

ALTAN NEVADA MINERALS LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in US dollars)

JUNE 30, 2016
(Unaudited)

Index

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Notice of Non-review of Condensed Interim Consolidated Financial Statements

The attached condensed interim consolidated financial statements for the six month period ended June 30, 2016 have not been reviewed by the Company's auditors.

ALTAN NEVADA MINERALS LIMITED**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT**

(Expressed in US Dollars)

(Unaudited)

	June 30, 2016	December 31, 2015
ASSETS		
Current		
Cash (Note 4)	\$ 62,604	\$ 116,423
Receivables	21,815	19,803
Prepaid expenses and deposits (Note 5)	8,309	14,908
Due from related parties (Note 8)	<u>21,294</u>	<u>24,761</u>
	114,022	175,895
Reclamation bonds (Note 7)	157,957	157,957
Exploration and evaluation assets (Note 7)	<u>1,547,824</u>	<u>1,495,583</u>
	<u>\$ 1,819,803</u>	<u>\$ 1,829,435</u>

LIABILITIES AND EQUITY**Current**

Accounts payable and accrued liabilities	\$ 30,062	\$ 60,036
Loans payable (Note 8)	571,261	564,016
Due to related parties (Note 9)	<u>143,274</u>	<u>129,105</u>
	744,597	753,157

Equity

Share capital (Note 10)	\$ 4,243,035	\$ 4,243,035
Reserves	4,773,287	4,773,287
Deficit	(7,708,421)	(7,653,818)
Accumulated other comprehensive loss	<u>(232,695)</u>	<u>(286,226)</u>
	<u>1,075,206</u>	<u>1,076,278</u>
	<u>\$ 1,819,803</u>	<u>\$ 1,829,435</u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on August *, 2016.

<u>“Evan Jones”</u>	Director	<u>“Murray Seitz”</u>	Director
Evan Jones		Murray Seitz	

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

ALTAN NEVADA MINERALS LIMITED**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Expressed in US Dollars)

(Unaudited)

	3 Months		6 Months	
	2016	2015	2016	2015
EXPENSES				
Computer expenses	\$ 338	\$ 231	\$ 778	\$ 561
Consulting fees	8,631	30,069	17,514	59,819
Depreciation (Note 6)	-	562	-	1,124
Foreign exchange loss (gain)	8,976	271	(8,033)	3,079
Insurance	2,488	2,774	4,975	5,549
Investor relations	864	1,961	1,564	5,956
Office expenses	362	583	1,656	957
Professional fees	6,933	3,739	26,448	4,373
Project investigation	750	6,575	750	10,013
Rent	748	833	1,601	1,676
Share-based compensation (Note 10)	-	1,315	-	3,512
Telecommunications	59	428	340	813
Transfer agent & filing fees	3,016	2,286	7,010	7,397
Travel and entertainment	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>
Net loss for the period	(33,165)	(51,927)	(54,603)	(105,129)
Translation adjustment	<u>(2,063)</u>	<u>12,345</u>	<u>53,531</u>	<u>(200,538)</u>
Comprehensive loss for the period	(35,228)	(39,582)	(1,072)	(305,667)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	37,029,600	37,029,600	37,029,600	37,029,600
- Basic and diluted				

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

ALTAN NEVADA MINERALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(Expressed in US Dollars)
(Unaudited)

	June 30, 2016	June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (54,603)	\$ (105,129)
Items not involving cash:		
Share-based compensation	-	3,512
Depreciation	-	1,124
Change in non-cash working capital items:		
Receivables	(102)	(2,254)
Prepaid expenses and deposits	6,599	3,769
Accounts payable and accrued liabilities	(29,974)	7,621
Due to/ from related parties	<u>17,636</u>	<u>45,783</u>
Net cash used in operating activities	(60,444)	(45,574)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets acquisition	<u>2,280</u>	<u>13,055</u>
Net cash from investing activities	2,280	13,055
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans received	<u>7,245</u>	<u>21,650</u>
Net cash from financing activities	7,245	21,650
Effect of foreign exchange on cash	(2,900)	(1,350)
Change in cash for the period	(53,819)	(12,219)
Cash, beginning of the period	<u>116,423</u>	<u>43,966</u>
Cash, end of the period	<u>\$ 62,604</u>	<u>\$ 31,747</u>
Cash (paid) received during the period for interest	\$ -	\$ -
Cash (paid) received during the period for income taxes	\$ -	\$ -

