

# **IMPACT SILVER CORP.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**September 30, 2017 and 2016**

**Unaudited**

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51 – 102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators **WE HEREBY GIVE NOTICE THAT** the condensed consolidated interim financial statements which follow this notice have not been reviewed by an auditor.

# IMPACT Silver Corp.

## Condensed Consolidated Interim Statements of Financial Position

(Canadian dollars)

Unaudited

<b>ASSETS</b>	<b>September 30, 2017</b>	December 31, 2016
<b>Current</b>		
Cash	\$ 6,005,584	\$ 8,124,563
Trade and other receivables (Note 3)	2,197,749	3,787,648
Inventories (Note 4)	1,129,960	1,016,291
Available for sale investments	464,583	3,750
	<b>9,797,876</b>	12,932,252
<b>Value added and other taxes receivable</b>	<b>505,657</b>	206,087
<b>Property, plant and equipment (Note 5)</b>	<b>22,604,192</b>	21,220,426
<b>Exploration and evaluation assets (Note 6)</b>	<b>21,714,817</b>	20,149,111
<b>Deferred income tax assets</b>	<b>212,988</b>	153,615
	<b>\$ 54,835,530</b>	\$ 54,661,491
<b>LIABILITIES</b>		
<b>Current</b>		
Trade payables and accrued liabilities	\$ 2,430,267	\$ 2,413,017
<b>Reclamation provision</b>	<b>474,389</b>	424,900
<b>Deferred income tax liabilities</b>	<b>4,201,928</b>	4,191,075
	<b>7,106,584</b>	7,028,992
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share capital</b>	<b>59,651,422</b>	59,651,422
<b>Warrants</b>	<b>973,378</b>	973,378
<b>Contributed surplus</b>	<b>6,247,950</b>	5,523,617
<b>Accumulated other comprehensive loss</b>	<b>(5,048,558)</b>	(6,790,133)
<b>Accumulated deficit</b>	<b>(14,095,246)</b>	(11,725,785)
	<b>47,728,946</b>	47,632,499
	<b>\$ 54,835,530</b>	\$ 54,661,491

ON BEHALF OF THE BOARD:

"F.W. Davidson" \_\_\_\_\_, Director

"P. Tredger" \_\_\_\_\_, Director

-The accompanying notes form an integral part of these consolidated financial statements-

# IMPACT Silver Corp.

## Condensed Consolidated Interim Statements of Loss For the Three and Nine months ended September 30

Canadian dollars

Unaudited

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
<b>Revenues</b>	\$ 4,024,384	\$ 4,727,821	\$ 12,215,658	\$ 12,883,715
<b>Expenses</b>				
Operating expenses (Note 8)	3,526,349	3,566,515	10,919,939	9,669,790
Amortization and depletion	711,440	575,343	1,833,013	1,624,966
	<b>4,237,789</b>	4,141,858	<b>12,752,952</b>	11,294,756
<b>Mine operating (loss) income</b>	<b>(213,405)</b>	585,963	<b>(537,294)</b>	1,588,959
<b>General and administrative expenses</b>				
Accounting, audit and legal	50,519	48,381	143,068	148,135
Amortization	9,116	8,681	19,194	20,897
Investor relations, promotion and travel	5,493	6,252	45,622	63,279
Management fees and consulting	36,343	110,308	159,427	222,216
Office, rent, insurance and sundry	56,602	64,047	225,220	226,906
Office salaries and services	150,702	324,095	526,363	653,299
Share-based payments (Note 9(a))	429,249	537,233	724,333	537,233
	<b>738,024</b>	1,098,997	<b>1,843,227</b>	1,871,965
<b>Operating (loss) income</b>	<b>(951,429)</b>	(513,034)	<b>(2,380,521)</b>	(283,006)
<b>Other income (expenses)</b>				
Finance cost	(8,918)	(10,733)	(26,399)	(50,985)
Finance income	11,676	12,568	38,794	18,835
Foreign exchange loss	(131,438)	(24,322)	(610,331)	(697,727)
Other income	(17,065)	(61,768)	42,245	180,716
Gain on disposal of assets	(10,732)	-	317,692	3,629
	<b>(156,477)</b>	(84,255)	<b>(237,999)</b>	(545,532)
<b>(Loss) income before taxes</b>	<b>(1,107,906)</b>	(597,289)	<b>(2,618,520)</b>	(828,538)
Current income tax expense	19,389	30,782	44,855	66,177
Deferred income tax expense (recovery)	(137,355)	50,029	(293,914)	241,517
<b>Net loss</b>	<b>(989,940)</b>	(678,100)	<b>(2,369,461)</b>	(1,136,232)
<b>Loss per share – Basic and Diluted</b> (Note 9(c))	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.01)
Weighted average number of shares outstanding – Basic and Diluted	<b>85,566,840</b>	85,566,840	<b>85,566,840</b>	77,386,514

