of $665,000 was due to changes in the increase in non-capital losses incurred during the year ended December 31, 2016.

The tax effects of temporary differences that give rise to significant deferred tax assets and deferred tax liabilities are presented below:

	2016	2015
Deferred Tax Assets (liabilities)		
Property and equipment	-	1,000
Share issue costs	1,000	1,000
Non-capital losses available for future period	4,828,000	4,162,000
	4,829,000	4,164,000
Valuation allowance	(4,829,000)	(4,164,000)
Net deferred tax assets	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the balance sheet are as follows:

	2016	Expiry Date Range	2015	Expiry Date Range
Temporary Differences				
Property and equipment	-		2,000	No expiry date
Share issue costs	2,000	2036 to 2038	4,000	2035 to 2038
Non-capital losses available for future period	14,567,000	2017 to 2036	12,424,000	2016 to 2035

Tax attributes are subject to review, and potential adjustment, by tax authorities.

(Expressed in US Dollars)

19. Restatement

Subsequent to the issuance of the Company's 2015 consolidated financial statements on May 5, 2016 issued under International Financial Reporting Standards ("IFRS") the Company determined that certain errors had been made in the recognition of assets. These errors were related to the recoverability of the VAT receivable (cumulative and each year) and the Minimum Presumed Income Tax receivable. The previously issued consolidated financial statements were issued under IFRS rather than US GAAP, however the restatement is not due to a change in reporting standards, and therefore the Company determined the impact of the restatement on the Company's previously issued consolidated financial statements should be presented. The following tables summarize the impact of the restatement on our previously reported consolidated balance sheets, consolidated statements of operations and comprehensive loss, consolidated statements of stockholders' equity and consolidated statements of cash flows for the year ended December 31, 2015.

Effect on Consolidated Balance Sheets

	Year ended December 31, 2015			
	As previously Reported CAD	Correction of Errors	Translation to USD	As Restated
CURRENT ASSETS:				
Cash	$ 45,386	$ -	$ (12,703)	$ 32,683
Accounts receivable	119,402	-	(33,420)	85,982
Prepaid expenses	9,064	-	(2,537)	6,527
Total Current Assets	173,852	-	(48,660)	125,192
NON-CURRENT ASSETS:				
Property and equipment	1,001,048	-	(272,550)	728,498
VAT Tax, net of discount	868,809	(868,809)	-	-
Performance bond	489,620	-	(137,042)	352,578
Minimal presumed income tax receivable	390,919	(390,919)	-	-
Other deposit	94,998	-	(26,589)	68,409
Total Non-Current Assets:	2,845,394	(1,259,728)	(436,181)	1,149,485
TOTAL ASSETS:	$ 3,019,246	$ (1,259,728)	$ (484,841)	$ 1,274,677
CURRENT LIABILITIES:				
Bank indebtedness	$ 40,775	$ -	(11,413)	$ 29,362
Accounts payable and accrued liabilities	2,094,175	-	(586,147)	1,508,028
Taxes payable	113,363	-	(31,730)	81,633
Total Current Liabilities:	2,248,313	-	(629,290)	1,619,023
NON-CURRENT LIABILITIES:				
Loan payable	-	-	-	-
Contingent liability	250,000	97,171	(97,171)	250,000
Total Non-Current Liabilities:	250,000	97,171	(97,171)	250,000
TOTAL LIABILITIES:	$ 2,498,313	$ 97,171	$ (726,461)	$ 1,869,023
STOCKHOLDERS' EQUITY:				
Capital stock:	$ 26,987,416	$ -	(2,426,705)	$ 24,560,711
Additional paid in capital	10,608,881	-	(1,312,642)	9,296,239
Deficit	(37,282,555)	(1,259,728)	4,001,787	(34,540,496)
Accumulated other comprehensive income (loss)	207,191	(97,171)	(20,820)	89,200
Total Shareholders' Equity:	520,933	(1,356,899)	241,620	(594,346)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY:	$ 3,019,246	$ (1,259,728)	$ (484,841)	$ 1,274,677

(Expressed in US Dollars)

