



INTERIM QUARTERLY HIGHLIGHTS

SEPTEMBER 30, 2016

Iberian Minerals Ltd.
Quarterly Highlights
Nine months ended September 30, 2016

Introduction

This Interim Quarterly Highlights has been prepared to provide material updates and analysis of the business operations, financial condition, financial performance, cash flows, liquidity, and capital resources of Iberian Minerals Ltd. and its subsidiaries (“Iberian” or the “Company”).

The information provided herein should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements and the notes thereto for the nine months ended September 30, 2016 and the Annual MD&A for the year ended December 31, 2015.

The statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

Iberian Minerals is listed on the TSX Venture Exchange under the symbol “IML” and on the OTCQB Exchange under the symbol “SLDRF”. The Company is engaged in the development and deployment of innovative mining technologies and the exploration, acquisition and development of mineral properties. For the purposes of this report Iberian is classified as a “venture issuer” for the purposes of National Instrument 51-102.

Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars. The effective date of this report is November 17, 2016.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See “Forward-Looking Information and Statements” herein.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Corporate Overview

In late 2015, the Company implemented a strategy to pursue and investigate a new paradigm being created in the mining sector to complement its Spanish mineral assets and current business model.

In December 2015, the Company acquired Mineworx Technologies Inc., who has developed the HM X-tract, a unique, patent-pending, portable, heavy mineral extraction process and an innovative new business model for the gold and precious metals mining sector. Mineworx operates as a 100% wholly owned subsidiary of Iberian Minerals.

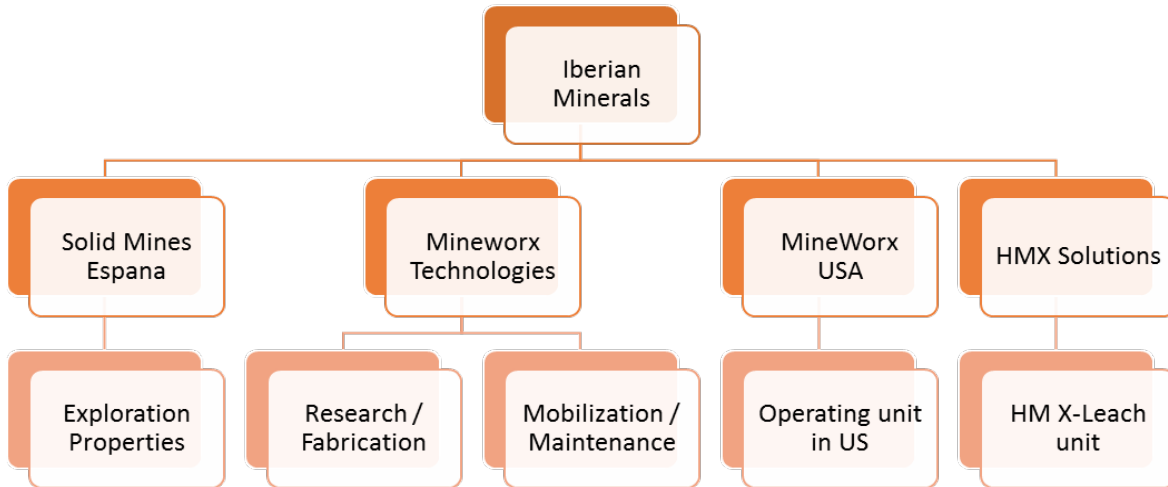
The Mineworx unique business model is to seek out advanced-stage mineral deposits on which to employ its portable processing technologies, and to partner with the existing owners and operators to advance these deposits to profitable production in a timely and cost effective manner. The model offers operators accelerated production timelines, lower cut off grades, reduced infrastructure, shorter permitting periods, improved market valuations, lower operating costs, lower environmental impact and lower economic risks.

The unique, integrated water clarification and filtration technologies allow operators to recycle most of the process water used at a typical mine site. This conserves water, minimizes environmental discharge and significantly reduces or eliminates the necessity for tailings ponds.

During 2016, the Company developed an environmentally friendly lixiviant product (HM X-leach) and created the company HMX Solutions Ltd. to commercialize the development of HM X-leach solution.

As a result of these actions the Company revised the corporate structure as detailed in the following table, which includes the primary role of each of the entities:

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Overall Performance

Considerable time has been spent sourcing and evaluating future alluvial and hard rock deposits, primarily in the southwestern U.S. The company initially signed an Operating Agreement with Vulture Peak Gold and mobilized on site in June to begin commercial production with its first HM X-tract unit designed for alluvial/placer deposits. Additionally, it was intended to mobilize its second-generation hard rock HM X-tract units, that include the new HM X-mill component, of which the first is nearing completion. The intention was also to use the site to commercially test a pilot plant for the HM X-leach system when ready for installation.