Supplemental disclosures with respect to cash flows (Note 12)

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

ALTAN NEVADA MINERALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in US Dollars)
(Unaudited)

	Share Capital					Accumulated Other Comprehensive Income (Loss)	Total Equity
	Number of Shares	Amount	Reserves	Deficit			
Balance at December 31, 2014	37,029,600	\$ 4,243,035	\$ 4,769,347	\$ (5,256,179)	\$	(130,773)	\$ 3,625,430
Share-based compensation	-	-	3,512	-	-	-	3,512
Loss for the period				(105,129)		-	(105,129)
Translation adjustment	-	-	-	-		(69,764)	(69,764)
Balance at June 30, 2015	37,029,600	\$ 4,243,035	\$ 4,772,859	\$ (5,361,308)	\$	(200,537)	\$ 3,454,049
Balance at December 31, 2015	37,029,600	\$ 4,243,035	\$ 4,773,287	\$ (7,653,818)	\$	(286,226)	\$ 1,076,278
Loss for the period				(54,603)		-	(54,603)
Translation adjustment	-	-	-	-		53,531	53,531
Balance at June 30, 2016	37,029,600	\$ 4,243,035	\$ 4,773,287	\$ (7,708,421)	\$	(232,695)	\$ 1,075,206

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

ALTAN NEVADA MINERALS LIMITED**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**

(Expressed in US Dollars)

(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Altan Nevada Minerals Limited (the “Company”) is a mineral exploration company listed on the TSX Venture Exchange under the symbol “ANE” and engaged in the acquisition and exploration of exploration and evaluation assets in the United States.

The Company’s head office and registered and records address is 800 – 1199 West Hasting Street, Vancouver, British Columbia, Canada V6E 3T5.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. Management is actively targeting sources of additional financing through alliances with financial, development and resource entities, or other business and financial transactions which would assure continuation of the Company’s operations and exploration and evaluation programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. As at June 30, 2016, the Company had a working capital deficit of \$630,575 (December 31, 2015 – \$577,262) and equity of \$1,075,206 (December 31, 2015 - \$1,076,278).

These material uncertainties may cast significant doubt as to the ability of the Company to meet its obligations as they come due and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position. The financial statements do not include any adjustments relating to the recoverability and classification of asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION**Statement of compliance**

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements comply with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. All dollar amounts presented are in US dollars unless otherwise specified. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August *, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Altan Nevada Holdings Limited and Altan Rio (US) Inc. All inter-company transactions and balances have been eliminated upon consolidation.

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and Altan Nevada Holdings Limited is the Canadian dollar. The functional currency of Altan Rio (US) Inc. is the US dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in *IAS 21, The Effects of Changes in Foreign Exchange*.

Accordingly, the accounts of the Company and Altan Nevada Holdings Limited are translated into US dollars as follows:

- all of the assets and liabilities are translated at the rate of exchange in effect on the date of the statement of financial position;
- revenue and expenses are translated at the exchange rate approximating those in effect on the date of the transactions; and
- exchange gains and losses arising from translation are included in accumulated other comprehensive income/loss.

Transactions in currencies other than the functional currency of the Company are recorded at exchange rates prevailing on the dates of the transactions. At period end, monetary assets and liabilities are translated at the rate in effect on the date of the statement of financial position. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on transactions are included in the statement of operations and comprehensive loss.

Use of estimates

Critical Judgments

The preparation of the consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates, and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries has been determined as disclosed above.

Key Sources of Estimation Uncertainty

Significant estimates made by management affecting our consolidated financial statements include:

Share-based Payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share based payment expense for the year along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in Note 10.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Use of estimates (cont'd...)

Deferred Tax Assets & Liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

Recoverability of Exploration & Evaluation Assets

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof. During the year ended December 31, 2015, the Company wrote off \$2,143,764 of exploration and evaluation assets (Note 7).