-The accompanying notes form an integral part of these consolidated financial statements-

# IMPACT Silver Corp.

## Condensed Consolidated Interim Statements of Comprehensive Loss For the Three and Nine months ended September 30

(Canadian dollars)

Unaudited

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
<b>Net loss</b>	<b>\$ (989,940)</b>	<b>\$ (678,100)</b>	<b>\$ (2,369,461)</b>	<b>\$ (1,136,232)</b>
<b>Other comprehensive loss</b>				
<b>Items that may be subsequently reclassified to profit or loss</b>				
Unrealized gain (loss) on investments held as available-for-sale	<b>(152,734)</b>	(1,750)	<b>(147,191)</b>	750
Cumulative translation adjustment	<b>(1,569,617)</b>	(1,289,190)	<b>1,888,766</b>	(6,198,531)
<b>Comprehensive loss</b>	<b>\$ (2,712,291)</b>	<b>\$ (1,969,040)</b>	<b>\$ (627,886)</b>	<b>\$ (7,334,013)</b>

The accompanying notes form an integral part of these consolidated financial statements-

# IMPACT Silver Corp.

## Condensed Consolidated Interim Statements of Changes in Equity

For the Nine months ended September 30

(Canadian dollars)

Unaudited

	Shares Outstanding	Share Capital (\$)	Warrants (\$)	Contributed Surplus (\$)	Accumulated Other Comprehensive Income (\$)	Accumulated Deficit (\$)	Total Shareholders' Equity (\$)
Balance at December 31, 2015	68,128,244	53,495,947	-	4,776,173	759,924	(9,786,507)	49,245,537
Loss for the period	-	-	-	-	-	(1,136,232)	(1,136,232)
Shares issued in relation to private placements	17,438,596	7,620,000	-	-	-	-	7,620,000
Share issue costs	-	(491,147)	-	-	-	-	(491,147)
Warrants issued in relation to private placements	-	(973,378)	973,378	-	-	-	-
Share based compensation expense	-	-	-	537,233	-	-	537,233
Cumulative translation adjustments	-	-	-	-	(6,198,531)	-	(6,198,531)
Unrealized gain on investments	-	-	-	-	750	-	750
<b>Balance at September 30, 2016</b>	<b>85,566,840</b>	<b>59,651,422</b>	<b>973,378</b>	<b>5,313,406</b>	<b>(5,437,857)</b>	<b>(10,922,739)</b>	<b>49,577,610</b>
Balance at December 31, 2016	85,566,840	59,651,422	973,378	5,523,617	(6,790,133)	(11,725,785)	47,632,499
Loss for the period	-	-	-	-	-	(2,369,461)	(2,369,461)
Share based compensation expense	-	-	-	724,333	-	-	724,333
Cumulative translation adjustments	-	-	-	-	1,888,766	-	1,888,766
Unrealized gain on investments	-	-	-	-	(147,191)	-	(147,191)
<b>Balance at September 30, 2017</b>	<b>85,566,840</b>	<b>59,651,422</b>	<b>973,378</b>	<b>6,247,950</b>	<b>(5,048,558)</b>	<b>(14,095,246)</b>	<b>47,728,946</b>

- The accompanying notes form an integral part of these consolidated financial statements -

