

NATIONAL INSTRUMENT 43-101

**TECHNICAL REPORT ON THE
CERRO HERMOSO GOLD-POLYMETALLIC PROPERTY**

Department of Puno, Peru

Prepared for:

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1.0 SUMMARY

1.1 Introduction

Miramont Resources Corporation (“Miramont”), issuer of this report, contracted the author to prepare an independent technical report on the Cerro Hermoso Property (“Property”) in compliance with disclosure and reporting requirements set forth in National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). Basis for this report are geological and geochemical studies completed by previous operators on the Property, geological investigations by independent academics, historical mine production data from the Property and adjacent mining operations, preliminary results from geological and geochemical studies underway by Puno Gold Corporation (“Puno Gold”), and a brief field visit to the Property by the author.

Miramont has entered into a Share Exchange Agreement with Puno Gold and its shareholders pursuant to which Miramont will acquire all of the issued and outstanding shares of Puno Gold. Puno Gold, through its wholly owned Peruvian subsidiary, Minera Puno Gold S.A.C., holds the rights to acquire the Property.

The author visited the Property for three days from April 27 to 29, 2017, accompanied by Puno Gold personnel.



Figure 1. Location map of Cerro Hermoso Project, Department of Puno, southern Peru

1.2 Definition and Tenure of Cerro Hermoso Property

The Property is located in the Department of Puno, Peru, at a distance 60 kilometers west-southwest of the city of Juliaca (Figure 1) along a two-lane paved highway connecting the cities of Arequipa and Juliaca, and 5 km northwest of the small town of Santa Lucia located along the same highway. Elevations on the Property range from 4,070 – 4,400 m.a.s.l. from river valley to the top of Cerro Hermoso.

Water for exploration work is readily available from the Verde River flowing through the Property, subject to required permitting. The nearest point to connect the Property to the national power grid three-phase system is 6 km away near Santa Lucia.

The Property is comprised of two titled mining concessions covering a total of 988.69 Has. Titles to these two mining concessions are held by the company *Empresa Minera Paredes Hermanos S.A.C.*, and by a Peruvian citizen. In 2011, these titleholders entered into an agreement with *Corporación Minera Kcoriwasi S.A.C.* (“Kcoriwasi”), a Peruvian corporation, that gave an 88% working interest in both concessions to Kcoriwasi for the purpose of developing and producing from a small mine on the Property and sharing 12% of the profits with the Paredes. Puno Gold’s Peruvian counsel has provided a title opinion on these mineral concessions and on the Kcoriwasi – Paredes contracts and found them to be in good order.

Puno Gold executed an option-to-purchase contract on 27-September 2016 for the two mining concessions that includes the current titleholders of the concessions and Kcoriwasi. Provisions of this contract will cede all rights – those rights provided to holders of mineral concessions in Perú and any contractual rights per the Kcoriwasi contract – to Puno Gold upon exercise of the option.

The Puno Gold contract requires certain option and royalty payments to be made to Kcoriwasi et al. The contract’s schedule of option payments totals US\$3,500,000 over 4 years. The first two payments totaling US\$100,000 have been paid as of this writing.

Puno Gold would also be required to pay a 1% production royalty on Net Smelter Return capped at US\$5,000,000.

Beginning in 2012, Kcoriwasi obtained all mining permits required to commence mining operations on a small scale (< 350 tpd) on the Property: Declaration of Environmental Impact (DIA), Certificate for Mining Operations (COM), and a water permit. None of these permits remain in effect.

Puno Gold holds surface lease contracts with local residents who control three parcels of land over portions of the Property. In parallel, Kcoriwasi holds surface lease contracts for three other parcels. Together, the six parcels leased by Puno Gold and Kcoriwasi form a contiguous block of 505.93 hectares covering all areas currently envisioned as exploration targets.

The total annual cost to maintain these surface leases is approximately US\$ 9,600 at present exchange rates. One contract also includes a 1% Net Profits Royalty on any mineral production

from subsurface below the lessor's respective surface rights area. Also, one Kcoriwasi lease contract allows Kcoriwasi to choose a 4 Has. lot within the lessor's parcel to locate a mineral processing plant at a future date. The three Kcoriwasi contracts are subject to assignment to Puno Gold as per the Puno Gold – Kcoriwasi option contract.

Puno Gold is conducting surface exploration activities as allowed by their surface lease contracts through which they will complete the ongoing channel sampling and proposed soil surveys. Geophysical surveys may also be completed under current agreements with surface owners.

Puno Gold has contracted an environmental and community-social-responsibility company to complete a baseline study of remnant environmental liabilities as a prerequisite for filing a DIA.

1.3 Regional and Property Geology

The Cerro Hermoso (Mount Hermoso) project in the Santa Lucia district lies along the eastern flank of the Cordillera Occidental along the western edge of the Altiplano that separates the Cordilleras Occidental and Oriental in southern Peru. The district is underlain by Tertiary volcanic rocks and subvolcanic intrusives deposited over Cretaceous marine sediments.

Ore deposits through southern Peru may be categorized by their metallogeny as influenced by their location inland from the coast. The Santa Lucia district falls along a NW-trending metallogenic domain characterized by volcanic-hosted, low to intermediate sulfidation epithermal deposits (Chucapaca, Mazo Cruz, Esquilache, Madrigal, Santa Ana) and carbonate replacement deposits and skarns (Berenguela, Tintaya, Las Bambas) formed during Oligocene to Miocene felsic volcanism in the Cordillera Occidental.

The oldest rocks exposed within 10 km of Cerro Hermoso are Cretaceous-aged redbed fluvial-eolian sediments (Huanané Formation) overlain by a massive micritic limestone of the Ayavacas Formation. The Ayavacas Fm is the host rock to a large Ag-Cu deposit at the nearby Berenguela prospect that has published and compliant indicated plus inferred resources of 87 Moz silver. The same Cretaceous sediment host rock with base-metal mineralization was reportedly found in the Santa Barbara mine between 100 – 250m below surface.

The majority of the Santa Lucia District is underlain by Tertiary volcanic rock and associated intrusive stocks and dikes. The Tacaza Group Volcanics of late Oligocene age predominate in the Property area, consisting of andesitic (shoshonitic) lava and agglomerate flows. Felsic volcanic rocks of the Sillapaca Group, Miocene age, overlie the Tacaza Group on the margins of the district.

Intrusive rocks (hornblende diorite and monzogabbro) are emplaced throughout the Santa Lucia District and are associated with base metal mineralization (Berenguela, Limon Verde Mine). Hornblende diorite stocks and dikes are found along the northern margin of the Cerro Hermoso diatreme hosting veins containing Au-Ag.

The Tacaza Group includes the Cerro Hermoso Formation – felsic, lithic-rich tuffs and breccias produced by phreato-magmatic explosions during the formation of a diatreme in older Tacaza volcanics. The Cerro Hermoso diatreme is the exploration target on the Property.

The diatreme is a steep-sided, upwardly flaring chimney-like structure measuring 1,400 meters in diameter at present-day surface and associated with mineralization at the Santa Barbara Mine and other veins located on the periphery of Cerro Hermoso.

At Cerro Hermoso two lithologies have been recognized: diatreme breccia and a rhyodacitic lithic-lapilli tuff. The diatreme breccia outcrops prominently at the western base of Cerro Hermoso and is overlain by the lithic-lapilli tuff capping the mountain.

The diatreme breccia, used here as a field term, contains abundant lithic clasts: angular to sub-angular, suspended in rock flour matrix. Texture and mineralogy of the groundmass have been obscured by argillic alteration making it difficult to identify the amount of juvenile material comprising the matrix. Rounded quartz phenocrysts on mm-scale are found in the matrix and attest to its felsic composition and the contribution of juvenile material. The diatreme breccia shows near-vertical cross-cutting relationships in outcrop representing multiple surges of pyroclastic material rising through the diatreme; conversely, they may show shear zones resulting from subsidence. Puno Gold geologists have sub-divided this unit based on lithic fragment content suggesting that each type represents a distinct eruption/emplacement event.

Lithic fragments consist of andesite/shoshonite volcanic rocks, juvenile clasts of rhyodacite composition, and minor amounts of monzogranite and gossan clasts. The monzogranite is presumed to have originated from a hypabyssal intrusive that may have been the source of magma that formed the diatreme. Gossan clasts may have been broken off a deep sulfide body replacing underlying carbonate strata at points of contact with the monzogranite.

Concentric fractures formed around the axis of the diatreme as in-filling pyroclastic material settled and surrounding wall rock reacted to relief of lithostatic pressure. Phreatic and phreato-magmatic breccia dikes were emplaced in these concentric fractures through the surrounding wall rock and in radial fractures formed perpendicular to the diatreme margin. Mineralizing fluids filled these structures to form the base-metal veins found in the Santa Barbara Mine and other veins found along the margin of the diatreme. Roots of the diatreme cut through the local Cretaceous sedimentary package as seen in deep levels of the Santa Barbara Mine.

1.4 Property Mineralization

The primary mineral occurrence on the Property is supergene-enriched Ag-Cu veins hosted by concentric, cone-sheeted structures in the Santa Barbara along the west margin of the Cerro Hermoso diatreme. Recorded past production from 1972 to 1990 was 740,813 tonnes (Minsur,

1998). Reported grades from production prior to closure were 450 g/t Ag and 2% Cu (Wasteneys, 1990).

The Santa Barbara vein system extends over 2 km along strike and has been mined over 300 meters vertically. These veins are generally characterized by the predominance of carbonate gangue mineral over quartz. Over the length of the vein system, a complex zonation has been determined where base-metal sulfides dominated by chalcocite + bornite in carbonate gangue are found to the south, as compared to chalcopyrite + galena (+/- electrum) in quartz-rich gangue in the north. A gold-rich zone at Cerro Hermoso is suggested east of and at higher levels than the main Santa Barbara Vein.

The timing of mineralization and the emplacement of the diatreme complex is interpreted to be near-contemporaneous given an age date of 23.5 ± 0.5 Ma from a phyllically altered breccia dike hosting one of the high-grade Santa Barbara veins and 23.5 – 26.8 Ma dates from pyroclastic fill in the diatreme (Wasteneys, 1990).

The primary exploration target on the Property is diatreme breccia at Cerro Hermoso where anomalous values of gold have been reported from a previous investigations. Recent observations by Puno Gold geologists suggest that gold is carried in veinlets and possibly disseminated into the breccia matrix. The common gossan clasts contained in the breccia may also contain anomalous Au values accompanying dominant base-metal values.

Sulfide ± quartz veinlets through the host diatreme breccia are characterized as sub-vertical, hairline, sheeted, and discontinuous. Mineralized veinlets are found in sheeted and irregular forms suggesting that the host diatreme breccia was in the process of settling and in a semi-ductile state when mineralizing fluids filled available voids, therefore indicating that the mineralization followed closely after formation of the diatreme structure. Most outcrops carrying anomalous geochemical values are oxidized; primary sulfide mineralization is a simple assemblage of pyrite-chalcopyrite-galena-sphalerite.

Diatreme breccia on Cerro Hermoso has been subject to argillic alteration. The presence of sericite suggests local zones of stronger alteration. Mn-oxide is common throughout the matrix.

Channel sampling by previous investigators has shown that the diatreme breccia along the western base of Cerro Hermoso contains significant Au mineralization. A continuous channel sample by Silver Standard yielded 19.0m @ 0.56 g/t Au and 43.1m @ 1.79 g/t Au.

The Peñasquito (Mexico) Au-Ag-base metal deposit model is quite analogous to Cerro Hermoso considering similar structural settings, associated intrusive rocks and style of alteration, and suggests disseminated Au-Ag mineralization may be found over a long vertical range at Cerro Hermoso.

Carbonate replacement deposit (“CRD-type”) mantos measuring 1 – 4 meter thick were discovered and sampled on the 3831 level of the Santa Barbara Mine in workings that crossed under the Verde River to the east near the base of the west slope of Cerro Hermoso. The mineralization was reported to consist of pyrite, galena, sphalerite, and chalcopyrite hosted in limestone of the

Ayavacas Formation. Grades from this zone were reported as 115 g/t Ag, 8.45% Pb, 8.06% Zn and 0.37% Cu (Minsur, 1998).

1.5 Exploration History

Puno Gold has only recently begun an exploration program on the property. Company geologists began outcrop mapping in 2016 with the objective of identifying the host rock containing strong Au-Ag geochemical anomalies on Cerro Hermoso and to formulate a geological model to guide further exploration.

Previous investigations on the Property were conducted by a series of companies in recent times beginning with Minsur S.A., operator of the Santa Barbara Mine and flotation plant from 1967 – 1990. Minsur completed limited channel sampling on Cerro Hermoso and a drill program of at least 11 holes. No data from these studies is available. Within the last 5 years Teck, Silver Standard and smaller consulting groups have evaluated the Property focusing on disseminated Au-Ag mineralization on Cerro Hermoso. Both Teck and Silver Standard collected numerous channel samples from the “Base Outcrop” that yielded > 10 g/t Au values from single samples of rock chip and channels, and the previously cited intercept of 43.1m @ 1.79 g/t Au over a continuous 72m channel.

The current concession owners, Empresa Minera Kcoriwasi S.A.C., initiated efforts in 2011 to mine Property veins with little success. During that time they collected samples of mine tailings from the Santa Barbara flotation plant. Teck reported at the time that Kcoriwasi was shipping hand-sorted ores to an off-site smelter from the Santa Barbara, Cerro Hermoso, and Mina Blanca veins at an approximate rate of 3 tonnes per month, grading 2,160g/t Ag, 16% Cu and 3g/t Au. Kcoriwasi also initiated a pilot program to extract gold from talus material at the base of Cerro Hermoso.

The author visited the Property on April 27 – 29, 2017 and collected 10 samples in total, including 4 as duplicate samples repeating Silver Standard’s channel sampling in the “Base Outcrop”. Results of the check-sampling broadly corroborate the previous rock chip and channel sampling campaigns of Teck, Silver Standard and others. In the author’s opinion, the geochemical results released by previous investigations are reliable and form a sound basis to guide further exploration efforts by the Company.

1.6 Conclusions

The Cerro Hermoso Property holds three significant exploration targets: silver-base-metal vein system, disseminated Au-Ag, and carbonate replacement (CRD)-type deposits. The vein system and disseminated targets differ in structural setting within a diatreme, but both represent an intermediate-sulfidation, epithermal polymetallic deposit model.