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Equipment

Equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the declining balance method at the following annual rates:

Computer hardware	55%
Computer software	100%
Exploration equipment	20%

In the year of acquisition, depreciation is recorded at one-half the normal rate.

Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the statement of operations and comprehensive income or loss. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Exploration and evaluation assets

Before legal rights to explore a property have been acquired, costs are expensed as incurred. The Company records exploration and evaluation asset interests, which consist of the right to explore for mineral deposits, at cost. The Company records deferred exploration costs, which consist of costs attributable to the exploration of exploration and evaluation asset interests, at cost. All direct and indirect costs relating to the acquisition and exploration of these exploration and evaluation asset interests are capitalized on the basis of specific claim blocks until the exploration and evaluation asset interests to which they relate are placed into production, the exploration and evaluation asset interests are disposed of through sale or where management has determined there to be an impairment. If an exploration and evaluation asset interest is abandoned, the exploration and evaluation asset interests and deferred exploration costs will be written off to operations in the period of abandonment.

Each reporting period, the capitalized costs are reviewed on a property-by-property basis to consider if there is any impairment on the subject property. Management's determination for impairment is based on: 1) whether the Company's exploration programs on the exploration and evaluation asset interests have significantly changed, such that previously identified resource targets are no longer being pursued; 2) whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; or 3) whether remaining lease terms are insufficient to conduct necessary studies or exploration work.

The recorded cost of exploration and evaluation asset interests is based on cash paid and the assigned value of share consideration issued (where shares are issued) for exploration and evaluation asset interest acquisitions and exploration costs incurred. The recorded amount may not reflect recoverable value, as this will be dependent on future development programs, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

Financial instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to-maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in the statement of operations. Financial assets "available-for-sale" are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax.

Financial assets "held-to-maturity", "loans and receivables", and "other financial liabilities" are subsequently measured at amortized cost using the effective interest method.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Category	Measurement
Cash	FVTPL	Fair value
Receivables	Loans and receivables	Amortized cost
Due from related parties	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Loans payable	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

The Company classifies the fair value of financial instruments according to the following hierarchy based on the reliability of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying value of receivables, accounts payable and accrued liabilities, loans payable, and due to/from related parties, approximate their fair values due to their short terms to maturity. Cash has been measured at fair value using Level 1 inputs.

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Income taxes (cont'd...)

Deferred tax is recorded using the asset and liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year.

Basic loss per share is calculated using the weighted-average number of shares outstanding during the year.

Existing stock options and share purchase warrants have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share are the same for the years presented.

Share-based compensation

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in the statement of loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Future reclamation costs

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of the Company's exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as finance expense.

The Company currently does not have any significant future reclamation costs.

Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. The Company's and subsidiary's translation of its financial results to United States dollars is the only item currently affecting comprehensive income (loss) for the periods presented.

New standards adopted during the period

Effective January 1, 2016, the following standards were adopted but have had no material impact on the consolidated financial statements:

IFRS 7, Financial Instruments Disclosure

Amended to require additional disclosures on transition from IAS 39 and IFRS 9.

New standards not yet adopted

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2016. Many of these updates are not applicable or consequential to the Company and have been excluded from the discussion below.

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This new standard is tentatively effective for annual periods beginning on or after January 1, 2018. The Company is in the process of assessing the impact of this pronouncement.

ALTAN NEVADA MINERALS LIMITED**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015**

(Expressed in US Dollars)

(Unaudited)

4. CASH

	June 30, 2016	December 31, 2015
Cash on deposit	\$ 62,604	\$ 116,423

As at June 30, 2016 and December 31, 2015, the Company did not have any cash equivalents.

5. PREPAID EXPENSES AND DEPOSITS

The prepaid expenses for the Company are broken down as follows:

	June 30, 2016	December 31, 2015
Rent deposit	\$ 1,316	\$ 1,316
Insurance	2,487	7,462
Legal services deposit	1,595	-
Other prepaid expenses	<u>2,911</u>	<u>6,130</u>
Total	\$ 8,309	\$ 14,908

The Company wrote off a prepaid deposit of \$26,337 for drilling services during the year ended December 31, 2015, as it was determined the amounts would not be recoverable.