Effect on Consolidated Statements of Operations and Comprehensive Loss

	Year ended December 31, 2015 As previously Reported CAD	Correction of Errors	Translation to USD	As Restated
OPERATING EXPENSES:				
Professional fees	$ 379,330	$ -	$ (82,318)	$ 297,012
Exploration expenses	427,468	45,365	(102,608)	370,225
Travel expenses	190,368	-	(41,311)	149,057
Administrative and office expenses	446,557	-	(96,906)	349,651
Payroll expenses	663,228	-	(143,926)	519,302
Share based compensation	1,969	-	(427)	1,542
Interest expense	53,716	-	(11,657)	42,059
Depreciation	112,114	-	(24,330)	87,784
Total operating expenses:	2,274,750	45,365	(503,483)	1,816,632
OTHER INCOME/(EXPENSE):				
Interest income	13,495	-	(2,928)	10,567
Miscellaneous income	8,881	-	(1,927)	6,954
VAT discount and accretion	265,964	(265,964)	-	-
Taxes	-	(88,256)	19,152	(69,104)
Loss on foreign exchange	(604,452)	-	131,170	(473,282)
Contingent liability accrual	(125,000)	-	-	(125,000)
Total other income/(expense):	(441,112)	(354,220)	145,467	(649,865)
LOSS - before income tax	(2,715,862)	(399,585)	648,950	(2,466,497)
Income taxes	(88,256)	88,256	-	-
NET LOSS FOR THE YEAR	$ (2,804,118)	$ (311,329)	$ 648,950	$ (2,466,497)
Other comprehensive income (loss), net of tax:				
Change in value of performance bond	152,770	-	(90,624)	62,146
Foreign currency translation adjustment	79,672	-	33,124	112,796
TOTAL NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR:	$ (2,571,676)	$ (311,329)	$ 591,450	$ (2,291,555)
Weighted average shares outstanding - basic and diluted	30,170,846	30,170,846	30,170,846	30,170,846
NET LOSS PER SHARE - BASIC AND DILUTED:	$ (0.09)	$ (0.01)	$ 0.02	$ (0.08)

Effect on Consolidated Statement of Stockholders' Equity (Deficiency)

	Year ended December 31, 2015 As previously Reported CAD	Correction of Errors	Translation to USD	As Restated
Stockholders equity	$ 520,933	$ (1,356,899)	$ 241,620	$ (594,346)

(Expressed in US Dollars)

Effect on Consolidated Statement of Cash Flows

	Year ended December 31, 2015			
	As previously Reported CAD	Correction of Errors	Translation to USD	As Restated
CASH FLOWS FROM OPERATING ACTIVITIES:	(1,651,165)	(202,314)	362,657	(1,490,822)
CASH FLOWS FROM INVESTING ACTIVITIES:	8,952	(11,972)	-	(3,020)
CASH FLOWS FROM FINANCING ACTIVITIES:	1,572,353	11,972	(348,352)	1,235,973
NET INCREASE (DECREASE) IN CASH:	(69,860)	(202,314)	14,305	(257,869)
CHANGE DUE TO FOREIGN EXCHANGE	-	-	-	191,187
CASH, BEGINNING OF YEAR:	115,246	-	(15,881)	99,365
CASH, END OF YEAR:	$ 45,386	$ (202,314)	$ (1,576)	$ 32,683

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The management of Hunt Mining Company has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of December 31, 2016. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2015, our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective and designed to provide reasonable assurance that (i) information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (ii) information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. In 2017, due to the Company's change of auditors, change of reporting currency and restatement of prior financial reports for 2015 and 2016, the company filed form 12b-25 with the SEC which allows smaller companies more time to meet the SEC deadlines. The management of Hunt Mining Company, including the Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we assessed the effectiveness of our internal control over financial reporting as of December 31, 2016. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework. Based on our assessment, management has concluded that, as of December 31, 2016, our internal control over financial reporting is effective based on these criteria.

Changes in Internal Control over Financial Reporting

Previous independent registered public accounting firm

(a) From March 23, 2015 through March 20, 2017, Crowe MacKay LLP (Crowe) was our independent registered public accounting firm. On March 20, 2017, Crowe advised us that it was resigning as our independent public accountant.

(b) None of our previous audit reports, in particular the audit reports for the fiscal years ended December 31, 2015 and December 31, 2014, contained any adverse opinion or disclaimer of opinion, nor were qualified or modified as to uncertainty, audit scope, or accounting principles, except for a going concern qualification on the Company's financial statements for the fiscal years ended December 31, 2015 and December 31, 2014.

