



INTERIM QUARTERLY HIGHLIGHTS

MARCH 31, 2017

Iberian Minerals Ltd.
Quarterly Highlights
Three months ended March 31, 2017

Introduction

This Interim Quarterly Highlights Report 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 three months ended March 31, 2017, and the Annual MD&A for the year ending December 31, 2016.

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 May 26, 2017.

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 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.

As part of the strategic review the Company decided to spin out the HM X-leach technology to the newly formed public entity Enviroleach in the first quarter of 2017. This transaction allows for the shareholders of Iberian to continue to share in the promising upside of the technology while the Company focuses on the development of the Mineworx business model.

Overall Performance

On March 15, 2017, the Company received a final order from the Alberta Court of Queen’s Bench on the plan of arrangement involving Iberian, shareholders of Iberian and Enviroleach Technologies Inc. The plan of arrangement involves the spin-out of the Iberian technology rights to EnviroLeach Technologies Inc. and the distribution to Iberian shareholders of 26,000,000

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common shares of Enviroleach Technologies Inc. The plan of arrangement was approved by shareholders at the Company's Special Meeting held on March 14, 2017.

Under the terms of the Arrangement Agreement, through a statutory plan of arrangement under the Business Corporations Act (Alberta) (the "Arrangement"), Iberian shall transfer the Technology to EnviroLeach in exchange for total compensation of \$8,600,000 comprised of:

- i) 28 million common shares of EnviroLeach Technologies Inc.,
- ii) promissory notes in the amount of \$1,600,000 made by EnviroLeach in favour of the Company. \$600,000 is due by June 2017 and the remaining \$1,000,000 is due in two years and carries a 5% interest rate.
- iii) The Company will retain a license agreement in perpetuity for the EnviroLeach, patent-pending, non-cyanide gold leaching solution.

The Arrangement was completed on March 21, 2017, the company completed a plan of arrangement and distributed 26,000,000 Enviroleach Technologies Inc. to the company shareholders of record on March 21, 2017 as a return of capital dividend with a deemed price of \$0.25 per Enviroleach Technology Inc. share.

The Company spent the first quarter reviewing how to best incorporate the HM X-leach solution into the technologies it has developed to meet client expectations. In addition, considerable time and effort has been spent working with EnviroLeach on the engineering and design requirements for initial pilot plant fabrication and operation for both the mining and E-waste industry sectors.

All necessary documentation to increase the size of the Cehegin iron ore concession has been submitted. The work necessary to submit for a work/drill program permitting was completed. As part of this process the Company was required to post additional security of \$202,164, this was completed in the first three months of 2017.

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.

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	Sept 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sept 30, 2015	Jun 30, 2015
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Income (loss) for the period	(1,076,183)	(4,256,113)	(1,076,183)	(718,025)	(758,174)	(593,166)	(53,093)	(895,037)
Income (loss) per share (basic & diluted)	(0.00)	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)
Cash Balance	969,274	1,039,267	969,274	2,084,152	3,429,856	4,166,361	4,946,410	5,401,330

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Fluctuations in the Company's expenditures reflect the variations in the timing of exploration and development 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 three months ended March 31, 2017 and 2016. For the three months ended March 31, 2017, the Company incurred net income of \$7,731,172 compared to a net loss of \$758,174 for the three months ended March 31, 2016. The net income primarily resulted from the \$7,965,551 gain on the sale of the HM X-leach technology to Enviroleach Technologies Inc. as compared to spending on project investigations in the same period in 2016.

Total expenses of \$350,767 related general administration and sales in the three months ending March 31, 2017 (2015 - \$654,660). All expense categories were reduced compared to the previous year as the Company was working on processes to integrate the current Mineworx technologies with Enviroleach and the HM X-leach product. In 2015, a large portion of the costs related to investigating and preparing potential operating sites.

No stock options were issued or vested in the three months ending March 31, 2017. In 2016, there was \$15,605 on options that vested.

\$179,929 in amortization was charged in the three months ending March 31, 2017 (2016 - \$118,656) related to the equipment and technology acquired in the Mineworx transaction. The increase is a result of the prototype HM X-tract did not start depreciating until the second quarter of 2016.

Foreign exchange gain was \$828 for the three months ended March 31, 2017 compared to a foreign exchange gain of \$14,066 for the three months ended March 31, 2016. The reduced amount foreign exchange results from the decreased amount of assets and liabilities held in Euros and USD as compared to previous years.

Exploration and Evaluation Assets

For the three months ended March 31, 2017, the Cehegin total expenditures were \$28,948 (2016 - \$28,452), comprised of geological fees and expenses of \$1,632, mining rights and taxes of \$919, drilling, sampling and assay of \$12,527.

Assets

For the three months ended March 31, 2017, the expenditures on equipment was \$931,400 (2016 - \$314,557). The 2017 expenditures were for tooling used in the Mineworx fabrication shop.

Liquidity and Capital Resources

At March 31, 2017, the Company's cash position was \$736,161 (December 31, 2016 - \$1,039,267) and the working capital was \$1,566,818 as compared to working capital of \$915,805 at December 31, 2016. Working capital increased with the inclusion of the 2,000,000 Enviroleach shares on the balance sheet. The Company plans to hold these shares until the Companies cash requirements determine selling the shares would be the best option or the market conditions dictate that it is to the Companies advantage to sell the shares.

Net cash used in operating activities for the three months ended March 31, 2017 was \$654,890 (2016 - \$577,023), which relates primarily to project costs and general and administrative expenses. The increase in cash usage was a result of the government requirement to provide increased financial security (\$202,486) on the Cehegin project.

Net cash used in investing activities for the three months ended March 31, 2017 was \$44,216 (2016 - \$343,050). The company spent less on Mineworx related equipment as compared 2105 and received proceeds of \$8,500 for selling a redundant vehicle.

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Net cash provided by financing activities for the three months ended March 31, 2017 was \$396,000 (2016 – \$183,568). The exercising of warrants \$295,000 (2015 - \$232,050) and options \$151,000 (2015 - \$nil) was offset by a \$50,000 repayment of loans acquired in the Mineworx transaction (2015 - \$48,482).

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 2017. 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.

Outstanding Share Data

Authorized share capital

Unlimited number of common shares without par value.

Common shares

At March 31, 2017, there were 276,775,080 issued and fully paid common shares.

Stock options

At March 31, 2017, there were 20,895,000 stock options outstanding and exercisable at weighted average price of \$0.10.

Warrants

At March 31, 2017, there were 42,276,667 warrants outstanding and exercisable at weighted average exercise price of \$0.15. During the period 7,000,000 warrants that were set to expire had their expiry date extended until February 16, 2018 and 2,685,000 warrants that were set to expire had their expiry date extended until March 6, 2018.

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

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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 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

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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.