1.6.1 Exploration Targets

Disseminated Au-Ag, Cerro Hermoso:

Objectives for this target are identifying:

- 1) Continuity of mineralization across the target area. Target area (500 x 1,000 m) defined on the north and east by the margin of the diatreme; to the west by the Santa Barbara vein system as arbitrary boundary between exploration targets; and to the south by the absence of diatreme breccia outcrops
- 2) Relation to Santa Barbara vein system
- 3) Presence of mineralized breccia bodies at depth on diatreme margin (other than vein structures)

Santa Barbara Vein System

Objectives for this target are identifying:

- 1) Additional tonnage in vein system found between vein splits and in wall rock along complete length of vein system (> 2 km)
- 2) Based on metal zonation model, additional base-metal tonnage found at depth below the northern end of Au-rich Santa Barbara veins
- 3) Extrapolation of existing veins around the diatreme since concentric cone-sheet fractures should surround the entire diatreme structure. Same reasoning applies to explore for radial fractures throughout the diatreme structure.
- 4) Brecciated zones along the diatreme contact with volcanic wall rock outboard from veins dipping at lower angle than contact on concentric cone structures

Carbonate Replacement Deposits:

Identify base-metal mineralization hosted in carbonate sediments as encountered in lower levels of Santa Barbara mine workings.

1.6.2 Property Merits and Risks

Exploration work completed on the Property to date by Puno Gold and results of previous investigations by reputable exploration companies suggest that the Cerro Hermoso Property holds viable mineral exploration targets; as such, this is a property of merit that justifies the continuation of exploration programs designed to test exploration targets as outlined in this report.

Puno Gold is evaluating the Property in a professional manner in line with industry practice.

The focus of exploration efforts on the Property, a circular diatreme geological feature, fits close to boundaries at the SW end of the concession package leaving little room for expanding exploration targets in that area. However, the risk is low that mineralization will extend outside of the Property concessions requiring the eventual acquisition of third party mining concessions. Surface lease agreements cover a sufficient area to contain an eventual mine layout.

The Verde River flows through the center of the diatreme surface section where all exploration and, if warranted, future mining activity will be located. The river presents a challenge for mine layout planning and may limit ore extraction to underground methods. Re-routing the river is technically possible but would meet with resistance from local residents.

1.7 Recommendations

1.7.1 Disseminated Au-Ag, Cerro Hermoso Target

- 1) Continue detailed channel sampling of all outcrop on western slope of Cerro Hermoso.
- 2) Conduct a soil sampling program over the portion of Cerro Hermoso with few outcrops. Samples should be taken from immediately below the organic soil zone to maintain a uniform method.
- 3) Continue with classifying lithic tuffs and diatreme breccia by lithic fragment content and characteristics; relate each class to geochemical results.
- 4) Resolve the origin of the diatreme breccia ribs and their relation to mineralization.
- 5) Continue with geologic mapping, initiate petrographic studies to define the level of the current surface within the diatreme structure.
- 6) Conduct an infrared spectroscopy analysis of alteration minerals from traverse lines across Cerro Hermoso, including zones underlain by diatreme breccia and lithic-lapilli tuff.
- 7) Geophysical survey: consult with geophysical contractor regarding the best geophysical methods for use in this geological setting considering known mineralization is related to sulfides, presence of magnetite in system, low amounts of silica, potential for CRD deposits at depth, and objective of defining diatreme contacts/shape.
- 8) Drilling: Target 1 area defined above. 20 platforms (maximum allowed by DIA), drill site to be selected following geochemical and geophysical results. Drilling most likely to be focused on the diatreme breccia outcrop zone and to the west in the river valley. DDH drilling, estimated 4,000m.

1.7.2 Vein Systems Target

- 1) Detail the mineral zonation along the vein system and determine the lower level of the vertical production range using available data,

- 2) Conduct detailed mapping of all vein occurrences along the full circumference of the diatreme contact with the objective of locating mineralization on undeveloped segments of the bounding concentric structures
- 3) Drill program after mapping – sampling: target vein splits, mineralized breccia dikes. DDH drilling, estimated 2,000m.
- 4) Evaluate the cost to rehabilitate underground mine workings at Santa Barbara to allow access for mapping and sampling.

1.7.3 Carbonate Replacement Deposit Target

- 1) Geophysical survey: to be included in Target 2 geophysical survey
- 2) Drilling: to be included in Target 2 drilling; 2 – 3 deep holes (>400m) to test geophysical anomalies or physically located CRD in underground workings
- 3) If underground access is made available to the lower levels on the Santa Barbara vein system, carbonate sediments should be sought out and evaluated for mineralization

1.7.4 Proposed Budget for Continued Exploration

The proposed budget totals US\$1,720,000 (Table 8) as a guideline to the cost of proceeding with an initial exploration program: continued rock and soil sampling, geological studies, geophysical survey and a DDH drill program of 6,000m. The drill program may be split into two stages, either drilling each target successively, or drilling both targets concurrently with widely spaced holes initially, then testing prospective zones with a second stage of drilling as understanding of the geologic model evolves.

2.0 INTRODUCTION

2.1 Purpose of Report

Miramont Resources Corporation (“Miramont”), issuer of this report, contracted the author to prepare an independent technical report on the Cerro Hermoso Property (“Property”) in compliance with disclosure and reporting requirements set forth in National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101), companion Policy 43-101 CP to NI 43-101, and Form 43-101F1 of NI 43-101, dated June 2011. Basis for this report are geological and geochemical studies completed by previous operators on the Property, geological investigations by independent academics, historical mine production data from the Property and adjacent mining operations, preliminary results from geological and geochemical studies underway by Puno Gold Corporation (“Puno Gold”), and a brief field visit to the Property by the author.

Miramont has entered into a Share Exchange Agreement with Puno Gold and its shareholders pursuant to which Miramont will acquire all of the issued and outstanding shares of Puno Gold. Puno Gold, through its wholly owned Peruvian subsidiary, Minera Puno Gold S.A.C., holds the rights to acquire the Property.

The author of this report is Steven L. Park, an independent consulting geologist with over 30 years of mineral exploration experience in various geological environments throughout the Americas, including 20 years of mineral exploration experience in Peru. The author is a Qualified Person as defined by NI43-101 by virtue of his qualifications, experience and professional registration as Certified Professional Geologist with the American Institute of Professional Geologists (AIPG member #10849).

The author visited the Property for three days from April 27 to 29, 2017, accompanied by Puno Gold personnel.

2.2 Definition of Property

The Property is located in the Department of Puno, Peru, at a distance 60 kilometers west-southwest of the city of Juliaca (Figure 2) along a two-lane paved highway connecting the cities of Arequipa and Juliaca, and 5 km northwest of the small town of Santa Lucia located along the same highway. The Property is comprised of two titled mining concessions covering a total of 988.69 Has. as described below in Section 4.0.

The Property is not considered an “advanced property” as defined by the Canadian Institute of Mining (CIM) – NI 43-101 Standards for Disclosure of Mineral Projects; as such, Items 15 – 22 of the standard Form 43-101F1 Technical Report are not included herein.

2.3 Sources of Information

Puno Gold provided the author with a data package that included geological and geochemical studies, historical mine production data from the Property and adjacent mining operations (Minsur, 1998; Paredes, undated; Sears, 2013); geological investigations by independent academics (Wasteneys, 1990; Clark et al, 1990); and preliminary results from geological and geochemical studies underway by Puno Gold (Vargas, 2016-2017).

2.4 Terms of Reference

Abbreviations and definitions used in the report are listed below. All measurements in this report are in metric units. All monetary amounts are stated as United States of America dollars (US\$).

Abbreviations used in this report are as follows:

cm = centimeter
g/t = grams per tonne = ppm
Has. = hectares
Km = kilometer
m = meter
Ma = millions of years before present
m.a.s.l. = meters above sea level
MEM = Ministry of Energy and Mines (Peru)
Mt = million metric tonnes
Moz = million ounces
oz = troy ounce = 31.103 grams
oz/T = troy ounce per short ton
ppb = parts per billion
ppm = parts per million
PSAD56 = Provisional South American Datum 1956
T = short tons = 907.2 kg
t = metric tonne = 1,000.0 kg
UTM = Universal Transverse Mercator
WGS84 = World Geodetic System 1984

All map data are presented in UTM map datum base PSAD 1956, Zone 19S unless otherwise noted.

Terms in Spanish are printed in italics.

3.0 RELIANCE ON OTHER EXPERTS

The author has relied on Dr. Diego Cilloníz, Puno Gold's Lima-based attorney, for the legal description and title evaluation of the two mineral concessions comprising the Property. The author expresses no legal opinion as to the property title or ownership status of the Property other than to include the Property evaluation provided by Dr. Cilloníz and to comment on the status of annual concession fee payments required to maintain the Property's mining concessions from publically available information.

The author has relied on Puno Gold principals and technical staff for providing geologic, geochemical and mining information, as well as the results of geological research available in the public domain. The author expresses his confidence in the Puno Gold information provided to him since no extraordinary results or claims are made therein.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The Cerro Hermoso Project is located in the Province of Lampa, Department of Puno, in southern Peru. Access to the project is provided by a two-lane paved highway, the *Carretera Interoceánica*, which connects the cities of Arequipa and Juliaca. Travel time on this highway from Arequipa is just over two hours to the Property and just under one hour from Juliaca.

The central point on the Property is located at 324000E, 8268500N (UTM coordinate system WGS 1984, zone 19S) or 15°39'20" South, 70°38'30" West (geographic coordinate system).

The Property is contained within the NE quadrant of the Lagunillas (32-u) 1:100,000 scale series of topographic and geologic maps published by the *Instituto Geológico Minero y Metalúrgico* (INGEMMET), the technical agency of the Peru Ministry of Energy and Mines.

The property is bisected by the Verde River. The width of the main water flow channel during months between the extreme wet and dry seasons is 15-20 meters wide within a river channel 50 – 80 meters wide incised in a wide river flood plain affording a natural route for the Arequipa-Juliaca highway through the district. Resistant rock outcrops on the Property reduce the width of the river valley down to <300m at its narrowest point before opening up again downstream toward the town of Santa Lucia.

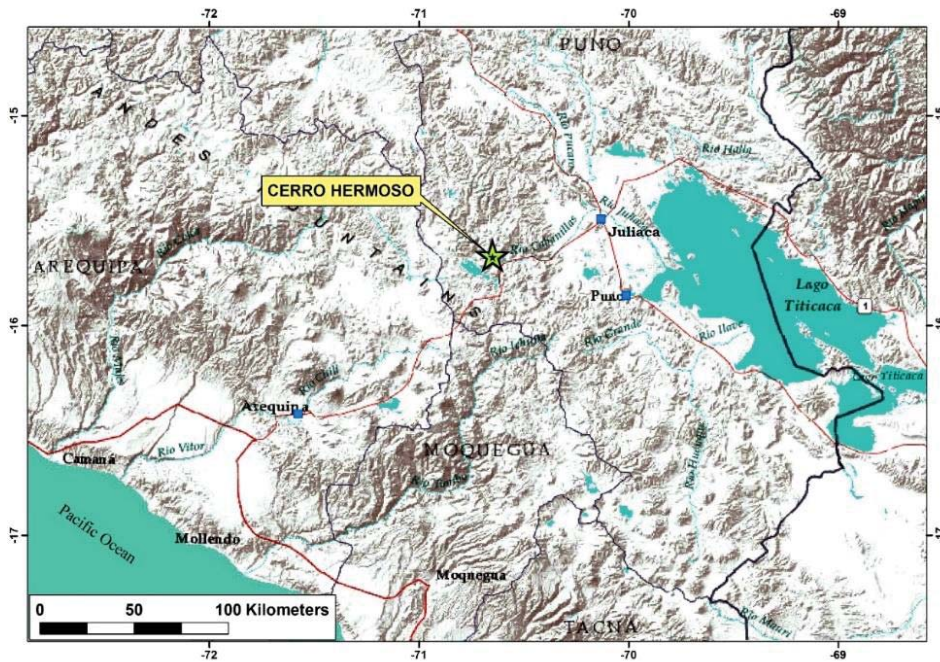


Figure 2. Regional location map, Cerro Hermoso

4.2 Mining Concessions

The Property is comprised of two titled mining concessions covering a total of 988.69 Has. Table 1 lists registration data and vertex coordinates for each concession.

Table 1. Cerro Hermoso Property concessions under option contract

| Concession Name | Titleholder | File Code | Formulation Date | Hectares | E_PSAD56 UTM* | N_PSAD56 UTM* |
|------------------|--|-----------|------------------|----------|--|--|
| Haariana II | Empresa Minera Paredes Hermanos S.A.C. | 050004508 | 1-Feb-2008 | 131.8277 | 1) 324297 2) 323975 3) 322120 4) 322443 | 1) 8266782 2) 8266276 3) 8267457 4) 8267963 |
| Lucia Josefina I | Manuel Nolasco Paredes Chirinos | 710008508 | 27-Nov-2008 | 856.8697 | 1) 324536 2) 326390 3) 324297 4) 322443 | 1) 8271250 2) 8270069 3) 8266782 4) 8267963 |

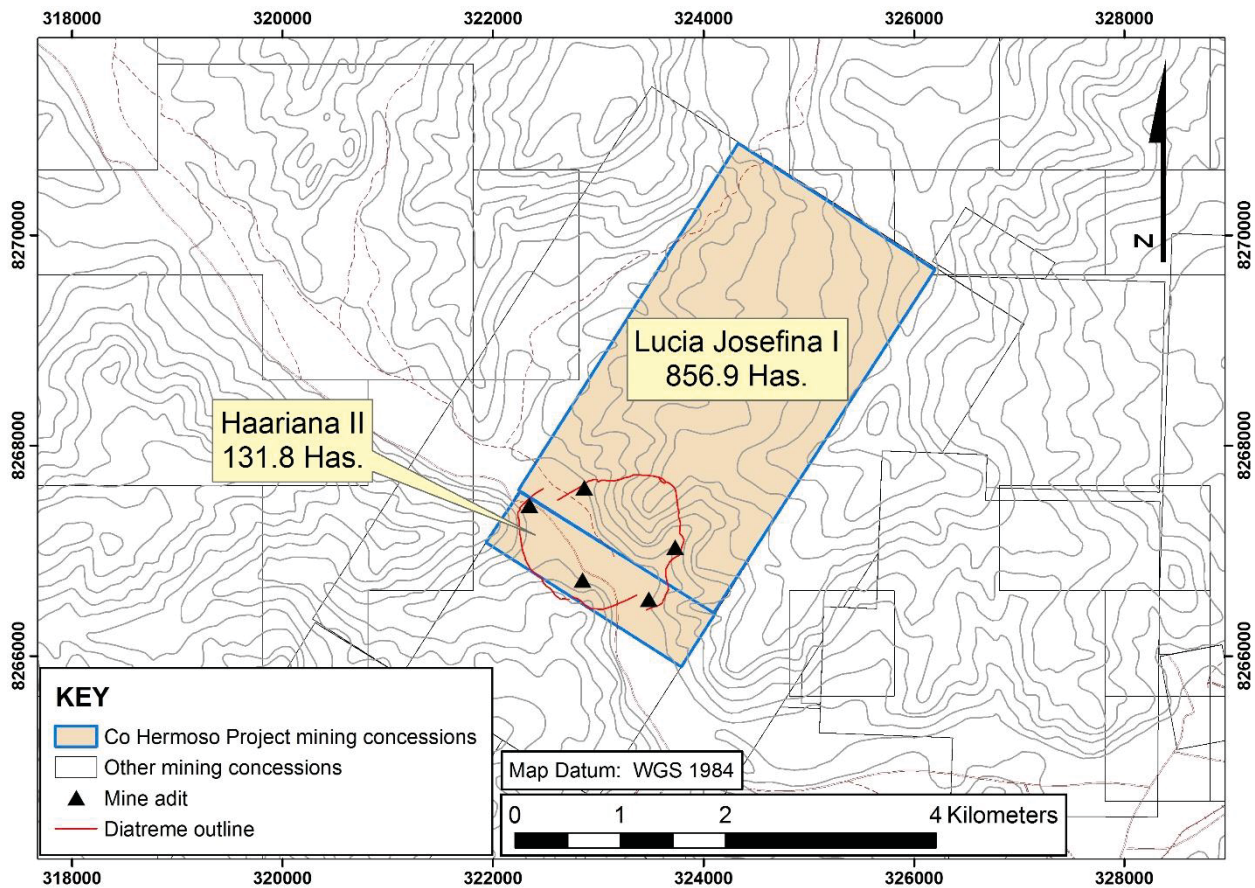


Figure 3. Cerro Hermoso Project mining concessions (2017), Santa Lucia mining district

*Project concession coordinates are listed as they appear in concession title documents given in UTM map datum PSAD56. The MEM has recently transformed all concession coordinates to UTM map datum WGS 1984.