(c) During the Company's two most recent fiscal years, the subsequent interim periods thereto, and through March 30, 2017, there were no disagreements (as defined in Item 304 of Regulation S-K) with the Crowe on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Crowe would have caused it to make reference in connection with its opinion to the subject matter of the disagreement. Further, during the Company's two most recent fiscal years, the subsequent interim periods thereto, and through March 30, 2017, there were no reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K).

(d) We furnished Crowe with a copy of this disclosure on March 31, 2017, providing Crowe with the opportunity to furnish the Company with a letter addressed to the Commission stating whether he agrees with the statements made by the Company herein in response to Item 304(a) of Regulation S-K and, if not, stating the respect in which he does not agree. A copy of Crowe's response is filed as Exhibit 16.1 to this Report.

New independent registered public accounting firm

On March 21, 2017, we engaged Davidson & Company LLP, 1200-609 Granville Street, Vancouver, British Columbia BC V7Y 1G6; telephone 604-687-0947, an independent registered public accounting firm, as our principal independent accountant with the approval of our board of directors.

During the two most recent fiscal years and through the date of engagement, we have not consulted with Davidson & Company LLP regarding either:

1. The application of accounting principles to any specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, and neither a written report was provided to us nor oral advice was provided that Davidson & Company LLP concluded was an important factor considered by us in reaching a decision as to the accounting, auditing or financial reporting issue; or

2. Any matter that was either subject of disagreement or event, as defined in Item 304(a)(1)(iv)(A) of Regulation S-K and the related instruction to Item 304 of Regulation S-K, or a reportable event, as that term is explained in Item 304(a)(1)(iv)(A) of Regulation S-K.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth the names and positions of our officers and directors:

Name	Age	Position	Position Held Since
Tim Hunt	64	Director, President, CEO	April 2010
Robert Little	60	Chief Administration Officer, Former CFO & Secretary	January 2014
James Meek	65	Chief Financial Officer	June 2016
Darrick Hunt	39	Director	December 2009
Alan Chan	66	Director	August 2006
Alastair Summers	80	Director	April 2014

All of the officers identified above serve at the discretion of the Board and have consented to act as officers of the Company.

Set forth below is a brief description of the background and business experience of our executive officers and directors:

Tim Hunt
Chairman of the Board/CEO

Mr. Hunt is the founder and president of Huntwood Industries, one of the largest building products manufacturers in the Western United States. Tim Hunt has led the development of Huntwood Industries for the past 28 years, taking the business from a start-up venture to a significant middle-market enterprise; responsible for over 2 billion dollars in sales. He has significant investment experience raising capital and negotiating private equity placements for numerous companies. During a period as a licensed securities broker, Mr. Hunt also cultivated and developed lasting alliances in the mining and investment communities. He has been recognized for his leadership in the financial services sector and served on the board of directors for a regional bank. He has been involved in the mining sector for over 30 years, including the period as an investment broker. As an avid believer in giving back to the community, Mr. Hunt and his wife Resa also serve on the board of directors for the Dream Center Foundation.

Robert Little
Chief Administrative Officer and former Financial Officer and Secretary

Mr. Little served as CFO since January, 2014. Mr. Little has years of international business and financial experience. Mr. Little has had an intimate involvement in all aspects of Hunt Mining, since the Corporation's inception, serving as the direct assistant to President/CEO Tim Hunt. With the appointment of Jim Meek as Chief Financial Officer, as well as the acquisition of the Martha Mine and the company's preparation to become a producer of gold and silver in late 2016, Mr. Little will be instrumental in the development of such future activities.

Darrick Hunt
Director

Darrick Hunt is the Chief Financial Officer of Huntwood Industries, one of the largest building products manufacturers in the Western United States. He has significant experience in international financing and over the years has secured debt and equity financings and is also well versed in establishing international business operations. Mr. Hunt is the managing member of a privately held mining company in Mexico. And, Mr. Hunt holds a license as a Certified Public Accountant under the Board of Accountancy of Washington State and has a Bachelor's in Business Administration from Gonzaga University.

Alastair H. Summers
Director

Mr. Summers, also known as Al, has more than 40 years in mine development and production in both North and South America, including over 10 years as an executive for Hecla Mining Company. Al Summers was Vice President and General Manager for Minera Hecla de Mexico, responsible for the design, construction, and reclamation of the La Choya open pit/heap leach gold mine. Mr. Summers also served as President and General Manager of Minera Hecla Venezuela, initiating improvements to Hecla's La Camorra operation, which resulted in production increases from 85,000 to 250,000 ounces of gold per year. Mr. Summers' distinguished career includes the development, design and operation of several successful mines for The Bunker Hill Company, Western Nuclear, and American Mine Services. He is a registered Professional Geologist and Professional Engineer in Colorado.