ALTAN NEVADA MINERALS LIMITED**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Expressed in US Dollars)

(Unaudited)

6. EQUIPMENT

	Computer Hardware	Computer Software	Exploration Equipment	Total
Cost:				
At December 31, 2014	\$ 7,042	\$ 1,064	\$ 33,373	\$ 41,479
Additions	-	-	-	-
Write-off	-	-	(33,373)	(33,373)
At March 31, 2016	\$ 7,042	\$ 1,064	\$ -	\$ 8,106
Depreciation:				
At December 31, 2014	\$ (7,042)	\$ (1,064)	\$ (26,626)	\$ (34,732)
Depreciation	-	-	(2,249)	(2,249)
Write-off	-	-	28,875	28,875
At March 31, 2016	\$ (7,042)	\$ (1,064)	\$ -	\$ (8,106)
Net book value:				
At December 31, 2014	\$ -	\$ -	\$ 6,747	\$ 6,747
At December 31, 2015 and June 30, 2016	\$ -	\$ -	\$ -	\$ -

ALTAN NEVADA MINERALS LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Expressed in US Dollars)

(Unaudited)

7. EXPLORATION AND EVALUATION ASSETS

For the period ended June 30, 2016

	Montelle	Radar	Star Lake	Venus	North Star	Black Top	Marble Station	Yellow Cone	Total
Acquisition costs									
Acquisition & maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total current acquisition costs	-	-	-	-	-	-	-	-	-
Exploration cost									
Field and camp costs	-	-	-	-	-	-	-	-	-
Geological consulting	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-
Total current exploration costs	-	-	-	-	-	-	-	-	-
Professional fees									
Legal fees	-	-	-	-	-	-	-	-	-
Total professional fees	-	-	-	-	-	-	-	-	-
Total costs incurred during the period	-	-	-	-	-	-	-	-	-
Balance, Opening	199,657	899,081	-	396,845	-	-	-	-	1,495,583
Recoveries	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-
Foreign exchange movements	6,974	31,407	-	13,860	-	-	-	-	52,241
Balance, End of the Period	\$ 206,631	\$ 930,488	\$ -	\$ 410,705	\$ -	\$ -	\$ -	\$ -	\$ 1,547,824
Cumulative costs:									
Acquisition	\$ 83,348	\$ 230,176	\$ 1,299,104	\$ 184,385	\$ 232,115	\$ 283,479	\$ 48,766	\$ 331,246	\$ 2,692,619
Exploration	123,829	916,489	1,073,386	233,394	244,558	835,136	30,452	291,924	3,749,168
Professional	4,356	5,574	4,528	4,324	9,698	396	80	2,250	31,206
Recoveries	-	(190,000)	-	-	(34,993)	-	-	-	(224,993)
Write-offs	-	-	(2,328,829)	-	(425,504)	(1,055,231)	(74,640)	(588,389)	(4,472,593)
Foreign exchange movements	(4,902)	(31,751)	(48,189)	(11,398)	(25,874)	(63,780)	(4,658)	(37,031)	(227,583)
	\$ 206,631	\$ 930,488	\$ -	\$ 410,705	\$ -	\$ -	\$ -	\$ -	\$ 1,547,824

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7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