Titles to these two mining concessions are held by an individual, Manuel Paredes Chirinos, a Peruvian citizen, and by the company *Empresa Minera Paredes Hermanos S.A.C.*, managed by his sister, Irasema Mireya Paredes de Villavicencio. In 2011, Manuel and Irasema Paredes entered into an agreement with *Corporación Minera Kcoriwasi S.A.C.* (“Kcoriwasi”), a Peruvian corporation managed by Z. Noguera, that gave an 88% working interest in both concessions to Kcoriwasi for the purpose of developing and producing from a small mine on the Property and sharing 12% of profits with the Paredes.

Puno Gold’s Peruvian counsel, Dr. Cilloniz, has provided a title opinion on the mineral concessions and on the Kcoriwasi – Paredes contracts and found them to be in good order.

The mineral concessions are subject to a combined annual concession fee of US\$2,966 based on a rate of US\$3.00 per hectare. As of the effective date of this report, one year of annual concession

fees are outstanding for each of these concessions. According to Peruvian mining law, titleholders are allowed to defer one year of concession fee payments, but once two years have passed with fee payments outstanding, the concessions are declared expired and the ground is declared open for claiming by any entity other than the previous titleholder. As such, annual fees for at least one year for each of the Property concessions, applicable to year 2016, must be paid by June 30, 2017 to maintain each concession in force, a total payment of US\$2,966 to cover fees for both concessions.

4.3 Puno Gold Option Contract

Puno Gold executed an option-to-purchase contract on 27-September 2016 for the two mining concessions listed above in Table 1. This contract includes the current titleholders of the concessions and Kcoriwasi. Provisions of this contract will cede all rights – those rights provided to holders of mineral concessions in Peru and any contractual rights per the Kcoriwasi contract – to Puno Gold upon exercise of the option.

The Puno Gold contract requires certain option and royalty payments to be made to Kcoriwasi et al. The contract’s schedule of option payments totaling US\$3,500,000 over 4 years is listed in Table 2. The first two payments totaling US\$100,000 have been paid as of this writing.

Puno Gold would also be required to pay a 1% production royalty on Net Smelter Return capped at US\$5,000,000.

Table 2. Schedule of option payments, Puno Gold - Kcoriwasi contract

| Date | US\$ | Paid |
|--------------|--------------------|-------------|
| 27-Sep-16 | \$50,000 | Yes |
| 27-Mar-17 | \$50,000 | Yes |
| 27-Sep-17 | \$100,000 | Pending |
| 27-Sep-18 | \$100,000 | Pending |
| 27-Sep-19 | \$100,000 | Pending |
| 27-Sep-20 | \$3,100,000 | Pending |
| Total | \$3,500,000 | |

4.4 Exploration Permits and Surface Rights

4.4.1 Past Kcoriwasi Permits

Prior to entering into the option contract with Puno Gold, Kcoriwasi had obtained all mining permits required to commence mining operations on a small scale (< 350 tpd) on the Property:

- *Certificado de Inexistencia de Restos Aqueologicos*, January 2012, an archaeological study certifying the absence of any archaeological remains on the Property;

- *Declaración de Impacto Ambiental (DIA)*, Declaration of Environmental Impact, April 2012, applying to both concessions of the Property;
- *Certificado de Operaciones Minera (COM)*, Certificate for Mining Operations, for the year 2013, applying to the Lucia Josefina I concession only;
- Water permit, September 2015, applied to both Property mining concessions, allowing for Kcoriwasi to draw 5,250 m³ per month from the Verde River for use in mining operations over a two-year period, renewable.

Both the COM and DIA lapsed in 2014. The water permit is valid through September 2017.

4.4.2 Puno Gold Exploration Permits

Puno Gold is conducting surface exploration activities as allowed by their surface lease contracts through which they will complete the ongoing channel sampling and proposed soil surveys. Geophysical surveys may also be completed under current surface agreements.

Puno Gold has contracted an environmental and community-social-responsibility company to complete a baseline study of existing environmental liabilities as a prerequisite for filing a DIA. Upon approval of the DIA by the MEM, an exploration permit will be granted to Puno Gold allowing for the construction of 20 drill platforms with no limit to the number of holes or depth of hole, and allowing for the excavation of up to 50 meters of new underground workings. Additional permits will be required for the initiation of drilling and/or underground excavation and for the use of local surface water in exploration activities.

4.4.3 Surface Rights Agreements

Puno Gold holds surface lease contracts with local residents who control three parcels of land over portions of the Property. In parallel, Kcoriwasi holds surface lease contracts for three other parcels. Together, the six parcels leased by Puno Gold and Kcoriwasi (Table 3) form a contiguous block of 505.93 hectares covering all areas currently envisioned as exploration targets.

Terms of the lease contracts vary from 30 years (for the Kcoriwasi contracts) to five years for the Puno Gold contracts. The total annual cost to maintain these surface leases is approximately US\$ 9,600 at present exchange rates. One contract (Cardenas) also includes a 1% Net Profits Royalty on any mineral production from subsurface below the lessor's respective surface rights. Also, the Kcoriwasi agreement with Cardenas allows Kcoriwasi to chose a 4 Has. lot within the Cardenas lease area to locate a mineral processing plant at a future date.

Through the surface lease contracts with Puno Gold, the lessors grant Puno Gold the right to conduct surface exploration with minimum disturbance to the surface, whereas the Kcoriwasi contracts give the lessors' consent to surface exploration as well as mining activities, given proper state and local permits.

The three Kcoriwasi contracts are subject to assignment to Puno Gold as per the Puno Gold – Kcoriwasi option contract.

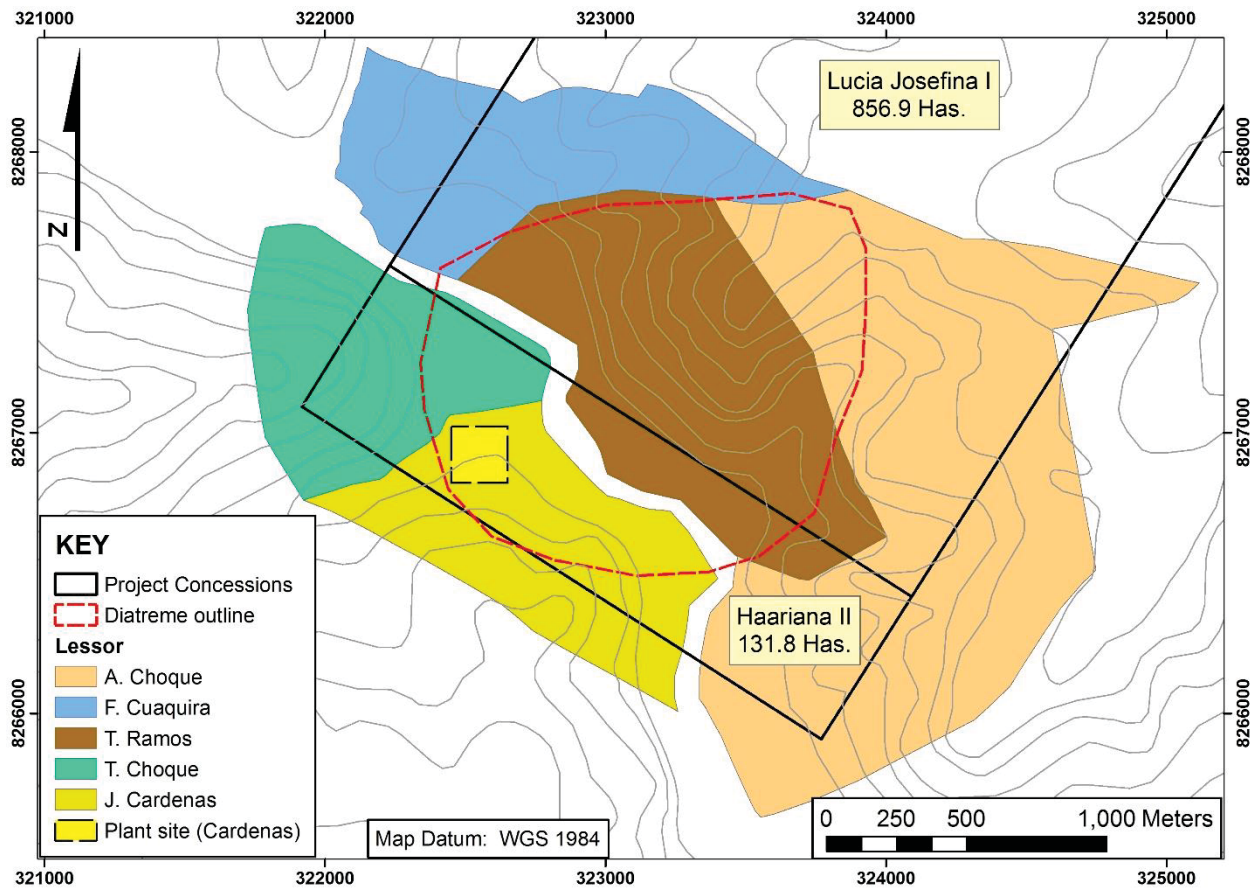


Figure 4. Area of surface lease contracts, May 2017

4.5 Environmental Liabilities

Several open adits are found on the Property that informal miners have used for underground access to veins on the Property. Minsur completed a full mine closure program in 2003 at the Santa Barbara mine, most notably reclaiming several large tailings piles located along the highway below the primary adit, dismantling a flotation plant and miscellaneous mine camp facilities. However, at the time of the author’s field visit the main adit and vertical decline were open and accessible.

Two adits on veins located at the base of Cerro Hermoso were noted to have standing water at the time of the author’s field visit. The haul level on the Cerro Hermoso Vein has mine discharge filling a drainage channel leading out to the mine dump at the level of the fluvial valley fill. Intermittant flow from this adit appears to completely seep into the fill material before reaching the Verde River.

Table 3. Cerro Hermoso surface lease summary

| Lessor | Lessee | Contract_Date | Contract_Expires | Area (Has.) | Comments |
|------------------------------------|---------------------|----------------------|-------------------------|------------------------|--|
| Tomas Choque | Minera Puno Gold | 18-May-17 | 1-May-22 | 63.00 | 5-year contract covers old Sta. Barbara Mine and NW portion of diatreme |
| Ascuncion & Pablo Choque | Minera Puno Gold | 18-May-17 | 1-May-22 | 200.07 | 5-year contract covers eastern border of diatreme |
| Feliz Coaquira & Salamon Mamani | Minera Puno Gold | 29-May-17 | 1-May-22 | 70.55 | 5-year contract covers eastern border of diatreme |
| Timoteo Ramos | Kcoriwasi | 1-Nov-12 | 31-Oct-32 | 109.19 | 30-year contract in force, being assigned to Puno. Puno presently negotiating similar lease, along with assignment. Covers over half of diatreme surface |
| Jesus Cardenas | Kcoriwasi | 16-Mar-11 | 16-Mar-41 | 4.00 | 30-year contract allows for a 4-hectare processing plant to be constructed; Puno presently negotiating assignment |
| Jesus Cardenas | Kcoriwasi | 16-Mar-11 | 16-Mar-41 | 59.12 | 30-year contract covers portions of Pocomoro Mine, and SW portion of diatreme; Puno presently negotiating assignment |

Kcoriwasi’s environmental study (DIA) addressed the issue of existing mine dumps and open adits at that time (2012); as such, these existing conditions will factor into the baseline study that Puno Gold has recently commissioned.

As advised by Puno Gold’s counsel Dr. Cilloniz, Peruvian law provides for mineral concession owners and optionees to catalogue any existing environmental damage or liabilities to a property before beginning work; any pre-existing environmental liabilities are not the responsibility of the new operator of the property. Puno Gold has contracted an environmental and community-social-responsibility company to complete a baseline study of remnant environmental liabilities to protect Puno Gold from any such risks.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPY

5.1 Property Access

Access to the Property is provided by a two-lane paved highway from Juliaca, Department of Puno, requiring approximately 1 hour of driving time. The highway is maintained as a segment of the Interoceanic Highway system providing access to the Pacific Ocean from Brazil and Bolivia. A highway toll booth is located halfway between the town of Santa Lucia and the Property.

Daily commercial flights connect Juliaca with Lima so that the property can be reached in about 4 hours travel time from Lima.

A bridge crossing the Verde River provides access to the section of the Property lying on the northeast side of the river from the highway. This bridge is rated at 18 tons and was installed toward the end of 2016 at the request of local residents. Dirt tracks in the fluvial fill of the river valley lead to the various mine adits and exploration targets on or around Cerro Hermoso.