Alan Chan
Director

Alan Chan is a professional engineer and an entrepreneur. He graduated from University of Saskatchewan with a Bachelor of Science Degree in 1973. Since graduation, he worked in a number of industries and held various senior technical and management positions. In 1994, he founded China Pacific Industrial Corp. to pursue joint venture projects in China. Since the mid-1990s, Mr. Chan has been involved in the establishment of a number of public companies and assisted them in completing a number of financings, mergers and acquisitions. Until August, 2006, he was the President and Chief Executive Officer of IVG Enterprises, listed on the TSX Venture Exchange. He was also a director of IVG Enterprises until August 30, 2007. He is a director, Chief Financial Officer and Secretary of Grand Power Logistics Group Inc., listed on the TSX Venture Exchange, and is a director of Ginger Beef Corporation, listed on the TSX Venture Exchange.

Leon Hardy
Chief Operations Officer and Director of Mining

Mr. Hardy is the former COO and Senior Vice-President for Coeur Mining Inc. (CDE:NYSE), and has over 40 years of technical and operational experience which includes 12 years in Latin America. Mr. Hardy holds a Bachelor of Science in Geological Engineering from the University of Arizona, and is a registered professional engineer. Mr. Hardy resided in Argentina for 5 years, while being the general manager of the Martha Mine and was instrumental from the initial startup thru the 240 TPD Mill construction and subsequent full scale operations. Mr. Hardy has operational, cost control, due diligence, strategic mine planning, and feasibility studies experience, and maintains strong political relationships with regional emphasis in Argentina**.**

James Meek
Chief Financial Officer

Mr. Meek, MBA, CPA, holds both a Bachelor of Arts in Mathematics from Rocky Mountain College and a Master of Business Administration from the University of Idaho. For over 30 years, Mr. Meek has worked for mining companies including ASARCO Incorporated for 17 years, ascending from Metallurgical Account to Accounting Manager; Coeur d'Alene Mines Corp. for over 10 years, including 5 years as Treasurer and Manager of Budget and Forecasting, where he traveled extensively to South America to visit the mines for which he was responsible; Sterling Mining Company for almost 4 years in the position of CFO and Romarco Minerals Inc. for 1 year in the role of CFO.

COMMITTEES OF THE BOARD OF DIRECTORS

We have a separately-designated audit committee of the board. Our audit committee is responsible for: (1) selection and oversight of our independent accountant; (2) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters; (3) establishing procedures for the confidential, anonymous submission by our employees of concerns regarding accounting and auditing matters; (4) engaging outside advisors; and, (5) funding for the outside auditory and any outside advisors engagement by the audit committee. A copy of our audit committee charter is filed as an exhibit to this report.The Audit Committee for Hunt Mining Corporation consists of Mr. Darrick Hunt, Mr. Alan Chan and Mr. Alastair Summers.

This committee acts on behalf of our board of directors to approve compensation arrangements for our management and review the compensation paid to our board of directors. A copy of our compensation committee charter is filed with this report as Exhibit .The Compensation Committee for Hunt Mining Corporation consists of Mr. Alan Chan.

Corporate Governance Guidelines

All of our employees, including our executive officers, are required to comply with our Code of Conduct. Additionally, our Chief Executive Officer, Chief Financial Officer, and senior officers must comply with our Code of Business Conduct and Ethics for Senior Officers. The purpose of these corporate policies is to ensure to the greatest possible extent that our business is conducted in a consistently legal and ethical manner. The text of the Code of Conduct and the Code of Business Conduct and Ethics for Senior Officers is available on our website (www.Huntmining.com). We intend to disclose on our website any amendment to, or waiver from, a provision of our policies as required by law.

ITEM 11. EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Committee of the Corporation's Board of Directors (the **"Compensation Committee"**) is responsible for ensuring that the Corporation has in place an appropriate plan for executive compensation and for making recommendations to the Board of Directors with respect to the compensation of the Corporation's executive officers. The Compensation Committee consists of the following board member: Alan Chan. Alan Chan is independent as defined in applicable securities legislation. The Compensation Committee has not yet had the opportunity to adopt a formalized process with formal objectives, criteria and analysis used in the determination of executive compensation. The Compensation Committee meets as frequently as is necessary to carry out its responsibilities. Executive compensation is based on informal discussions of the Compensation Committee on a case by case basis, which are then recommended to the Corporation's Board of Directors.