For the year ended December 31, 2015

	Montelle	Radar	Star Lake	Venus	North Star	Black Top	Marble Station	Yellow Cone	Total
Acquisition costs									
Acquisition & maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total current acquisition cost	-	-	-	-	-	-	-	-	-
Exploration cost									
Field and camp costs	-	-	-	-	-	-	-	94	94
Geological consulting	-	1,376	-	437	3,374	4,813	-	1,164	11,164
Travel	-	-	-	-	-	480	-	-	480
Total current exploration costs	-	1,376	-	437	3,374	5,293	-	1,258	11,738
Professional fees									
Legal fees	-	250	-	-	-	-	-	2,250	2,500
Total professional fees	-	250	-	-	-	-	-	2,250	2,500
Total costs incurred during the year		1,626	-	437	3,374	5,293	-	3,508	14,238
Balance, Opening	207,250	1,056,936	-	413,112	438,915	1,091,138	77,692	609,296	3,894,339
Recoveries	-	(120,000)	-	-	-	-	-	-	(120,000)
Write-offs	-	-	-	-	(425,504)	(1,055,231)	(74,640)	(588,389)	(2,143,764)
Foreign exchange movements	(7,593)	(39,481)	-	(16,704)	(16,785)	(41,200)	(3,052)	(24,415)	(149,230)
Balance, End of the Year	\$ 199,657	\$ 899,081	\$ -	\$ 396,845	\$ -	\$ -	\$ -	\$ -	\$ 1,495,583
Cumulative costs:									
Acquisition	\$ 83,348	\$ 230,176	\$ 1,299,104	\$ 184,385	\$ 232,115	\$ 283,479	\$ 48,766	\$ 331,246	\$ 2,692,619
Exploration	123,829	916,489	1,073,386	233,394	244,558	835,136	30,452	291,924	3,749,168
Professional	4,356	5,574	4,528	4,324	9,698	396	80	2,250	31,206
Recoveries	-	(190,000)	-	-	(34,993)	-	-	-	(224,993)
Write-offs	-	-	(2,328,829)	-	(425,504)	(1,055,231)	(74,640)	(588,389)	(4,472,593)
Foreign exchange movements	(11,876)	(63,158)	(48,189)	(25,258)	(25,874)	(63,780)	(4,658)	(37,031)	(279,824)
	\$ 199,657	\$ 899,081	\$ -	\$ 396,845	\$ -	\$ -	\$ -	\$ -	\$ 1,495,583

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7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation assets in which the Company has committed to earn an interest are located in the United States.

The terms and commitments of the Company with respect to its exploration and evaluation assets are subject to change if and when the Company and its partners mutually agree to new terms and conditions.

The Company has reclamation deposits totaling \$157,957 held with the Bureau of Land Management for certain of its mineral interests (2015 - \$157,957).

Radar, Nevada, USA

Between April and June 2007, claims were staked and registered in the name of an Officer of the Company. On September 10, 2008, the Company and that individual entered into a mining lease agreement which includes a 10-year option for the Company to purchase the claims for a nominal fee.

Additional claims were staked and registered in the name of the Company between April 2008 and January 2009.

On January 1, 2013, the Company entered into a twenty year mining lease and option agreement with Avidian Gold US Inc. ("Avidian") whereby Avidian can acquire certain of the Company's mining claims within the Radar project.

Under the terms of the Agreement, dated January 1, 2013 (the "Effective Date"), the Company will receive the following payments:

Date	Amount
On the Effective Date	\$10,000 (Received)
First anniversary of the Effective Date	\$15,000 (Received \$10,000)
Second anniversary of the Effective Date	\$20,000 (Received)
Third anniversary of the Effective Date	\$25,000 (Outstanding)
Fourth and each subsequent anniversary of the Effective Date	\$30,000

The following work commitments must be incurred by Avidian within the one year period following the Effective Date and each anniversary of the Effective Date ("Lease Year"):

\$50,000 annually during each of the second through fifth Lease Years; (met to date)
\$100,000 annually during each of the sixth through tenth Lease Years; and
\$200,000 annually during each of the remaining Lease Years

At any time during the term of the Agreement, the Radar Claims can be purchased, at the election of Avidian, for a one-time payment of \$500,000. The Company then becomes entitled to receive a royalty equal to 3% of the Net Smelter Returns ("NSR") royalty from the production of minerals on the Radar Claims, which can be reduced to a 1.5% NSR royalty by way of a one-time payment by Avidian of \$1,500,000.

During the year ended December 31, 2015, Avidian cancelled the option agreement with the Company.

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7. EXPLORATION AND EVALUATION ASSETS (cont'd...)Radar, Nevada, USA (cont'd...)

On September 9, 2014 the Company has announced that it has entered into a lease agreement with Gold Resource Corp. ("Gold Resource") with an option to buy certain of the Company's mining claims in the Radar project.