The main adit to the Santa Barbara Vein is located on the southwest side of the highway and is accessed through a locked gate from the highway.

5.2 Climate and Physiography

The climate of the *Altiplano* of southern Peru is generally cool with low humidity. Temperatures vary between 18°C during the day in the warmest months of January and February to lows of minus 13°C at night in the coldest months of July and August. The rainy season occurs between December and March manifested by daily afternoon and evening thunderstorms. Annual precipitation averages 70 cm.

Elevations on the Property range from 4,070 – 4,400 m.a.s.l. from river valley to the top of Cerro Hermoso. The region has been subjected to a long period of peneplanation that has resulted in large expanses of flat terrain with mature meandering rivers such as the site of the city of Juliaca. In general, the physiography is dominated by hills of moderate relief with intervening broad, sediment-filled valleys.

The hilly terrain of the Property is bisected by the Verde River valley. With respect to potential mine layout considerations, the principal tributary drainages to the Verde River on and near the Property are broad with low gradients and generally dry. The nearest pampa, or broad plain, characteristic of the Altiplano is located 35km east of the Property along the principal highway.

The vegetation of the Altiplano is characterized as a “puna grassland” with complex patterns of spatial variation, featuring “ichu” grass (*stipa obtusa*) and shrubs of the asteraceae (daisy) family.

5.3 Local Resources and Infrastructure

The Department of Puno is a historic mining region in which many of the local inhabitants are former miners or descendants of miners. Local manual and skilled labor is available in both cities of Puno and Juliaca, as well as locally around the town of Santa Lucia. Puno and Juliaca are major commercial centers well-stocked with the normal supplies needed to operate a mineral exploration project. Specialty items such as drilling equipment can be obtained in Arequipa or Lima and arrive on the property in less than three days if shipped by road.

Water for exploration work is readily available from the Verde River flowing through the Property, subject to required permitting. Flow rates of the Verde River range on the order of 100 – 1,000 gal/sec from dry to wet seasons.

The town of Santa Lucia, 6 km southeast of the Property, is connected to the national grid three-phase system delivering power at 220 volts. The Tacaza Mine located 8 km northwest of the Property is also connected to the national grid. The nearest point to connect the Property to power lines is 6 km away near Santa Lucia.



Figure 5. Statue of miner and ore cart in Santa Lucia’s town center attesting to the role of mining in the region’s culture and history

6.0 HISTORY

6.1 Santa Lucia District

Mining in the Santa Lucia district began during the Spanish colonial era in the 16th century as evidenced by old workings found throughout the district. In the Property, colonial miners exploited the supergene-enriched Ag-Cu ore-zone at Mina Santa Barbara adjacent to the west margin of the Cerro Hermoso diatreme. The Cu veins at Santa Catalina, 1 km north of Cerro Hermoso, hosted by the same concentric structures around the diatreme as Santa Barbara, were mined during the periods 1911-1920 and 1941-1942 by the Grundy family, and subsequently optioned to Hochschild y Cia. Ltda. S.A. Numerous other vein deposits in the district were exploited on a small scale including the Pb-Ag vein system at the Quello-Quello and Yanaorco veins 20 km SE of Cerro Hermoso.

The Limon Verde Mine, located immediately outside the town limits of Santa Lucia, features oxidized copper sulfide veins that were the object of small-scale mining operations beginning in

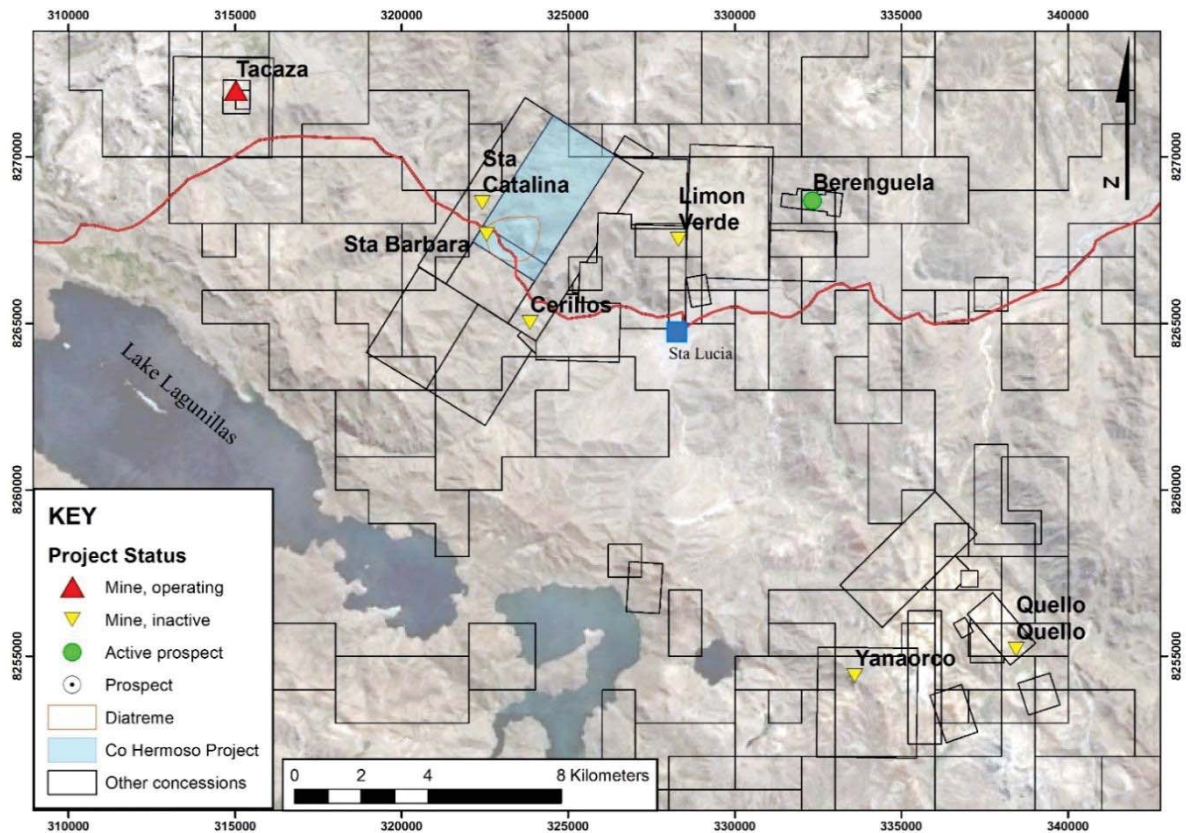


Figure 6. Mines, mineral resource projects, prospects and mining claims in the Santa Lucia mining district

the 1890's. Currently, contract miners quarry magnetite mineralization for smelter flux found at the contact between a large monzogabbro-to-diorite intrusion and andesite volcanic flows.

The nearby Berenguela Ag-Cu-Mn deposit has been worked and studied since 1906, most recently drilled by Silver Standard. A detailed description is given in Section 23, Adjacent Properties.

The Tacaza Mine had been originally mined underground on a small scale for its Cu mineralization hosted by andesite flow breccias and now is being operated by the Peruvian miner CIEMSA as an open-pit mine, described in more detail in Section 23.

6.2 Santa Barbara Mine

In 1964, Lampa Mining Co. acquired the rights to Santa Barbara and contiguous Pocomoro concessions, located along the same vein, and initiated mining of the Cu-rich carbonate-sulfide veins of the Pocomoro segment on the 4,068 m level of the Santa Barbara mine. At that time Lampa also held the rights to the Limon Verde and Berenguela deposits, and to the San Rafael mine (Sn-Cu) 160km north of Santa Barbara. The properties of Lampa were taken over in 1966 by the state-owned enterprise Empresa Minero del Peru S.A., later evolved into Minsur S.A., who reestablished operations at the Santa Barbara mine.

In 1967, Minsur developed the 4027 and 3967 m levels at Santa Barbara, but a major flood in 1968 halted operations until 1970, when the mine was rehabilitated and development work on the 3932 m level was initiated from an internal shaft. Mine development continued downward on the principal vein to a level 360m below surface level and to a level 80m below surface on the eastern side of the Verde River at the base of Cerro Hermoso and in the vicinity of veins at Mina Blanca.

The Santa Barbara mine operated at a capacity of 125 tonnes per day with grades of 15 oz/T Ag, 2% Cu and 1% Pb (Jones, 2012). Erratic high gold grades prompted investigations of the gold potential of the vein system, but flooding in 1990 forced the closure of the mine before any systematic studies of Au could be completed. Recorded production from 1972 to 1990 was 740,813 tonnes (Minsur 1998). Average production grades reported separately before closure were 450 g/t Ag and 2% Cu (Wasteney 1990). Minsur implemented its mine closure plan in 2002 and submitted final reporting of the closure in 2003, releasing a report prior to mine closure stating “proven and probable reserves” from Santa Barbara veins as 59,065t @ 6.88 oz/T Ag, 1.0 g/t Au, 2.89% Cu; and “resources” as 95,000t @ 5.0 oz/T Ag, 3.0% Cu (Minsur, 1998). (Note: these grades and tonnages are considered historical estimates and should not be relied upon since there is no guarantee that with additional investigation these resources will be converted into NI 43-101 compliant resource categories or demonstrate economic viability.)

In 2011 the titleholders to the two concessions comprising the Cerro Hermoso Property entered into a commercial profit-sharing agreement under the name of Minera Kcoriwasi S.A.C. for the purpose of re-processing mine dump material and tailings from the Santa Barbara flotation plant. Kcoriwasi constructed a 350-500 tpd gravity separation plant and assay laboratory on site. No records are available accounting for recovery of metals from this material, although Kcoriwasi

studies defined 270,000 tonnes at 154 g/t Ag, 1.24 g/t Au and 0.95% Cu in tailings and dump material. Kcoriwasi also estimated 500,000 tonnes of gold-bearing colluvium at the base of Cerro Hermoso at an average grade of 1.5 g/t Au (Jones, 2012). Note: the references to tonnage and grade in this section must be considered as historic estimates of mineral resources. Miramont makes no representation that these estimates are in any way current Mineral Resources as defined by NI 43-101 guidelines.



Figure 7. Panoramic view of Santa Barbara Mine looking west from Cerro Hermoso

6.3 Property-wide Exploration and Investigations

Mineral occurrences outside of the Santa Barbara vein system, particularly those found in and around Cerro Hermoso, have been the subject of several formal geologic and prospecting studies during Minsur's tenure as operator of Santa Barbara and later when the two Property mining concessions were controlled by the Paredes family.

Minsur completed an extensive rock chip sampling program from outcrop and trenches on Cerro Hermoso and an IP/resistivity geophysical survey, then followed with a surface drilling program completing at least 11 holes in 1988-1989 to test geochemical and geophysical targets. Poor ground conditions led to inconclusive results; drill results are not available. Assay data from Minsur's rock chip sampling is also not available, but a later sampling program by Teck Resources corroborated Minsur's results (Jones, 2012).

In 2011 Teck Resources Ltd conducted a prospect evaluation focused on Cerro Hermoso for which 93 rock samples (chip, grab, dump, float) were collected and 42 samples of talus fines from unconsolidated material around the base of Cerro Hermoso. The Teck field report has been made available to Puno Gold.

Silver Standard, operators at the time of the neighboring Berenguela Ag-Cu-Mn prospect, conducted a similar evaluation in 2015 collecting 86 samples including 41 saw-cut channel samples along a continuous channel sample measuring 72.2m yielding highly anomalous Au values. Puno Gold has access to the assay and location data but no accompanying report.

Golden Mining Corporation collected 15 rock chip samples and 10 channel samples in April 2016. These samples were collected by one of the current principals of Puno Gold on a reconnaissance visit to the Property.

Minera Kcoriwasi commissioned several reports once they had control of the two Property mining concessions. In 2013, S. Sears, P. Geo., prepared a report for Kcoriwasi for which 15 rock chip and underground grab samples had been collected from Cerro Hermoso mine workings. Assay and location data are available to Puno Gold along with the accompanying report.

An undated report by Sixto Paredes, presumably on behalf of Kcoriwasi, estimates grade and tonnage resources on the Santa Barbara vein and provides a schedule for re-habilitating the mine in preparation for renewing mining operations.

E.U. Paredes prepared a similar report for Kcoriwasi in 2011 estimating resources on the Santa Barbara vein and evaluating the feasibility of renewing mining operations on the vein, also evaluating exploration targets and existing mine workings on veins in Cerro Hermoso.

A doctoral thesis completed in 1990 by Hardolph Wasteneys entitled “Epithermal silver mineralization associated with a mid-Tertiary diatreme: Santa Barbara, Santa Lucia district, Puno” is an excellent source for all aspects of the district geology, especially volcanic stratigraphy based on extensive radiometric age dating. Wasteneys and A. Clark completed a geologic map of the district on a 1:50,000 scale (1984-1986), reproduced as Figure 12 in this report.

7.0 GEOLOGIC SETTING AND MINERALIZATION

7.1 Regional Structural Setting

The Cerro Hermoso project lies along the eastern flank of the Cordillera Occidental along the western edge of the Altiplano that separates the Cordilleras Occidental and Oriental in southern Peru. Cerro Hermoso is located in the Santa Lucia district underlain by Tertiary volcanic rocks, coeval subvolcanic intrusives, and Cretaceous marine sediments. The district lies to the east of the currently active “Central Volcanic Zone” which extends between latitudes 12° – 24° S and includes active composite volcanoes such as Misti and Ubinas near the city of Arequipa. This active zone overlies a zone of steep subduction of the Nazca Plate extending from the Abancay to Arica Deflections, both of which are represented by sharp bends in the western coastline of Peru.

The overall tectonic setting in southern Peru is one of orthogonal plate convergence and compressive stress along with high heat flow from partial melting of the subducting Nazca plate below the South American craton. Magmatic activity resulting from plate subduction formed ore deposits on volcanic arcs along the whole length of the western coast of South America. Ore deposits are found to be grouped in metallogenic domains oriented sub-parallel to the coastline. The metallogenic character of these domains varies as a function of the dip of the subducting slab, thickness of the overlying continental crust, and contribution of continental crust material to the magmatic melt. Pulses of tectonic events, or orogenies, forming volcano-plutonic arcs also influence metallogeny by controlling magmatic differentiation. Investigators have defined five discrete tectonic pulses from Oligocene through recent time in southern Peru: the Aymara Orogeny (Oligocene) followed by four events named Quechua 1 – Quechua 4 during Miocene and younger time (Clark, 1990; Noble, 1999).