In Q3 foreclosure proceedings were initiated by Vulture Peak Gold's prime lender on the property. Production is currently suspended on the site however the company was able to perform three months of internal due diligence including testing and assay confirmations along with detailed costing and revenue analysis. The prime lender received title to the property, the mining concessions, and assets on September 29, 2016. The company is now in negotiations with the prime lender for a 100% purchase scenario of the property and assets.

The new lab facility in Coquitlam is working in two areas: mine site data analysis pertaining to present and future HM X-tract operations; and secondly, an environmentally friendly lixiviant product (HM X-leach) that will be competing directly with cyanide applications for gold and precious metal processing. A patent application for the solution was filed with the United States Patent and Trademark office.

Activity is slowly and methodically advancing the Spanish assets. All necessary documentation to increase the size of the Cehegin iron ore concession has been submitted. As well, the work necessary to submit for a work/drill program permitting was completed.

The legal assessment and project due diligence on the Aroche Wollastonite project was completed and are awaiting acceptance of the revised offer. Once accepted the necessary permitting steps will be undertaken to advance the project towards production.

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Summary of Quarterly Results

The following financial data is selected information for the Company for the eight most recently completed financial quarters:

	Sept 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sept 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Income (loss) for the period	(1,076,183)	(718,025)	(758,174)	(593,166)	(53,093)	(895,037)	1,202,720	(366,692)
Income (loss) per share (basic & diluted)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	0.01	(0.00)
Cash Balance	969,274	2,084,152	3,429,856	4,166,361	4,946,410	5,401,330	684,148	52,824

Fluctuations in the Company's expenditures reflect the variations in the timing of exploration activities and general corporate operations, and the timing of share-based payments and write-down of certain exploration and evaluation assets.

Financial results

The Company had no operating revenue for the nine months ended September 30, 2016 and 2015. For the nine months ended September 30, 2016, the Company incurred a net loss of \$2,552,382 compared to a net income of \$254,590 for the nine months ended September 30, 2015. The net loss is a result of increased spending on wages, administration, and project investigations as compared to the gain record on the sale of the Alberta-1 property in 2015. These increased costs are a result of the planning work that is continuing to bring the technology acquired in the Mineworx transaction into commercial production.

The start-up of the Mineworx's operation and mobilization on the Vulture Peak Gold site created increased costs in travel \$252,283 (2015 - \$101,185), project costs \$427,700 (2015 - \$nil), and employee costs \$655,075 (2015 - \$224,000) as compared to the same period in 2015.

These increased costs were partially offset by reductions in consulting services \$267,348 (2015 - \$569,239), investor relations \$67,579 (2015 - \$107,442), and listing fees \$15,632 (2015 - \$31,249) due to decreased activity in Spain and 2015 included costs associated with the attempt to list on the AIM market.

Share-based payments of \$23,223 was for unamortized options granted in 2015 as no new options were issued during the nine months ended September 30, 2016. The \$371,466 in 2015 related to 4,850,000 options issued.

\$448,880 in Amortization was charged in the nine months ending September 30, 2016 (2015 - \$nil) related to the equipment and technology acquired in the Mineworx transaction.

Foreign exchange loss was \$129,644 for the nine months ended September 30, 2016 from a foreign exchange gain of \$290,446 for the nine months ended September 30, 2015. The exchange rate changes are due to fluctuations in the Euro and US dollar in 2016, while only the Euro in 2015.

Quarterly Information

The loss of \$1,076,183 in quarter ending September 30, 2016 was more than the loss of \$53,093 for the same period in 2015.

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Increases in management and employee costs \$271,355 (2015 - \$68,750), project costs \$193,894 (2015 - \$nil), travel \$102,908 (2015 - \$46,144), and amortization \$167,308 (2015 - \$nil) were offset by the reduced use of consultants and professionals \$145,638 (2015 - \$273,194), reduced Investor relations costs \$43,382 (2015 - \$56,005), and share-based payments \$1,786 (2015 - \$82,270).

The other items affecting the increase in the loss was a foreign exchange loss of \$129,004 in 2016 compared to gains of \$350,843 for foreign exchange and \$144,970 for the sale of the Alberta 1 property in 2015.

Exploration and Evaluation Assets

For the nine months ended September 30, 2016, the Cehegin total expenditures were \$51,902 (2015 - \$330,780), comprised of geological fees and expenses of \$30,789, mining rights and taxes of \$10,306, drilling, sampling and assay of \$10,806.

The Sierra de Caurío project's total expenditures were \$45,207 (2015 - \$231,000) comprised primarily of \$42,038 for mining right and taxes.