Pursuant to the lease agreement, the Company will grant Gold Resource the initial right to lease certain of the claims (the "Initial Lease Term") within the Radar project for payments as follows:

- i. Payment of \$50,000 on signing (Received);
- ii. Payment of an additional \$100,000 on or before the end of the first lease year (Received);
- iii. Payment of an additional \$150,000 on or before the end of the second lease year;
- iv. Payment of an additional \$200,000 on or before the end of the third lease year;
- v. Payment of an additional \$250,000 on or before the end of the fourth lease year; and
- vi. Payment of an additional \$250,000 on or before the end of the fifth lease year.

In addition, in order to maintain the claims in good standing during the Initial Lease Term, Gold Resource shall incur expenditures in the minimum amount of \$250,000 in each of the first five years.

Upon completion of the Initial Lease Term, Gold Resource will have the right to continue leasing the claims for an additional five years (the "Second Lease Term") by paying \$250,000 on or before the end of years six through ten. In addition, in order to maintain the claims in good standing during the Second Lease Term, Gold Resource shall incur expenditures in the minimum amount of \$250,000 in each of those years.

At any time during the Initial Lease Term or the Second Lease Term, Gold Resource shall have the exclusive right and option to purchase the claims for the sum of \$1,500,000. The Company would retain a 3% NSR royalty on the claims, one-third of which can be purchased by Gold Resource for the sum of \$1,000,000.

During the six months ended June 30, 2016, Gold Resources cancelled the option agreement with the Company.

Venus, Nevada, USA

In April, June, September and December 2007, claims were staked and registered in the name of an Officer of the Company. On September 10, 2008, the Company and that individual entered into a mining lease agreement which includes a 10-year option for the Company to purchase the claims for a nominal fee.

Star Lake, Nevada, USA

In September and December 2007, claims were staked and registered in the name of an Officer of the Company. On September 10, 2008, the Company and that individual entered into a mining lease agreement which includes a 10-year option for the Company to purchase the claims for a nominal fee.

During the year ended December 31, 2014, the Company assessed its Star Lake property for indicators of impairment in accordance with IFRS 6. Due to the economic uncertainty in general, and the downturn in the mining industry in particular, the Company made the decision to significantly reduce future exploration expenditures on the Star Lake property and allowed a number of claims on the property to lapse. As a result of the lack of planned expenditures on the remaining claims on the property, the Company recorded a loss on impairment of \$2,328,829. During the year ended December 31, 2015, the Company has dropped all remaining interest in Star Lake.

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Montelle, Nevada, USA

In December 2007, claims were staked and registered in the name of an Officer of the Company. On September 10, 2008, the Company and that individual entered into a mining lease agreement which includes a 10-year option for the Company to purchase the claims for a nominal fee.

North Star, Nevada, USA

The Company acquired a 100% interest in the North Star property by satisfying the terms of an option agreement in a prior year.

On December 16, 2013, the Company entered into an option agreement (the "New Agreement") with Teck American Incorporated ("Teck") to grant Teck the option to earn up an undivided 70% interest in the North Star project. Under the terms of the New Agreement, the Company grants a First Option to acquire 55% of the North Star project by completing the following:

- i. Making the scheduled remaining payments under the Original Agreement, dated September 30, 2009, totalling \$2,000,000 in cash as follows:
 - \$15,000 on or before the first anniversary of the Original Agreement (Paid);
 - An additional \$25,000 on or before the second anniversary of the Original Agreement (Paid);
 - An additional \$50,000 on or before the third anniversary of the Original Agreement (Paid);
 - An additional \$75,000 on or before the fourth anniversary of the Original Agreement; and
 - An additional \$100,000 on or before the fifth anniversary of the Original Agreement and by every subsequent anniversary of the Original Agreement until paid in full.
- ii. Incurring an aggregate of \$2,500,000 in expenditures over four years under the following schedule:
 - Incur \$400,000 in aggregate expenditures by December 31, 2014 (Incurred);
 - Incur \$1,000,000 in aggregate expenditures by December 31, 2015; and
 - Incur \$ 2,500,000 in aggregate expenditures by December 31, 2017.