Variation in metallogenic characteristics from the west coast to the eastern border with Bolivia in the Cordillera Oriental is especially marked in southern Peru: porphyry copper deposits (Toquepala, Cerro Verde) were formed during early Eocene time in a belt near the Pacific coast, whereas volcanic-hosted, low to intermediate sulfidation epithermal deposits (Chucapaca, Mazo Cruz, Esquilache, Madrigal, Santa Ana) and carbonate replacement deposits and skarns (Berenguela, Tintaya, Las Bambas) formed during Oligocene to Miocene felsic volcanism along NW trends in the Cordillera Occidental. At the eastern-most extent of subduction-related magmatism in southern Peru, rift-related alkaline-to-peralkaline volcanism and weakly peraluminous granitic batholiths host uranium, tin and REE prospects in the Cordillera Oriental (Macusani, San Rafael).

7.2 Regional Geologic History

In southern Peru, Paleozoic sedimentation began in the Ordovician period with the deposition of shallow marine sandstones (Calapuja Fm) and later marine shale of the Chagrapí Fm of Silurian-Devonian period. Shallow marine conditions persisted through the lower Devonian with the deposition of more marine sandstones and turbidites of the Lampa Fm which formed an especially thick sequence in the region.

A regional tectonic event in late Devonian time formed an angular unconformity between the lower Devonian sediments and overlying deltaic sediments of the Ambo Group of Mississippian age. In lower Permian time deltaic sediment of the Mitu Group predominated in the western part of the region while deeper marine conditions prevailed to the east conducive to deposition of carbonates of the Copacabana Group. The Paleozoic Era ended with the eruption of basic volcanics (Iscay Group) of approximately 270 Ma age as a result of a post-orogenic magma pulse emplaced along NW-trending structures.

Continental sediments were deposited at the beginning of the Mesozoic Era through lower Cretaceous time in what is known as the Yura basin represented by the Yura and Lagunillas Groups. The eastern limit of the basin receiving these sediments probably was a tectonic block in the area of the present Lake Titicaca. In the project area the Cretaceous sediments are represented by the Ayavacas Limestone, a massively-bedded micrite overlying the Angostura quartz sandstone. In lower to middle Cretaceous time the Yura basin was replaced to the east by the Putina basin as a focus of deposition through lower Tertiary time represented by the red beds and conglomerates of the Puno Group.

The Tertiary Period was marked by three phases of calc-alkalic volcanism: Tacaza (upper Oligocene to lower Miocene), Sillapaca/Palca (middle Miocene) and Barroso (upper Miocene to Pliocene). These volcanic units have been re-classified as the Crucero Supergroup (Sandeman, 1995) representing the tectono-magmatic evolution of the Arica Deflection in Tertiary time.

A shallow lacustrine environment in middle Miocene in the region resulted in the deposition of clastic sediments and carbonates of the Maure Group. Intercalation of these sediments with volcanics indicate that this shallow basin existed until the Pliocene epoch. Volcanism continued through Recent time (Ampato Group) represented as lava flows following a period of lacustrine deposition (Colca Group).

Intrusive rocks in the region occur as hypabyssal stocks and dikes cutting the sedimentary and volcanic pile, ranging in composition from monzogabbro to monzogranite, and from porphyritic to equigranular in texture. The oldest intrusive rock in the region is a Permian-aged quartz monzonite related to the Iscay Group volcanics exposed 25km east of the project area. The majority of intrusive rocks in the project area are products of tectono-magmatic evolution through Tertiary time that produced intrusive rocks of varied compositions. Early Tertiary intrusives are

mafic with high-K content resulting in a shoshonitic composition of related Tacaza Group volcanics. Later intrusives and coeval volcanics evolved to felsic compositions in Miocene time (Sillapaca Group), then shoshonite volcanics returned during the Pliocene (Barroso Group).

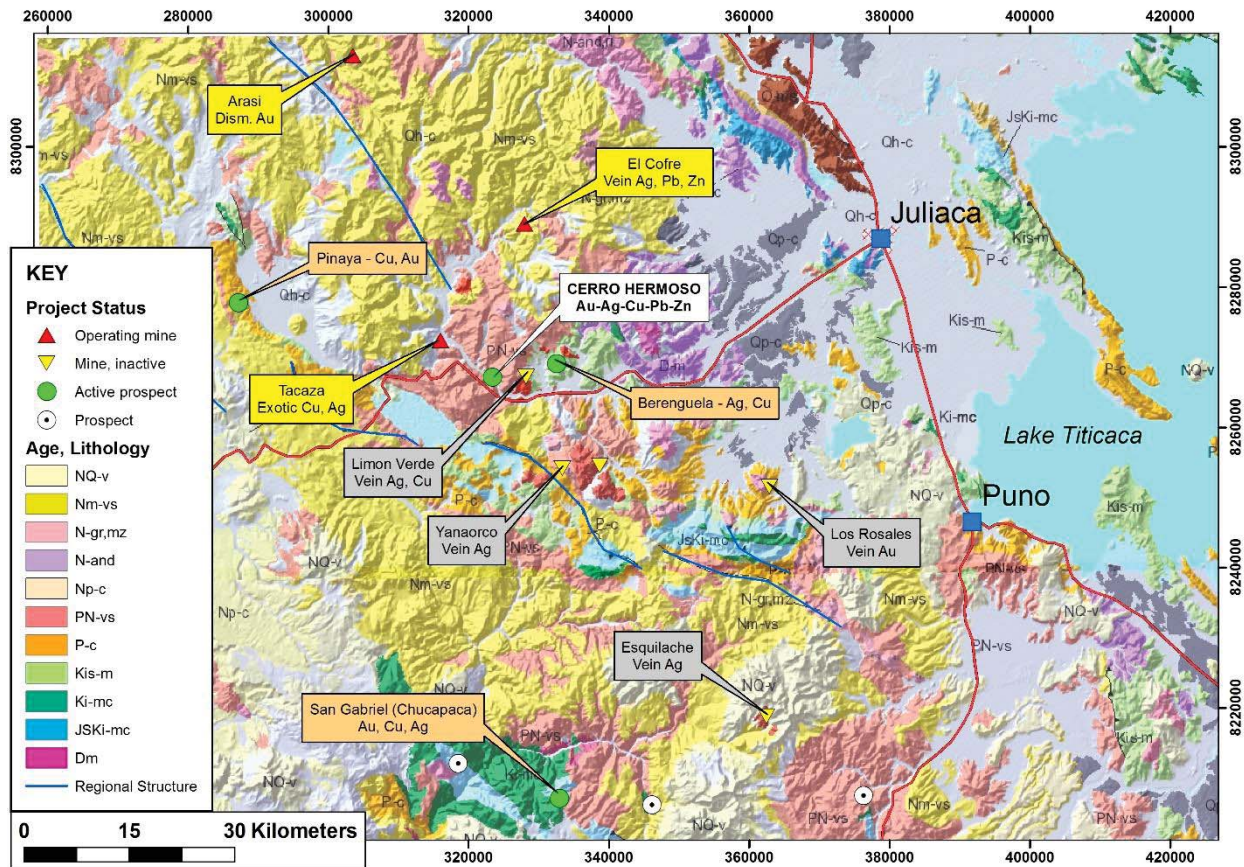


Figure 8. Regional geologic map including mines and exploration projects

7.3 Project Area Geology

7.3.1 Cretaceous Sediments

The oldest rocks exposed within 10 km of Cerro Hermoso belong to the Cretaceous Moho Group and consist of redbed fluvial-eolian sediments of the Huanané Formation overlain by a massive, micritic limestone and limestone olistostromes (submarine landslide deposits) of the Ayavacas Formation that form prominent outcrops and scarps in the district, although not exposed on the Property. The Ayavacas Fm is particularly prominent in the nearby Berenguela deposit where it outcrops on a high ridge and hosts significant Ag-Cu-Mn mineralization.

The Avavacas Formation (Late Cretaceous, 97 – 87Ma) occupies the same stratigraphic position as the Arcurquina Formation near Arequipa, but these two units are considered distinct in that the Arcurquina was deposited in regular beds in a stable carbonate platform, whereas the Ayavacas resulted from the reworking of the Arcurquina and previous units along the margin of the Cretaceous carbonate platform.

Cretaceous sediments were reportedly found in the Santa Barbara mine between 100 – 250m below surface (Wasteneys, 1990).

7.3.2 Tertiary Sediments and Volcanics

7.3.2.1 Puno Group

Eocene to lower Oligocene-aged, terrigenous conglomerate and arkosic sandstone units form a \geq 5 km-thick, thickening- and coarsening-upward, reddish sedimentary succession that was deposited in a large foreland-type basin between ~60 and ~30 Ma. The conglomerate is comprised of rounded clasts of underlying Cretaceous and Jurassic sediments. The basal unit is dominated by red mudstones (Muñani Fm, Late Paleocene-Early Eocene) locally overlying the Moho Group/Ayavacas Limestone. A series of dip-slope ridges in the southeastern portion of the district are formed from red-bed sandstones, siltstones and conglomerates mapped as belonging to the Puno Group.

7.3.2.2 Tacaza Group Volcanics

Igneous rocks in the Santa Lucia District are related to calc-alkaline intrusives and coeval volcanic rocks which are divided into three stratigraphic groups exhibiting a progression from mafic to felsic composition through time. As discussed above, Tertiary intrusive rocks are recognized as the Tacaza Group (upper Oligocene to lower Miocene), Sillapaca Group (middle Miocene), and Barroso Group (upper Miocene to Pliocene). Volcanism continued through Quaternary time in the district.

The Yapoco Formation is the oldest of the Tacaza Group volcanics (Oligocene) and covers most of the Property area with shoshonitic flows, agglomerates, and a basal unit of interbedded tuffites of mafic composition overlying Moho Group/Ayavaca Limestone and Puno Group sediments. The Yapoco Formation is overlain by Piruani Formation shoshonitic flows and is cut by both hornblende-diorite stocks and dikes, and the diatreme-related breccias and pyroclastics of the Cerro Hermoso Formation.

The Auquirane member of the Yapoco is distinctive for its thick flow of absarokite (Wasteneys, 1990) and related agglomerate flows overlying volcanics of the Yapoco. The Piruani Formation is a plagioclase-rich shoshonite forming massive flows and agglomerates overlying the Auquirane/ Yapoco.

Intrusive rocks included in the Tacaza Group are a hornblende diorite porphyry exposed in the district as stocks and dikes that has not been assigned a formal name, and the Limon Verde monzogabbro stock (30.3Ma). The hornblende diorite is distinctive for the amount and size of hornblende phenocrysts (5 – 15mm) relative to other phenocrysts of biotite, plagioclase and minor quartz. Silver-rich narrow veins are associated with hornblende diorite dikes outboard from the diatreme on the Property. A radiometric age date of 26.0 Ma suggests that the hornblende diorite may have been coeval with the formation of the diatreme (Wasteneys, 1990).

The Limon Verde monzogabbro forms a prominent stock intruded into Cretaceous and Eocene sediments immediately north of the town of Santa Lucia and hosts Ag-Cu veins at the Limon Verde Mine.

7.3.2.3 Cerro Hermoso Formation

The Cerro Hermoso Formation is comprised of the product of phreatomagmatic eruptions during the formation of an upwardly flaring maar-diatreme volcano measuring 1,400 meters in diameter at present-day surface. Similar diatremes occur in the district at Cerro Cayachira and along the southern margin of the Santa Lucia circular feature. Volcanic activity at Cerro Hermoso is considered to be part of the earliest felsic volcanism in the district coincident with the waning of mafic shoshonitic eruptions. The Cerro Hermoso diatreme is the central focus of exploration on the Property.

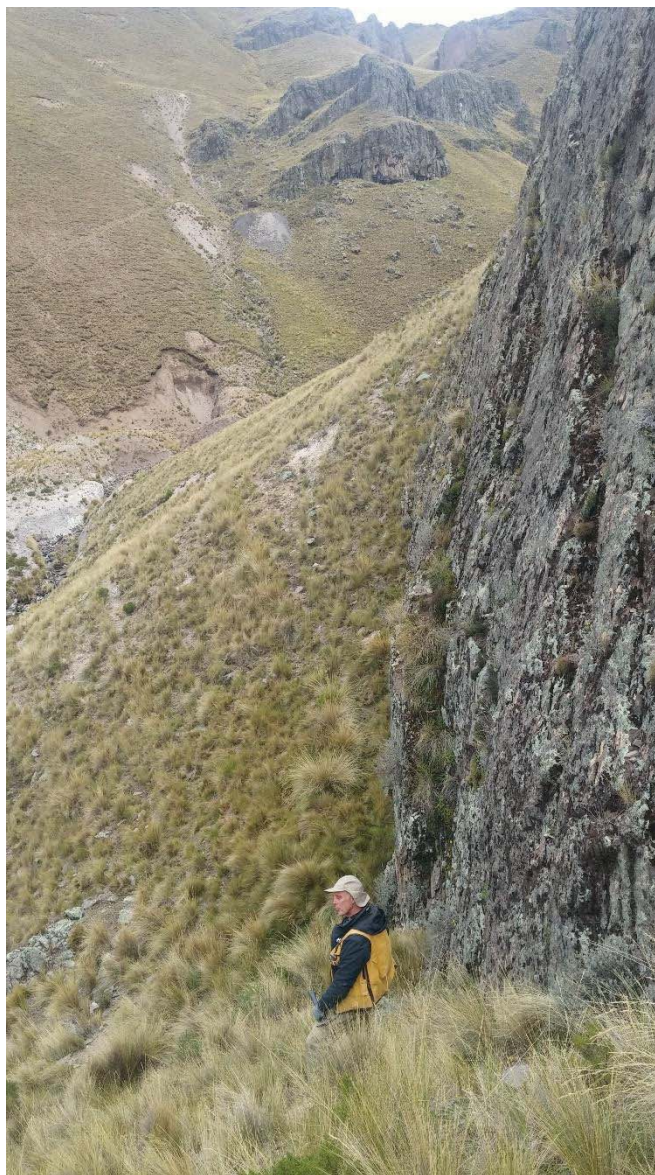


Figure 9. View of diatreme contact forming drainage between lithic-lapilli tuffs of the diatreme (left of mine dumps in distance) and massive flows of Tacaza volcanic rocks (foreground and right of dumps).