# IMPACT Silver Corp.

## Condensed Consolidated Interim Statement of Cash Flows

For the Three and Nine months ended September 30

(Canadian dollars)

Unaudited

<b>Cash resources provided by (used in)</b>	For the three months ended September 30		For the nine months ended September 30	
	<b>2017</b>	2016	<b>2017</b>	2016
<b>Operating activities</b>				
Net loss	\$ (989,940)	\$ (678,100)	\$ (2,369,461)	\$ (1,136,232)
Items not affecting cash				
Amortization and depletion	720,556	584,024	1,852,207	1,645,863
Share-based payments expense	429,249	537,233	724,333	537,233
Deferred income taxes (recovery) expense	(137,355)	50,029	(293,914)	241,517
(Gain) loss on disposal of assets	10,732	-	(317,692)	(3,629)
Accretion expense	8,918	9,446	26,399	29,465
(Recovery) write-down of inventory	(67,293)	38,558	2,085	38,558
Unrealized (gain) loss on foreign exchange	(49,174)	18,215	(85,398)	602,619
Changes in non-cash working capital				
Trade and other receivables	(237,494)	(76,123)	864,914	(118,406)
Income taxes receivable	261,340	476,098	663,448	1,053,167
Inventories	63,606	194,237	14,470	120,787
Trade payables	164,188	110,487	(51,540)	743,514
Income taxes payable	15,623	24,980	(7,969)	(168,855)
Due to related party	-	-	-	(1,352,640)
	<b>192,956</b>	1,289,084	<b>1,021,882</b>	2,232,961
<b>Investing activities</b>				
Acquisition of property, plant and equipment	(471,841)	(170,626)	(1,387,965)	(341,777)
Proceeds on sale of assets	-	-	-	6,504
Exploration and evaluation asset expenditures	(507,768)	(528,262)	(1,752,896)	(1,586,046)
	<b>(979,609)</b>	(698,888)	<b>(3,140,861)</b>	(1,921,319)
<b>Financing activities</b>				
Proceeds from private placements, net	-	(139,559)	-	7,128,853
<b>Net change in cash</b>	<b>(786,653)</b>	450,637	<b>(2,118,979)</b>	7,440,495
Cash - Beginning of period	<b>6,792,237</b>	7,707,227	<b>\$ 8,124,563</b>	\$ 717,369
<b>Cash - End of period</b>	<b>\$ 6,005,584</b>	\$ 8,157,864	<b>6,005,584</b>	8,157,864

-The accompanying notes form an integral part of these consolidated financial statements-

# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2017

*(Canadian dollars)*

*Unaudited*

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### **1. Nature of operations**

IMPACT Silver Corp. and its subsidiaries (collectively, “IMPACT” or the “Company”) are engaged in silver mining and related activities including exploration, development and mineral processing in Mexico. The Company operates a series of mines near Zacualpan in the State of Mexico and in Guerrero State and produces silver, lead, zinc and gold sold in the form of lead and zinc concentrates. The Company is exploring for silver, precious metals and other mineral resources on its properties located in Mexico. The registered address of the Company is 1100 – 543 Granville Street, Vancouver, British Columbia.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the current exploration and development programs will result in ongoing profitable mining operations. The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company’s assets. The recovery of the Company’s investment in these exploration and evaluation assets and the attainment of profitable operations are dependent upon future commodity prices, the ongoing discovery and development of economic ore on these properties and the ability to arrange sufficient financing to bring the ore estimates into production. The ultimate outcome of these matters cannot presently be determined because they are contingent on future events.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future.

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### **2. Basis of preparation**

#### **Statement of compliance**

The Company’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. All material intercompany balances have been eliminated. The accounting policies applied in the preparation of these unaudited condensed financial statements are consistent with those applied and disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2016. As all the disclosures required by IFRS are not included, these interim statements should be read in conjunction with the audited financial statements of IMPACT Silver Corp. (“the Company”) for the year ended December 31, 2016.

Except when otherwise stated, all amounts are presented in Canadian (“CDN”) dollars, which is the presentation currency of the Company.