Mr. Chan has been involved with public companies for the past 20 years and, as such, the member of the Compensation Committee has experience relevant to the performance of their responsibilities in executive compensation.

Compensation Risk

The Board considers that the Corporation's compensation philosophy is aligned with prudent risk management and does not encourage NEOs to take inappropriate or excessive risks.

The Corporation does not prohibit named executive officers or directors from purchasing financial instruments such as variable forward contracts or equity swaps, collars, or units of exchange funds, or other financial instruments designed to hedge or offset a decrease in market value of securities granted as compensation held, directly or indirectly, by an NEO or director. However, neither the Board nor executive management is aware that any such individual has in the past bought or currently holds such instruments.

During the year ended December 31, 2016, the Corporation had three "Named Executive Officers" or "NEOs", Mr. Tim Hunt, the Corporation's Executive Chairman of the Board of Directors, President and Chief Executive Officer, Mr. James Meek, the Corporation's Chief Financial Officer, and Mr. Danilo Silva, President of Cerro Cazador S.A., a wholly-owned subsidiary of the Corporation.

Elements of the Compensation Program

The three elements of the Corporation's compensation program during the financial years ended December 31, 2016 are (i) base salary and benefits, and (ii) an incentive stock option plan and (iii) incentive cash bonus. Each item of the compensation program is discussed below.

Base Salaries and Benefits

Salaries of executive officers are based on informal discussions and analysis by the Board of Directors. The Board of Directors has not used any formula in the determination of executive salaries. Base salaries are paid at levels that reward executive officers for ongoing performance and that enable the Corporation to attract and retain qualified executives with a demonstrated ability to maximize shareholder value. Base pay is a critical element of our compensation program because it motivates the NEOs with stability and predictability, which allows the Named NEOs to focus their attention on maximizing shareholder value and other business initiatives. Although the Corporation has no specific formula for determining base salary, the Corporation may consider the following factors, among others: the executive's current base salary, qualifications and experience, industry knowledge, scope of responsibilities, past performance and length of service with the Corporation. The Corporation does not apply a specific weighting to any of the above factors. The Compensation Committee has not established formal periodic compensation review procedures; however, salaries and other elements of executive compensation will be reviewed periodically by the Compensation Committee and the Board of Directors.

The Corporation terminated health insurance premiums for executives and their families as of January 2014.

The Corporation does not provide pension or retirement benefits to any of its executive officers.

Incentive Stock Option Plan

The Corporation has in place the Stock Option Plan which provides that the Board may from time to time, in its discretion, and in accordance with TSXV requirements, grant to directors, officers, employees and technical consultants to the Corporation, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Corporation.

The number of stock options allocated to executive officers and directors will be determined by the Compensation Committee on a case by case basis. The Corporation has not adopted formal formula or formal procedures to determine stock option allocation to executives and directors. Previous grants of stock options are taken into consideration when new option grants are contemplated. The grant of stock options is used to, among other things, attract, motivate, and retain qualified executive officers and directors by providing them with long-term incentives that will encourage them to add value to the Corporation. Stock options also serve to align executives' and directors' long term interests with those of shareholders.

Incentive Cash Bonus

Incentive cash bonuses of executive officers are based on informal discussions and analysis by the Compensation Committee, which are then recommended to the Board of Directors for approval. The Board of Directors has not used any formula in the determination of Incentive cash bonuses. Bonuses are paid at levels that reward executive officers for ongoing performance and that enable the Corporation to retain qualified executives with a demonstrated ability to maximize shareholder value.

In 2015, in order to conserve limited financial resources, no incentive cash bonuses were paid based on management meeting objectives set by the Board of Directors.

SUMMARY COMPENSATION TABLE

The following table sets forth all annual and long-term compensation in US dollars for services in all capacities to the Corporation for each of the years ended December 31, 2015 and 2016 in respect of the Named Executive Officers expressed in US dollars:

Name and Principal Position	Year	Salary (US$)	Bonus (US$)	Stock Awards (US$)	Option Awards (US$)	Non-Equity Incentive Plan Compensation ($)