The Cerro Hermoso diatreme is filled with pyroclastic material interpreted to have been produced by multiple phreato-magmatic explosions as upward pulses of magma that came into contact with ground water, shattering the enclosing wall rock and, in the case of Cerro Hermoso, forming a funnel-shaped diatreme structure. Fluidized pyroclastics from these explosions carried rock debris to the surface depositing tephra rings outside of the diatreme crater (maar), while a large quantity of the same tephra (pyroclastics, broken wall rock debris) settled back into the maar. In the generic model of diatremes, successive eruptions in the root zone of the diatreme create more void space causing a cone of subsidence into which earlier fill material accumulates. The fill material in the lower portion of the diatreme is characterized as an ‘unbedded facies’ in contrast to the upper portion showing a degree of stratification in a ‘bedded facies’ (Lorenz and Kurszlauskis, 2007). Throughout the diatreme in general, pyroclastic fill material may show various degrees of welding, is non- to poorly-stratified, and dips at moderate angles toward the axis of the diatreme due to the process of settling.

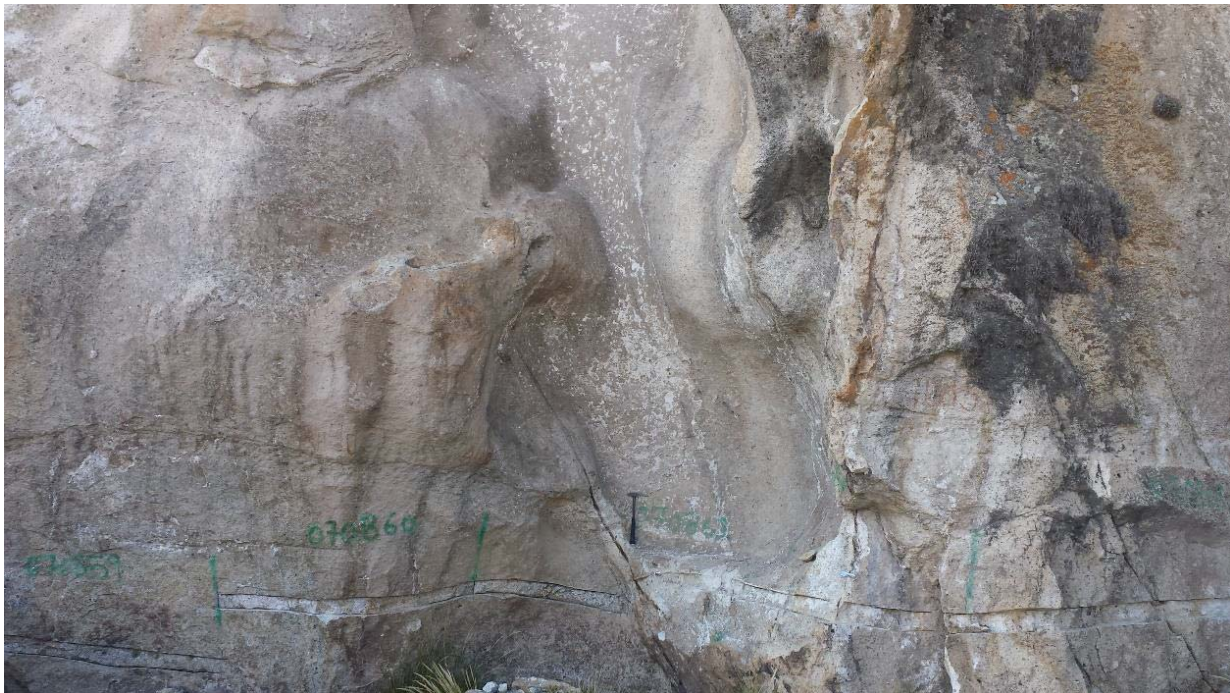


Figure 10. Outcrop of diatreme breccia with mineralized vein (at hammer) terminated at upper end by later surge of fluidized pyroclastics. Channel sample 070861 (including and to right of vein): 2.0m @ 15.7 g/t Au. Hammer length = 41cm

The Cerro Hermoso Formation is comprised of pyroclastic fill material in the diatreme, ‘diatreme breccia’, and a subaerial(?) lithic-lapilli tuff

Diatreme breccia, used here as a field term, contains abundant angular to sub-angular lithic clasts suspended in rock flour matrix. Texture and mineralogy of the groundmass have been obscured by argillic alteration making it difficult to identify the amount of juvenile material comprising the

matrix; with altered groundmass and common quartz phenocrysts in the matrix, the diatreme breccia may be provisionally termed a tuff in field observation without regard to its volcanic genesis.

The diatreme breccia shows near-vertical cross-cutting relationships in outcrop (Figure 10) representing multiple surges of pyroclastic material rising through the diatreme; conversely, they may show shear zones resulting from subsidence.

Puno Gold geologists have sub-divided the diatreme breccia unit based on character of lithic fragment content suggesting that each sub-unit may represent a distinct eruption/emplacement event. The three classifications are based on clasts characterized as: 1) dominantly feldspar, 2) relatively large size (>2 cm), or 3) gossan – sulfide/Mn. Other clast types include monzogranite presumed to have originated from a hypabyssal intrusive that may have been the source of magma that formed the diatreme. Gossan clasts may have been broken off a deep sulfide body replacing underlying carbonate strata at points of contact with the monzogranite.

Rhyodacitic lithic-lapilli tuff contains abundant small lithic fragments (lapilli) primarily consisting of older andesite/shoshonite volcanic rocks and juvenile clasts (‘fiamme’ or compacted pumice) of rhyodacite composition. Phenocrysts in the lithic tuff include notable amounts of quartz phenocrysts, biotite commonly altered and broken, and clay-altered feldspar or relict vugs (minor). This unit exhibits partial welding and moderate stratification and occupies most of the upper portion of Cerro Hermoso. The lithic-lapilli tuff normally would represent in-filling of the maar at the time of diatreme formation. Further investigation is required to estimate what level of the diatreme structure is represented at the present day surface.

Concentric fractures formed around the axis of the diatreme during its formation as in-filling tephra settled and surrounding wall rock reacted to relief of lithostatic pressure. Phreatic and phreato-magmatic breccia dikes were emplaced in these concentric fractures through the surrounding Yapoco Formation volcanic wall rock and in radial fractures formed perpendicular to the diatreme margin. Phreatic breccia dikes formed jig-saw breccia textures with quartz-hematite matrix filling between angular wall rock clasts before evolving to multi-stage, granite-fragment heterolithic breccias emplaced by fluidization (Wasteneys, 1990).

Cerro Hermoso forms a prominent hill with pyramidal form where its peak elevation is 250m higher than surrounding diatreme fill outcrops of the southern and western portions of the circular diatreme surface section. The height of Cerro Hermoso has been preserved due to the relatively erosion resistant lithic-lapilli tuff capping underlying softer diatreme breccia formation.

Diatreme breccia forms linear ribs trending along the fall line at the base of the western slope of Cerro Hermoso, but in the opposite sense to the “outwardly flaring” generic model. These ribs are aligned concentrically but their outboard face is clearly dipping outwardly as if formed over a dome centered on the diatreme axis. The relation of these outcrops to mineralization are discussed below in the section on Description of Mineralization.



Figure 11. Diatreme breccia outcrops trending along the fall line of Cerro Hermoso. Curved top is concave toward diatreme axis, to the right in photo. View looking east at western slope of Cerro Hermoso.

Above the diatreme breccia outcrops on Cerro Hermoso are low outcrops and sub-crops of bedded lithic-tuffs, best appreciated as bedded units when seen in aerial or satellite images representing the bedded facies in the standard deposition model of diatreme formation. These also have abundant lithic fragments and may be subject to sub-division on the basis of lithic content.

As rhyodacite, the Cerro Hermoso Formation should be included in the compositionally similar Sillapaca Group described below, although age dating (Wasteneys, 1990) places it contemporaneous with earlier Tacaza Group volcanics.

7.3.2.4 Sillapaca Group Volcanics

The Miocene-aged Sillapaca Group overlies the Tacaza Group in the Property area, composed of rhyolite and high-K dacite pyroclastic deposits, flows and domes. Most of the Sillapaca Group rocks lie more than 15 km to the north of Cerro Hermoso, but are also exposed near the southern margin of the Santa Lucia circular feature represented by the Santa Lucia Formation, a 100 m thick accumulation of poorly welded rhyolite tuffs overlain by the Ccanccanosane Conglomerate. These units fill a circular basin just south of the town of Santa Lucia and have been suggested to represent a small caldera of 8 km in diameter. Wasteneys (1990) discounted the caldera theory because of the lack of proximal, very large-fragment pyroclastic breccias typical of near-vent deposition. However, the circular distribution of the Santa Lucia Formation, the restricted extent of the intra-

basin conglomerate and the distribution of hornblende-diorite and more felsic domes and sub-volcanic intrusions around the Santa Lucia Structure leaves the caldera hypothesis open for further study.

The Churuma Formation (21.6 Ma) is composed of massively bedded rhyolite tuffs forming cliffs near Mt. Sillapaca 20 km north of the Property. The Sillapaca Formation caps Mt. Sillapaca and is composed of high-K dacite flows, flow breccias and domes measuring more than 700 meters as a unit.

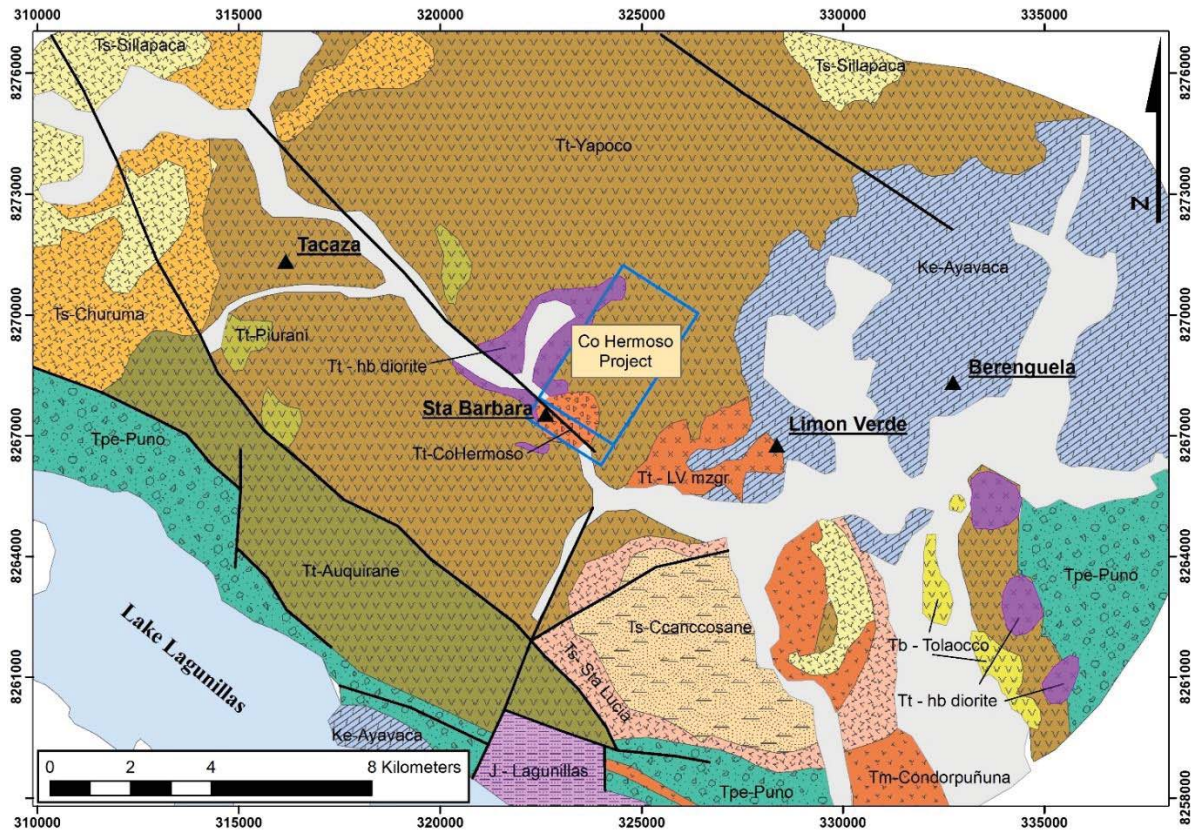


Figure 12. Santa Lucia district geology (from Wasteneys, 1990) in relation to Cerro Hermoso Project

The youngest unit of the Sillapaca Group is the Condorpuñuna Rhyolite dated at 7 Ma and forms both domes and dikes of porphyritic quartz-feldspar rhyolite cropping out along the southern margin of the Santa Lucia circular feature and at Cerro Cayachira.

7.3.2.5 Barroso Group Volcanics

The youngest of the major volcanic groups is the Barroso Group deposited in the Pliocene Epoch and dated at 5 Ma. The Barroso Group is represented in the Property area by the Tolaocco Formation, a series of flat-lying and columnar-jointed shoshonitic flows that cap hills east of the town of Santa Lucia.

Table 4. Santa Lucia District volcanic and sedimentary stratigraphy (Wasteneys, 1990)

| Name | Description | Age (Ma) |
|------------------------------|---|----------|
| PLIOCENE | | |
| Barroso Group | | |
| Tolaocco Fm: | Mafic (shoshonite) volcanic flows | 7.0 |
| ----- unconformity ----- | | |
| MIOCENE | | |
| Sillapaca Group | | |
| Sillapaca Fm | Dacite lava, flow breccias | 14.9 |
| Churuma Fm | Rhyolite ash-flow tuff | 17.0 |
| Ccancosane Fm | Clastic sediments – conglomerate, sandstone, marl | |
| Santa Lucia Fm | Rhyolite lithic-lapilli tuff | 17.0 |
| ----- unconformity ----- | | |
| OLIGOCENE | | |
| Tacaza Group | | |
| Cerro Hermoso Fm | Felsic pyroclastics vented from diatreme | 23.5 |
| Piruani Fm | Plagioclase-rich shoshonite, massive volcanic flows | |
| Auquirane Member | Mafic volcanics (absarokite), agglomerate flows | 26.5 |
| Yapoco Fm | Mafic volcanics, agglomerate, tuffs, tuffites | 30.3 |
| ----- unconformity ----- | | |
| Puno Group | | |
| | Coarse conglomerate, arkosic sandstone | |
| ----- unconformity ----- | | |
| CRETACEOUS | | |
| Moho Group/Ayavaca Fm | | |
| | Massive micritic limestone | |
| ----- unconformity ----- | | |
| JURASSIC | | |
| Lagunillas Group | | |
| | Black shale, limestone, quartz sandstone | |

Table 5. Santa Lucia District intrusive rocks (Wasteneys, 1990)

| Name | Description | Age (Ma) |
|-------------------------------|---|----------|
| MIOCENE | | |
| Condorpuñuna Rhyolite | Monzogranite-rhyolite hypabyssal stock, dikes | 7.0 |
| OLIGOCENE | | |
| Tacaza Group | | |
| Hornblende-diorite Intrusions | Dikes, stocks | 26.0 |
| Limon Verde Monzogabbro | Stock | 30.3 |

7.4 Project Area Structural Setting

The Property is located along a prominent regional structure called the Cuzco-Lagunillas-Mañazo (CLM) Lineament oriented sub-parallel to the Andean Trend, one of a series of NW-oriented structural lineaments spaced 50 – 60 km apart across southern Peru. The most prolific of these from a mineral production standpoint is the Incapuquio lineament through the Department of Arequipa which hosts the major porphyry copper deposits and prospects of southern Peru (Toquepala, Cerro Verde, Quelloveco, Los Calatos, Zafranal) as well as hundreds of smaller Au-Cu mineral occurrences. The CLM lineament is associated with several mines and major prospects in the Departments of Puno, Moquega and Arequipa most notably the Arasi disseminated Au mine, Esquilache historic Ag mining district and, further north, the Condoroma District and Quecha copper porphyry.