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on November 20, 2017.

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# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2017

(Canadian dollars)

Unaudited

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### 3. Trade and other receivables

The following table details the composition of trade and other receivables at:

	<b>September 30, 2017</b>	December 31, 2016
Value added and other taxes receivable – current portion	<b>\$ 588,151</b>	\$ 1,619,702
Trade and other receivables	<b>1,432,327</b>	2,022,956
Prepays	<b>177,271</b>	144,990
Total trade and other receivables	<b>\$ 2,197,749</b>	\$ 3,787,648

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### 4. Inventories

The following table details the composition of inventories at:

	<b>September 30, 2017</b>	December 31, 2016
Materials and supplies	<b>\$ 499,690</b>	\$ 636,170
Stockpile inventory	-	7,907
Concentrate inventory	<b>630,270</b>	372,214
Total inventories	<b>\$ 1,129,960</b>	\$ 1,016,291

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# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2017

(Canadian dollars)

Unaudited

### 5. a) Property, plant and equipment

	Plant and mine equipment (\$)	Vehicles (\$)	Office furniture and equipment (\$)	Surface rights (\$)	Mining Assets (\$)	Total (\$)
<b>Cost</b>						
Balance at December 31, 2015	10,884,333	491,199	232,315	1,344,999	28,646,712	<b>41,599,558</b>
Additions	548,533	59,927	7,051	-	1,269,040	<b>1,884,551</b>
Transfers	-	(7,374)	(8,639)	(18,417)	-	<b>(34,430)</b>
Disposals	-	-	-	-	(141,521)	<b>(141,521)</b>
Foreign exchange movement	(2,067,195)	(93,870)	(24,271)	(257,034)	(4,932,899)	<b>(7,375,269)</b>
Balance at December 31, 2016	9,365,671	449,882	206,456	1,069,548	24,841,332	<b>35,932,889</b>
Additions	76,326	12,610	10,812	-	1,254,827	<b>1,354,575</b>
Transfers	-	-	-	-	983,497	<b>983,497</b>
Disposals	(886,009)	-	-	-	-	<b>(886,009)</b>
Foreign exchange movement	511,345	24,740	5,812	58,817	1,209,263	<b>1,809,977</b>
<b>Balance at September 30, 2017</b>	<b>9,067,333</b>	<b>487,232</b>	<b>223,080</b>	<b>1,128,365</b>	<b>28,288,919</b>	<b>39,194,929</b>
<b>Accumulated amortization</b>						
Balance at December 31, 2015	4,778,127	383,341	168,362	-	9,697,613	<b>15,027,443</b>
Amortization for the period	875,649	42,124	17,797	-	1,474,990	<b>2,410,560</b>
Disposals	-	(4,916)	(5,388)	-	-	<b>(10,304)</b>
Foreign exchange movement	(982,711)	(75,822)	(17,445)	-	(1,639,258)	<b>(2,715,236)</b>
Balance at December 31, 2016	4,671,065	344,727	163,326	-	9,533,345	<b>14,712,463</b>
Amortization for the period	602,622	15,499	9,973	-	1,302,614	<b>1,930,708</b>
Disposals	(735,704)	-	-	-	-	<b>(735,704)</b>
Foreign exchange movement	249,275	18,459	4,292	-	411,244	<b>683,270</b>
<b>Balance at September 30, 2017</b>	<b>4,787,258</b>	<b>378,685</b>	<b>177,591</b>	<b>-</b>	<b>11,247,203</b>	<b>16,590,737</b>
<b>Net book value</b>						
December 31, 2016	4,694,606	105,155	43,130	1,069,548	15,307,987	<b>21,220,426</b>
<b>September 30, 2017</b>	<b>4,280,075</b>	<b>108,547</b>	<b>45,489</b>	<b>1,128,365</b>	<b>17,041,716</b>	<b>22,604,192</b>

### b) Sale of Zacatecas assets

On June 5, 2017, the Company completed the sale of its non-active Zacatecas assets to Endeavour Silver Corp. for 154,321 common shares valued at \$0.6 million. The Zacatecas assets consist of 10 mineral concessions covering 152 hectares, 14 hectares of surface rights, the old inactive Santa Gabriela 200 tonne per day processing plant and tailings facilities. The Company recorded a gain on sale of assets of \$0.3 million.

# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2017

(Canadian dollars)

Unaudited

### 6. Exploration and evaluation assets

Balance at December 31, 2015	\$	22,622,890
Additions		1,067,683
Write down		(40,822)
Foreign exchange		(3,500,640)
Balance at December 31, 2016	\$	<b>20,149,111</b>
Additions		<b>1,826,100</b>
Transfers		<b>(982,224)</b>
Disposals		<b>(145,956)</b>
Foreign exchange		<b>867,786</b>
Balance at September 30, 2017	\$	<b>21,714,817</b>

### 7. Key management personnel compensation

Key management includes the Chief Executive Officer, Chief Financial Officer, Vice-President Exploration and Board of Directors. The remuneration of directors and other members of key management personnel for the nine months ended September 30 are as follows:

	2017		2016	
Salaries and fees	\$	<b>288,288</b>	\$	448,838
Share based compensation		<b>423,983</b>		317,718
Total compensation	\$	<b>712,271</b>	\$	766,556

### 8. Expenses by nature

The following table details the nature of expenses within operating expenses as at:

	Three months ended September 30		Nine months ended September 30					
	2017	2016	2017	2016				
Production costs	\$	<b>1,821,147</b>	\$	1,934,338	\$	<b>5,906,039</b>	\$	5,020,690
Administration		<b>152,101</b>		169,591		<b>550,768</b>		473,108
Transportation		<b>149,898</b>		136,763		<b>450,045</b>		371,503
Wages and salaries		<b>1,403,203</b>		1,325,823		<b>4,013,087</b>		3,804,489
Total operating expenses	\$	<b>3,526,349</b>	\$	3,566,515	\$	<b>10,919,939</b>	\$	9,669,790

### 9. Equity

#### a) Stock options

The Company has established a stock option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Under the terms of the Company's stock option plan, the maximum number of shares reserved for issuance is 10% of the issued shares of the Company on a rolling basis. Options granted must be exercised no later than five years from date of grant or extension or such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant.

# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2017

(Canadian dollars)

Unaudited

### 9. Equity – continued

#### a) Stock options – continued

On September 21, 2017, the Company granted stock options under its Stock Option Plan to directors, officers, employees and consultants exercisable for up to 1,900,000 shares of the Company. The options are exercisable on or before September 20, 2022 at a price of \$0.35 per share. Options vest 100% on the date granted.

On July 28, 2016, the Company granted stock options under its Stock Option Plan to directors, officers, employees and consultants exercisable for up to 1,860,000 shares of the Company. The options are exercisable on or before July 27, 2021 at a price of \$0.98 per share. Options vest 25% on the date granted and 25% every six months thereafter.

The Black Scholes Option Pricing Model was used to estimate the fair value of stock options for calculating stock-based compensation expense. The Company recognized a stock-based compensation expense and an increase to contributed surplus based on a grading vesting schedule using the following assumptions:

Date Granted	September 21, 2017	July 28, 2016
Number of options granted	1,900,000	1,860,000
Risk-free interest rate	1.58%	0.57%
Expected dividend yield	Nil	Nil
Expected share price volatility	104.16%	106.62%
Expected option life in years	3	3

The expected volatility is based on the historical and implied volatility of the Company's common share price on the TSX Venture Exchange. The risk-free interest rate assumption is based on the Bank of Canada marketable bonds with a remaining term equal to the stock options' expected life. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

The total fair value of share-based payment expense on stock options granted to employees and consultants of the Company for the nine months ended September 30, 2017 is \$0.7 million respectively (September 30, 2016 - \$0.5).