To earn an additional 15% (the "Second Option"), Teck shall continue making the scheduled payments under the Original Agreement and incur an additional \$2,500,000 in expenditures (for a total of \$5,000,000 in aggregate expenditures) prior to December 31, 2019. Teck has made all payments required under the original Agreement.

On May 22, 2015 the Company has announced that Teck has withdrawn from the North Star project located in Elko County, Nevada. Teck has transmitted a report and all pertinent data to the Company subsequent to the completion of the 2014 exploration program.

During the year ended December 31, 2015, management decided that it would no longer pursue the North Star property due to difficult economic conditions and no plans to further explore in the near future. As a result, an impairment charge of \$425,504 was recorded to the statement of loss and comprehensive loss.

Black Top, Nevada, USA

In February, March and October 2011, claims were staked and registered in the name of Altan Rio (US) Inc. Further claims were staked in March 2012, and all claims on the property are 100% owned by the Company.

During the year ended December 31, 2015, management decided that it would no longer pursue the Black Top property due to difficult economic conditions and no plans to further explore in the near future. As a result, an impairment charge of \$1,055,231 was recorded to the statement of loss and comprehensive loss.

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7. EXPLORATION AND EVALUATION ASSETS (cont'd...)Marble Station, Nevada, USA

In January 2011, claims were staked and registered in the name of Altan Rio (US) Inc. They are 100% owned by the Company.

During the year ended December 31, 2015, management decided that it would no longer pursue the Marble Station property due to difficult economic conditions and no plans to further explore in the near future. As a result, an impairment charge of \$74,640 was recorded to the statement of loss and comprehensive loss.

Yellow Cone, Nevada, USA

In February 2012, claims were staked and registered in the name of Altan Rio (US) Inc. They are 100% owned by the Company.

During the year ended December 31, 2015, management decided that it would no longer pursue the Yellow Cone property due to difficult economic conditions and no plans to further explore in the near future. As a result, an impairment charge of \$588,389 was taken to the statement of loss and comprehensive loss.

8. LOANS PAYABLE

Loans payable are amounts received from Verite Trust Company Limited, a non-related party and John Jones, a director of the Company. There were no specific terms of interest or repayment on these advances and they are non-interest bearing and unsecured.

9. RELATED PARTY TRANSACTIONS

The financial statements include the financial statements of Altan Nevada Minerals Limited and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Altan Nevada Holdings Limited	Canada	100%	Holding company
Altan Rio (US) Inc.	US	100%	Project exploration

The Company entered into the following transactions with related parties:

- a) Paid or accrued management and consulting fees of \$Nil (2015 - \$40,500) to Evan Jones, President, CEO and director of the Company. At June 30, 2016, the amount payable to him was \$95,000 (December 31, 2015 - \$95,000).
- b) Paid or accrued accounting and administration services of \$17,514 (2015 - \$24,000) to BridgeMark Financial Corp. ("BridgeMark"), a management company controlled by a director and an officer of the Company. At June 30, 2016 the amount payable to BridgeMark was \$48,274 (December 31, 2015 - \$34,105).

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9. RELATED PARTY TRANSACTIONS (cont'd...)

- c) At June 30, 2016 an amount receivable of \$21,294 (December 31, 2015 - \$24,761) was due from Altan Rio Minerals Ltd., a company with directors and officers in common.
- d) At June 30 2016, loans payable includes \$276,150 (December 31, 2015 - \$276,150) owing to John Jones, a director of the Company (Note 8).

These transactions were incurred in the normal course of operations.

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and other members of key management personnel during the six months ended June 30, 2016 and 2015 are as follows:

	2016		2015	
Management and consulting fees	\$	17,514	\$	59,819
Share-based payments ⁽¹⁾		-		3,512
Total	\$	17,514	\$	63,331

⁽¹⁾ share-based payments are the fair value of stock options granted to key management personnel.

10. EQUITY

Authorized share capital

The Company is authorized to issue an unlimited number of common and preferred voting shares without nominal or par value.

Issued share capital

No common shares were issued during the six months ended June 30, 2016 and year ended December 31, 2015.