The origin of the Andean Trend was the succession of tectonic events during Tertiary time in which the primary compressive stress direction was NE-SW during subduction of the Nazca Plate. The result of these orogenies during Oligocene – Miocene time (Ayama, Quecha 1 to Quecha 4) was the activation of basement faults in a direction perpendicular to the stress orientation thus forming the NW-oriented regional structural lineaments.

These orogenies also produced “thin-skinned” tectonics resulting in deformation of Mesozoic and Paleozoic sediments to the point of initiating thrust faulting that locally juxtaposed Jurassic strata over Cretaceous and, in some cases, strata of both J-K over Tertiary sediments and volcanics. In the project area the Cretaceous Ayavacas Limestone is overlain by the Tacaza Volcanics, but south and to the east of Lake Lagunillas are found numerous klippen of massive carbonate overlying Tertiary volcanic rocks.

On a property scale, the location of the Cerro Hermoso diatreme was most likely influenced by the intersection of the NW structural zone along the current Verde River valley with a NNE transverse structure as schematically represented in the district geologic map (Figure 13). This structural intersection may have afforded a conduit for magmatic pulses leading to the formation of the diatreme structure in late Oligocene – early Miocene time. During the initial stages of formation of the diatreme, a set of radial structures may have formed in response to upward pressure from rising magma as is commonly seen in country rock surrounding volcanic necks. At Cerro Hermoso, radial structures are not as well-marked as the set of concentric cone-sheet structures which formed during development of the diatreme when surrounding wall rock slumped toward the axis of the vacant vent. These structures were subsequently filled with phreatomagmatic diatreme breccias and later with mineralizing solutions forming veins that cut these dikes. These are the veins that have been mined at Santa Barbara, Santa Catalina, and Cerro Hermoso hosted in fractures along the margin of the diatreme in contact with the Tacaza volcanics. Veins filling radial structures may be represented by the San Salvador area on the south side of Cerro Hermoso, and minor veining in the Tacaza volcanics on the north side that is associated with hornblende diorite dikes oriented perpendicular to the diatreme contact.

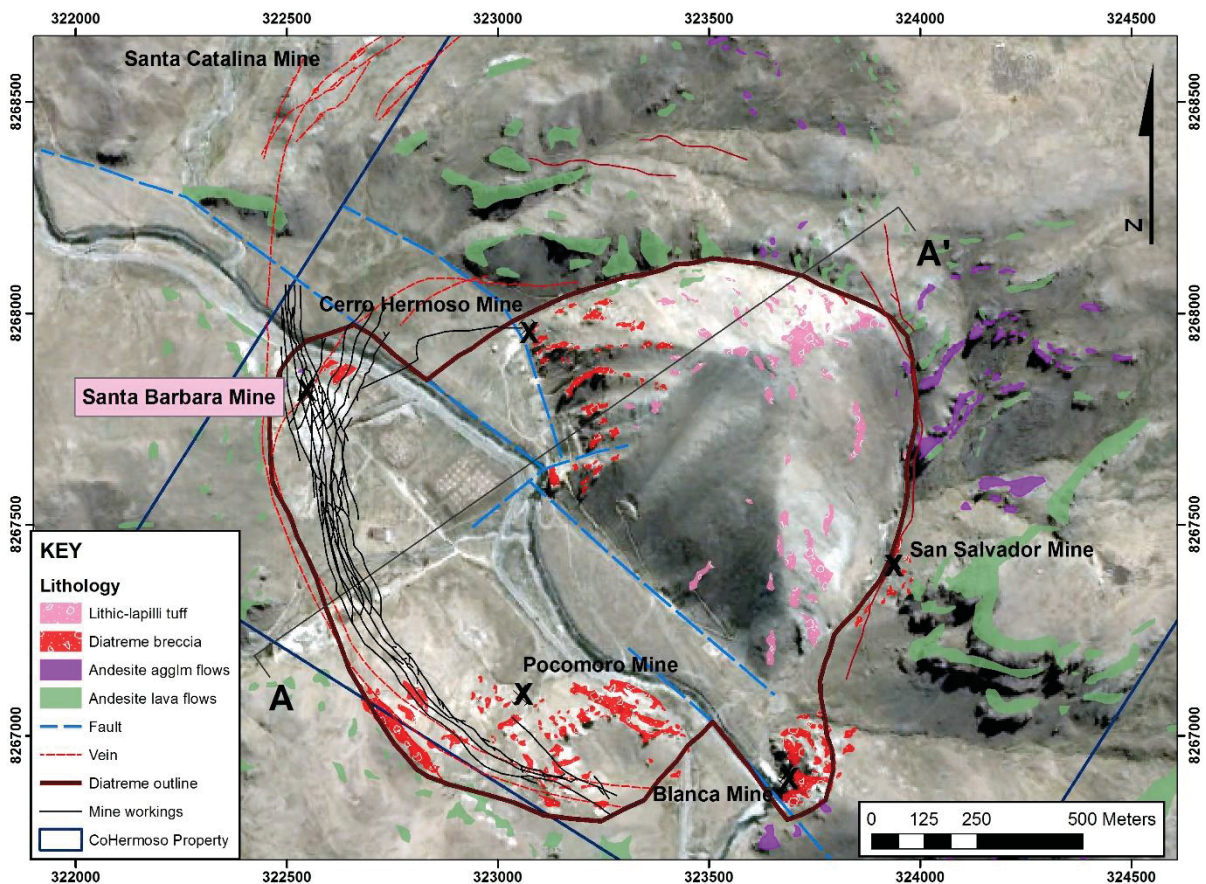


Figure 13. Outcrop geology by Puno Gold (Vargas, 2016) and inferred fault structures, Cerro Hermoso diatreme. (Section A-A' shown as Figure 21.)

The diatreme breccia on the western slope of Cerro Hermoso has been truncated by the regional strike-slip fault trending through the Verde River valley. Previous investigators (Jones, 2012) suggest that there was also an earlier vertical component to this fault that dropped the valley as a graben structure, thus displacing the western extension of these diatreme breccias downward later to be covered by valley fill.

A parallel strike-slip fault with short displacement seems to cut off the diatreme breccias on the eastern end further up the hill from the valley. A minor north-east trending transverse fault parallel to the ribs of diatreme breccia appears to displace the main valley fault at the southern end of the diatreme breccia outcrop group.

7.5 Project Area Mineralization

7.5.1 Carbonate – Base Metal Veins

The primary mineral occurrence on the Property is characterized by supergene-enriched Ag-Cu veins hosted by concentric, cone-sheeted structures in the Santa Barbara Mine immediately outside of the west margin of the Cerro Hermoso diatreme. Recorded past production from 1972 to 1990 was 740,813 tonnes (Minsur, 1998). Reported grades from production prior to closure were 450 g/t Ag and 2% Cu (Wasteneys, 1990). The Santa Barbara vein system extends over 2 km along strike and has been mined over 300 meters vertically.

Similarly, veins exploited at the Pocomoro, Cerro Hermoso, San Salvador, Blanca mines are also hosted on concentric (and radial?) structures close to the diatreme contact. Copper mineralization in veins at the Santa Catalina Mine are hosted in a continuation of the same concentric structures around the north side of the diatreme outside the Property boundary. Mineralized veins on the Property are reported to range between 0.30 – 1.50 meters in width and dip steeply (~70°) toward the center of the diatreme structure.

Wasteneys (1990) described in some detail the mineralogy, ore controls, and paragenesis for the Santa Barbara Mine, summarized in the following paragraphs.

Prior to mineralization at Santa Barbara/Cerro Hermoso, phreato-magmatic breccia dikes filled a concentric cone-sheet fracture system formed in reaction to development of the diatreme (25 – 23.5 Ma). Subsequent base metal-bearing fluids formed veins along these fracture sets, cutting the breccia dikes. The timing of the polyphase mineralization events and the emplacement of the diatreme complex is yet to be fully established, but is interpreted to be near-contemporaneous. An $^{40}\text{Ar}/^{39}\text{Ar}$ date on hydrothermal sericite from a phyllically altered breccia dike hosting one of the high-grade Santa Barbara veins returned an age of 23.5 ± 0.5 Ma.

Mineralization in the Santa Barbara vein system is zoned from south to north and by elevation. The southern section of the vein system, from the Pocomoro shaft to the south, is hosted in veins containing chalcocite and bornite in a gangue of dolomite, rhodochrosite, calcite, barite, and minor pyrite. The northern section of the vein is more siliceous with much more quartz in the vein matrix and a mineral assemblage of chalcopyrite – galena deposited outside of and

above the chalcocite – bornite zones. Pyrite from the early quartz pyrite stage and pyrite formed concurrently with the chalcopyrite – galena assemblage are more common in the northern sector of the veins. Electrum is present in the veins north of the Pocomoro shaft where it is associated with the chalcopyrite – galena assemblage. Following the deposition of base-metal sulfide mineralization, tennantite (a silver sulfosalt) was deposited in much of the vein. Ramal 4 and the Cerro Hermoso vein are relatively more Au-rich than the main Santa Barbara vein and appear to represent a high-Au, low base-metal zone east of the Santa Barbara Mine and at a higher level in the system. All of the veins were later filled with late rhodochrosite and dolomite.

Five stages of mineralization are recognized: 1) magnetite deposition as veins and dissemination in the breccia dikes, 2) quartz-pyrite-sphalerite in the main veins, 3) complexly zoned base-metal sulfides dominated by chalcocite + bornite in carbonate gangue in the south and by chalcopyrite + galena (+/- electrum) in quartz-rich gangue in the north, 4) replacement of base-metal sulfides by tennantite, and 5) late stage carbonate minerals (siderite – rhodochrosite). Metal zonation is defined by Cu-carbonate in the south versus Cu-Pb-Ag-Au ± quartz in the north. A gold-rich zone at Cerro Hermoso is suggested east of and at higher levels than the main Santa Barbara Vein.

Alteration in the immediate wall rocks of the veins vary from north to south with alteration surrounding the veins in the northern section including illite replacement of the matrix of the breccia dikes and silicification around the veins. In the south, argillic alteration is surrounded by a propylitic zone.

7.5.2 Diatreme-hosted Au-Ag

7.5.2.1 Description of Mineralization

Puno Gold's primary exploration target on the Property is the diatreme breccia at Cerro Hermoso where anomalous values of gold have been reported from a previous investigations. Recent observations by Puno Gold geologists suggest that gold is carried in veinlets and possibly disseminated into the diatreme breccia matrix. The common gossan clasts may also contain anomalous Au values accompanying dominant base-metal values.

Sulfide ± quartz veinlets through the host breccias are characterized as sub-vertical, hairline, sheeted, and discontinuous. Most outcrops carrying anomalous geochemical values are oxidized; primary sulfide mineralization is a simple assemblage of pyrite-chalcopyrite-galena-sphalerite. These outcrops are actively precipitating gypsum, indicating that sulfides are being oxidized in the surface environment.

Mineralized veinlets are found in sheeted and irregular forms (see outcrop photo, Figure 17), locally showing a pattern following Riedel shear structures on an outcrop scale, suggesting that the host diatreme breccia was in the process of settling and in a semi-ductile state when mineralizing fluids filled available voids, therefore indicating that mineralization followed closely after formation of the diatreme structure. The presence of regular, through-going veins in the same diatreme breccia (see outcrop photo, Figure 10) indicates a later mineralization event filling brittle fractures. The history and timing of mineralization is yet to be determined.



Figure 14. Diatreme breccia from Base Outcrop, author's sample 6485: 1.25 g/t Au, 6.3 g/t Ag. Note irregular veinlets marked with MnO. Coin diameter = 2.43 cm

7.5.2.2 Alteration

Breccias and tuffs on Cerro Hermoso have been subject to argillic alteration resulting in the presence of abundant white clay (illite?) and 1 – 2% fine, cubic pyrite with a minor component of quartz expressed as moderate silicification of the matrix. The presence of sericite suggests local zones of stronger alteration. Black points of what's most likely a Mn-oxide mineral (fine prismatic crystals noted: manganite?) are common throughout the matrix. Further studies by Puno Gold will clarify the type and mineralogy of the primary alteration zones most closely associated with Au-Ag mineralization, and may recognize evidence of dissemination of mineralized fluids through the matrix of host volcanics and breccias in addition to mineralization hosted in fine veinlets and fractures.

7.5.2.3 Au-Ag Hosted in Diatreme Breccia

The massive outcrops of diatreme breccia hosting anomalous Au values form sub-parallel, concentric rib outcrops trending along the fall line of Cerro Hermoso. These may be considered as equivalent to the “tuffa” dikes, as named by the local miners, found along the Santa Barbara vein system with widths reportedly ranging up to 50 meters underground hosting high-grade polymetallic veins and zones of lower grade polymetallic stockwork mineralization underground

at Santa Barbara (Jones, 2012). Apparently, the highly anomalous Au-Ag values found on Cerro Hermoso may be hosted in equivalent diatreme breccias forming the outcrop ribs on the slope of Cerro Hermoso and may indicate a broad zone of anomalous Au values through the diatreme breccia. Minor silicification associated with polymetallic mineralization may have made these outcrops more resistant to erosion than adjacent breccia, thus forming the outcrop ribs as seen today. Phreatic breccia dikes may also be spatially associated with the diatreme breccia ribs, also moderately silicified and more resistant to erosion.

Channel sampling by Teck and Silver Standard have shown that the diatreme breccia along the western the base of Cerro Hermoso contains significant Au mineralization with high values of 30.2 and 56.4 g/t Au. A continuous channel sample by Silver Standard yielded 19.0m @ 0.56 g/t Au and 43.1m @ 1.79 g/t Au. A more detailed description of past sampling in this zone of mineralization is given in the Exploration section below.