A summary of the Company's stock options as at September 30, 2017 and the changes for the periods ended on these dates is as follows:

	Number	Weighted Average Exercise Price (\$)
At December 31, 2015	4,865,000	1.26
Granted	1,860,000	0.98
Forfeited	(20,000)	1.20
Expired	(1,660,000)	1.85
At December 31, 2016	5,045,000	0.96
Granted	1,900,000	0.35
Forfeited	(40,000)	1.20
At September 30, 2017	<b>6,905,000</b>	<b>0.79</b>

# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2017

(Canadian dollars)

Unaudited

### 9. Equity – continued

#### a) Stock options – continued

The following table summarizes information about the stock options outstanding at September 30, 2017:

Exercise Price Per Share	Number of Options Outstanding	Weighted Average Remaining Life (Years)	Number of Options Exercisable	Expiry Date
\$1.20	1,935,000	0.31	1,935,000	January 22, 2018
\$0.55	1,210,000	1.27	1,210,000	January 6, 2019
\$0.98	1,860,000	3.82	1,395,000	July 27, 2021
\$0.35	1,900,000	4.98	1,900,000	September 20, 2022
	<b>6,905,000</b>	<b>2.71</b>	<b>6,440,000</b>	

#### b) Warrants

A summary of the Company's warrants as at September 30, 2017 and the changes for the periods ended on these dates is as follows:

	Number	Weighted Average Exercise Price (\$)
At December 31, 2015	-	-
Issued	4,385,965	0.90
At December 31, 2016	4,385,965	0.90
<b>At September 30, 2017</b>	<b>4,385,965</b>	<b>0.90</b>

The fair value of the services provided cannot be reliably measured; therefore, the fair value of each warrant granted is estimated at the time of grant using the Black-Scholes option pricing model with assumptions as follows:

Date Granted	May 27, 2016	June 3, 2016	June 10, 2016	June 17, 2016
Number of warrants granted	2,220,000	697,600	1,250,150	218,215
Risk-free interest rate	0.64%	0.51%	0.50%	0.52%
Expected dividend yield	Nil	Nil	Nil	Nil
Expected share price volatility	116.90%	117.29%	115.48%	113.19%
Expected warrant life in years	1.5	1.5	1.5	1.5

Pricing models require the input of highly subjective assumptions including the expected share price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's warrants.

#### c) Loss per share

Details of the calculation of earnings per share are set out below for:

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Net loss attributable to shareholders	\$ (989,940)	\$ (678,100)	\$ (2,369,461)	\$ (1,136,232)
Weighted average number of shares outstanding - Basic and diluted	<b>85,566,840</b>	85,566,840	<b>85,566,840</b>	77,386,514
Loss per share – Basic and diluted	<b>(0.01)</b>	(0.01)	<b>(0.03)</b>	(0.01)

# IMPACT Silver Corp.

## Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2017

(Canadian dollars)

Unaudited

### 9. Equity – continued

### 10. Segmented information

The Company has one operating segment and three reportable segments based on geographic area: Mexico, the Caribbean, and Canada (Corporate). The segments are determined based on the reports reviewed by the Chief Executive Officer (who is considered the Chief Operating Decision Maker) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Details are as follows:

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Revenues by geographic area				
Mexico	<b>\$ 4,024,384</b>	\$ 4,727,821	<b>\$ 12,215,658</b>	\$ 12,883,715
Net earnings (loss) by geographic area				
Mexico	<b>\$ (243,961)</b>	\$ 349,604	<b>\$ (649,452)</b>	\$ 557,758
Canada	<b>(745,979)</b>	(1,027,704)	<b>(1,720,009)</b>	(1,693,990)
	<b>\$ (989,940)</b>	\$ (678,100)	<b>\$ (2,369,461)</b>	\$ (1,136,232)
Assets by geographical area			<b>September 30, 2017</b>	December 31, 2016
Mexico			<b>\$ 48,696,045</b>	\$ 47,917,304
Canada			<b>6,139,485</b>	6,744,187
			<b>\$ 54,835,530</b>	\$ 54,661,491
Property, plant and equipment by geographical area				
Mexico			<b>\$ 22,584,946</b>	\$ 21,203,676
Canada			<b>19,246</b>	16,750
			<b>\$ 22,604,192</b>	\$ 21,220,426