Assets

For the nine months ended September 30, 2016, the expenditures on equipment was \$966,851 (2015 - \$nil). These expenditures were related to the work completed to date of the second-generation HM X-tract machine, \$777,531, \$166,729 was for equipment required to operate on the Vulture Peak Gold site, and remaining was for the opening of offices and facilities. \$483,452 (2015 - nil) was spent on the development of the HM X-leach solution.

Liquidity and Capital Resources

At September 30, 2016, the Company's cash position was \$969,274 (December 31, 2015 - \$4,166,361) and the working capital was \$463,768 as compared to working capital of \$3,863,420 at December 31, 2015.

Net cash used in operating activities for the nine months ended September 30, 2016 was \$1,809,642 (2015 - \$1,250,758), which relates primarily to project costs and general and administrative expenses.

Net cash used in investing activities for the nine months ended September 30, 2016 was \$1,552,189 (2015 - provided \$6,319,713). The primary use of these funds was the construction of the second HM X-tract machine and development of the HM X-leach solution as compared to receiving the proceeds from the sale of the Alberta-1 property in 2015.

Net cash provided by financing activities for the nine months ended September 30, 2016 was \$168,568 (2015 - used \$31,755) was the exercising of warrants \$232,050 (2015 - \$nil) offset by partial repayment of loans acquired in the Mineworx transaction (2015 - \$nil). The 2015 use of cash was primarily the result of issuance of shares on private placement of \$600,000, net of share issuance costs of \$6,755, a debenture repayment of \$625,000.

The Company is in an exploration phase and is not generating revenue as yet, it is expected that the working capital balance will follow a cycle of reduction and replenishment. Management currently follows a policy of raising only sufficient capital to carry out its near term plans. This policy is meant to minimize dilution of shareholders' positions by raising capital when the stock price is at higher levels.

Capital Commitments

The Company had no commitments for property and equipment expenditures for fiscal 2016. The Company expects that any property and equipment expenditures incurred, based on future needs, will be funded from working capital and/or from operating or capital leases.

Proposed Transactions

There are no disclosable transactions that the board of directors or senior management are aware of.

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Outstanding Share Data

Authorized share capital

Unlimited number of common shares without par value.

Common shares

At September 30, 2016, there were 246,795,080 issued and fully paid common shares.

Stock options

At September 30, 2016 there were 20,500,000 stock options outstanding; of which 20,500,000 are exercisable at weighted average price of \$0.11.

Warrants

At September 30, 2016 there were 20,226,667 warrants outstanding and exercisable at weighted average exercise price of \$0.20. During the period 10,541,667 warrants that were set to expire had their expiry date extended until January 7, 2017.

Agent's warrants

At September 30, 2016, there were no finders' warrants outstanding. 218,050 finders' warrants with weighted average exercise price of \$0.26 expired during the period.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Forward-Looking Information and Statements

This information contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this information contains forward-looking statements relating to: the future opportunities for the Company; the business strategy of the Company; and the competitive advantage of the Company.

In addition, forward-looking statements regarding the Company are based on certain key expectations and assumptions of the Company concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of services, the ability to obtain financing on acceptable terms, the actual results of exploration projects being equivalent to or better than estimated results in technical reports or prior exploration results, and future costs and expenses being based on historical costs and expenses, adjusted for inflation, all of which are subject to change based on market conditions and potential timing delays. Although management of the Company consider these assumptions to be reasonable based on information currently available to them, these assumptions may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from the Company's beliefs, plans, objectives

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and expectations, including, among other things: general economic and market factors, including business competition, changes in government regulations or in tax laws; the early stage development of the Company and its projects; general political and social uncertainties; commodity prices; the actual results of current exploration and development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. These factors should not be considered exhaustive. Many of these risk factors are beyond the Company's control and each contributes to the possibility that the forward-looking statements will not occur or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent and management's future course of action depends upon the Company's assessment of all information available at that time.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included are made as of the date of this information and the Company does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

Risk and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating metal prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance nor are they inclusive of all the risks and uncertainties the Company may be subject to as other risks may apply: the risks associated with our dependence on the Sierra de Caurio and the Cehegín Iron Ore Concessions in Spain; geological exploration and development; changes in law, unrest and political instability; environmental permits for development of the Company's properties cannot be obtained or renewed on terms satisfactory to the Company and other land title permitting and licensing risks; continued negative operating cash flow and the availability of additional funding as and when required; infrastructure; inflation; governmental regulation; environmental; hazards, insurance; uninsured risks; competition; currency fluctuations; labour and employment; joint ventures; contract repudiation; dependence on key management personnel and executives; and litigation risks.

Additional Information

The Company's publicly filed documents are available on SEDAR at www.sedar.com and more information is also available on Company's website at www.iberianminerals.ca.