Share purchase and agents' warrants

The Company has no share purchase warrants outstanding as of June 30, 2016.

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10. EQUITY (cont'd...)**Stock options**

The Company has established a stock option plan (the "Plan") for directors, employees, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Plan, provided that at the time of the grant, the total number of shares so reserved for issuance by the Board shall not exceed the greater of 10% of the issued and outstanding listed shares (on a non-diluted basis) as at the date of grant. Options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years. All stock options issued are subject to vesting terms. Options issued to directors vest in the amount of 33% every six months from the date of grant; and options issued to officers and/or consultants vest between 12 and 24 months depending on date of grant and nature of service. At June 30, 2016, a total of 3,702,960 options were reserved under the option plan with 3,267,100 options outstanding.

	Number of Options	Weighted Average Exercise Price
Outstanding options, December 31, 2014	3,267,100	C\$0.27
Expired/cancelled	(1,104,000)	C\$0.38
Outstanding options, December 31, 2015 and June 30, 2016	2,163,100	C\$0.21

Exercise Price	Outstanding Options June 30, 2016	Exercisable Options June 30, 2016	Average Remaining Contractual Life (Years)	Expiry Date
C\$0.40	803,100	803,100	0.84	February 1, 2017
C\$0.10	1,360,000	1,360,000	2.56	January 23, 2019

On February 1, 2012, the Company granted options to acquire 1,837,100 common shares with an exercise price of C\$0.40 per share. The estimated fair value of the stock options granted was \$564,913 using the Black-Scholes option pricing model. The options fully vested during the year ended December 31, 2014 and a share-based compensation expense of \$17,471 was recognized in the year ended December 31, 2014.

On January 23, 2014, the Company granted options to acquire 1,430,000 common shares with an exercise price of C\$0.10 per share. The estimated fair value of the stock options granted was \$39,817 using the Black-Scholes option pricing model. \$Nil of this fair value was recognized as share-based compensation expense during the six months ended June 30, 2016 due to the vesting provision (2015 - \$3,512).

The fair value of the options being granted as part of share-based compensation, were estimated using the Black-Scholes Pricing Model with the following assumptions:

	June 30, 2016
Estimated risk-free rate	1.60%
Expected volatility	109%
Estimated annual dividend yield	0.00%
Expected life of options	5 years
Fair value per option granted	C\$0.03
Forfeiture rate	0.00%

11. SEGMENT INFORMATION

The Company operates in one business segment, the exploration of exploration and evaluation assets. The Company's exploration activities are centralized whereby management of the Company is responsible for business results and the everyday decision-making. The Company's operations therefore are segmented on a geographic basis.

All of the Company's non-current assets are located in the United States.

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

No significant non-cash transactions for the six months ended June 30, 2016 that affected cash flows from operating, investing and financing activities.

No significant non-cash transactions for the six months ended June 30, 2015 that affected cash flows from operating, investing and financing activities.

13. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. In the management of capital, the Company includes components of equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. The Company is not subject to any externally imposed capital requirements.

There were no changes to the Company's capital management approach during the six months ended June 30, 2016.

14. FINANCIAL INSTRUMENTS

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's cash is held at a large Canadian financial institution. The Company has no investment in asset backed commercial paper. The Company's receivables consist of sales tax receivable due from the Government of Canada. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2016, the Company had a cash balance of \$62,604 (December 31, 2015 - \$116,423) to settle current liabilities of \$744,597 (December 31, 2015 - \$753,157). As disclosed in Note 1, the Company will need to raise additional funds to meet its obligations as they become due.

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14. FINANCIAL INSTRUMENTS (cont'd...)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices and foreign currency fluctuations.

a) Interest rate risk

The Company has cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables, due to/from related parties, accounts payable and accrued liabilities and loans payable that are denominated in Canadian dollars. The Company does not believe it is exposed to significant foreign currency risk.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

The Company operates in the United States and is exposed to risk from changes in the Canadian dollar. A simultaneous 10% fluctuation in the Canadian dollar against the US dollar would affect accumulated other comprehensive loss for the year by approximately \$4,702 (2015 - \$2,738).