As mentioned above, the outboard face of these rib outcrops is clearly dipping outwardly as if formed over a dome centered on the diatreme axis, as opposed to the “outwardly flaring” generic model. Reconciling the geometry of these outcrops with the diatreme model is necessary to guide exploration efforts.

7.5.3 Carbonate Replacement Deposit

CRD-type mantos measuring 1 – 4 meters thick were discovered and sampled on the 3831 level of the Santa Barbara Mine in workings that crossed under the Verde River to the east near the base of the west slope of Cerro Hermoso. The mineralization was reported to consist of pyrite, galena, sphalerite, and chalcopyrite hosted in limestone of the Ayavacas Formation. Grades from this zone were reported as 115 g/t Ag, 8.45% Pb, 8.06% Zn and 0.37% Cu (Minsur, 1998).

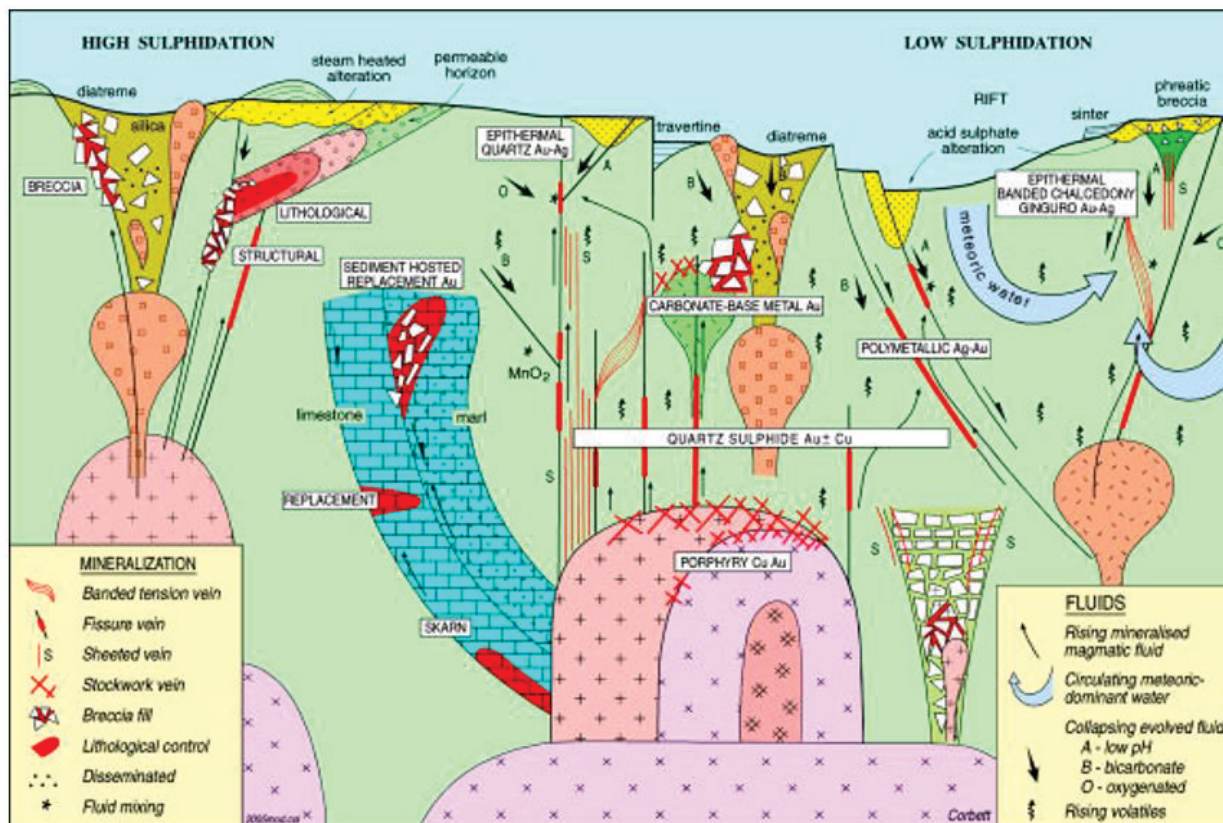


Figure 15. Schematic section of mineral deposit settings contrasting high-sulphidation to low-sulphidation styles, including diatreme volcanic structures (Corbet, 2008). ISE-style in upper-center of diagram.

8.0 DEPOSIT TYPES

Defined by structural setting, three models of mineralization are found on the Property: ISE veins (Santa Barbara), diatreme-hosted Au-Ag (Cerro Hermoso), and carbonate replacement deposits (CRD). The ISE vein and diatreme-hosted occurrences are mineralogically similar, differing only in their respective structural settings found in the same diatreme structure.

8.1 ISE Carbonate-Sulfide-(Quartz) Veins

Intermediate-sulphidation, epithermal veins carrying Au-Ag plus base metals (Cu-Pb-Zn) are characterized by the following attributes (Sillitoe and Hedenquist, 2003):

- Genetic relation to volcanic rocks of andesite to rhyodacite composition
- Key alteration mineral is sericite; adularia uncommon
- Silica gangue as vein-filling crustiform and comb quartz
- Carbonate gangue common, including manganiferous varieties; barite present locally
- Sulfide abundance of 5 – 20%
- Key sulfide species include sphalerite, galena, tetrahedrite-tennantite, chalcopyrite
- Main metals: Au, Ag, Cu, Pb, Zn
- Minor metals: Mo, As, Sb
- Te and Se species: tellurides common locally; selenides uncommon

8.2 Polymetallic Mineralization Associated with Breccia Pipes

The Peñasquito Mine (Mexico) is quite similar in metallogenic and mineralogical characteristics to the Cerro Hermoso Property as a breccia pipe (diatreme) deposit formed as a result of intrusion-related hydrothermal activity. Other deposits of this type in Peru include San Gabriel (Chucapaca) and Cerro de Pasco. Others worldwide include Cripple Creek, USA (Jensen and Barton, 2007); Montana Tunnels, USA (Sillitoe, 1985); Kelian, Indonesia (Davies et al, 2008).

The typical geologic setting for this type of deposit is characterized by (Belanger et al, 2010):

- Metaluminous, sub-alkalic intrusions of intermediate to felsic composition that span the boundary between ilmenite- and magnetite-series;
- Carbonic hydrothermal fluids;
- Pluton-proximal gold mineralization may be associated with Bi, Te, and W aureole-hosted mineralization with an As or Sb tenor; distal mineralization may be related to Ag–Pb–Zn;
- Tectonic setting of continental magmatism well-inboard of inferred or recognized convergent plate boundaries, and which commonly contains coeval intrusions of alkalic, metaluminous calc-alkalic and peraluminous compositions;
- Preference for host strata that include reducing basinal sedimentary or metasedimentary rocks;
- Deposit locations often controlled by graben faults and ring complexes related to caldera development;
- Host structures as funnel-shaped, pipe-like, discordant breccia bodies and sheeted fracture zones.

Mineralization associated with breccia pipes/diatremes is characterized by:

- Low sulphide content (<5 volume %) containing pyrite, chalcopyrite, sphalerite, galena, and pyrrhotite, with minor molybdenite, bismuthinite, telluro-bismuthite and tetrahedrite, which occur either in the matrix or in rock fragments
- Silver-rich metal ratios (Au:Ag = 1:10) with associated Pb, Zn, Cu ±(Mo, Mn, Bi, Te, W), and a lateral (concentric) metal zoning in some deposits

- Sericite–quartz–carbonate–pyrite alteration and variably developed silicification grading outward into propylitic alteration with early stage K-silicate alteration in some deposits
- In-filling various breccia types, including magmatic-hydrothermal, phreatomagmatic, hydraulic and collapse varieties with breccia cement dominantly of quartz, carbonate (calcite, ankerite, siderite), with specularite and tourmaline at some deposits

Notably, Peñasquito mineralization fills the diatreme structure over a vertical range of more than 800m terminated at its base by felsic intrusive rocks with disseminated Cu-Au-Ag-Mo. Narrow stocks and dikes of later intrusions were emplaced post-mineralization through the center of the diatreme. Permeable wall rocks surrounding the diatreme were receptive to low-grade disseminated mineralization.

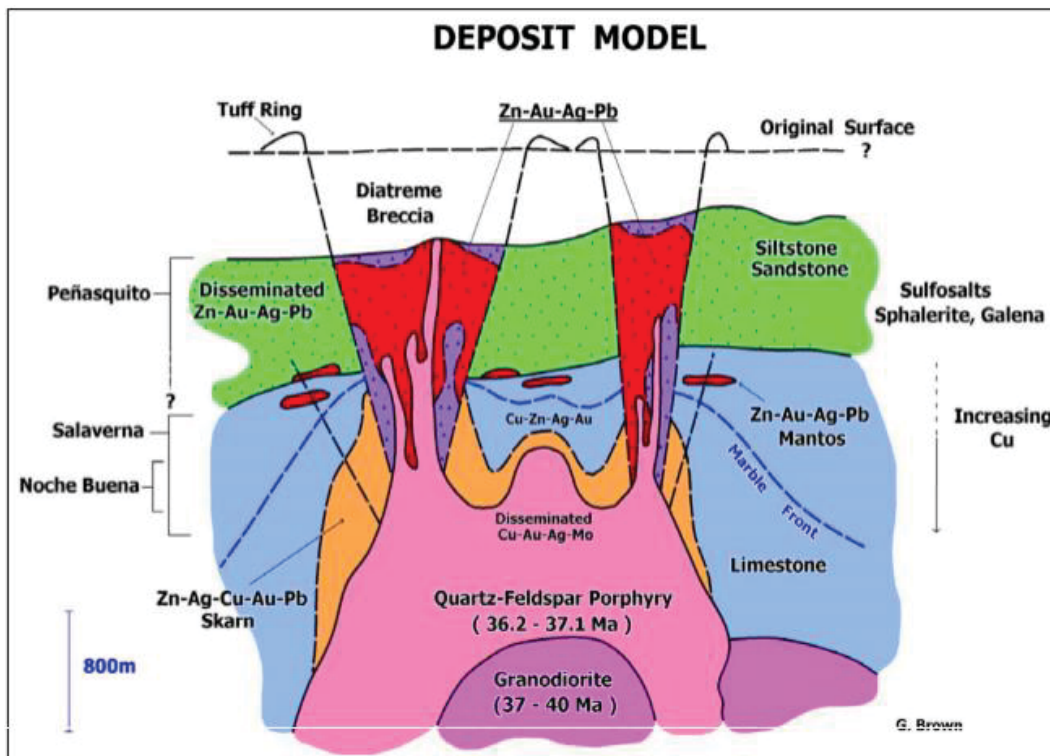


Figure 16. Peñasquito Au-Ag deposit model

Buenaventura’s San Gabriel deposit (re-named from Chucapaca) is a diatreme-hosted Au-Ag deposit located 59 km south of Cerro Hermoso in the Department of Moquegua with announced Inferred Mineral Resources of 132.7Mt @ 1.4 g/t Au, 10.8 g/t Ag and 0.09% Cu for contained 7.6 Moz AuEq (Dusci, 2011). Mineralization is hosted in a series of phreatic and phreato-magmatic breccias associated with a diatreme and in calcareous sediment wallrock intruded by the diatreme. Alteration minerals are dominated by carbonate species (siderite, rhodochrosite) due to the

calcareous host rocks; adularia is also included in the alteration suite and indicates an intermediate-to low-sulfidation style of mineralization

Two stages of mineralization have been recognized as a defined by mineral paragenesis:

- Early Stage – pyrrhotite, pyrite, chalcopyrite, arsenopyrite, sphalerite; siderite gangue. Distal magnetite-pyrite halo.
- Main Stage – Au, electrum, maldonite, pyrite, arsenopyrite, marcasite, chalcopyrite, tetrahedrite, tetradymite, stibnite-bismuthinite (Bi, Sb, Ag sulfosalts), sphalerite, galena. Gangue of carbonates (siderite, rhodochrosite), quartz, low-T silica, clay, adularia.

Geophysical methods were a key exploration tool for the discovery of this deposit due to the abundance of minerals with high magnetic susceptibility forming a halo around mineralization.

8.3 Carbonate Replacement Deposits

Carbonate replacement deposits (CRD) are an important source of silver, zinc, and lead worldwide. The Santa Eulalia mining district in Chihuahua, Mexico has produced nearly 450 million ounces of silver and 6 million tons of Pb-Zn over three centuries from mantos of mineralization that replaced sedimentary units conformable to bedding, or from mineralized chimneys cutting across bedding where structurally prepared.

The designation CRD has been further subdivided into Leadville Type Deposit (LTD), sedimentary exhalative deposit (SEDEX) and Mississippi Valley Type (MVT) largely based on proximity to heat source (intrusive rock) and source of metals. The Property has potential to host LTD style mineralization. (Since the designation LTD is not widely used, the author uses the more recognizable acronym CRD for further discussion.)

CRD mineralization originates from close contact of carbonate sediments with hot magmatic fluids. In the case of direct contact between carbonate and intrusive rock, skarn mineralization and related alteration are formed. Small skarn occurrences hosted in the Ayavacas Limestone are common throughout the Santa Lucia district.

CRD mineralization is the type most likely to be found on the Property since the Ayavacas Limestone has been cut by the Cerro Hermoso diatreme. Small replacement bodies of pyrite-galena-sphalerite-chalcopyrite were discovered and sampled on the 3831 level of the Santa Barbara Mine in limestone of the Ayavacas Formation yielding reported grades of 115 g/t Ag, 8.45% Pb, 8.06% Zn and 0.37% Cu (Minsur, 1998).

The Berenguela deposit, 8 kms to the east of Cerro Hermoso, is believed to be a CRD hosted by the Ayavacas Formation, and is associated with felsic intrusive rocks similar in composition to those found at Cerro Hermoso.

CRD's (LTD type) are characterized by the following (Kamona, 2011):

- Spatial relation of carbonate rocks in close contact with felsic to intermediate intrusive rocks
- Key alteration where distal from intrusive contact: Mn-oxide, dolomitization/recrystallized carbonates, (\pm jasperoid)
- Carbonate gangue, plus fluorite, quartz, (\pm barite-anhydrite)
- Sulfide abundance of 5 – 20%
- Key sulfide species: sphalerite, galena, chalcopyrite, pyrite, pyrrhotite. Near contact with intrusive (skarn): tetrahedrite-tennantite, chalcopyrite, arsenopyrite. Distal from intrusive: acanthite, cinnabar, stibnite, realgar, silver sulfosalts
- Main metals: Cu, Pb, Zn, Ag
- Minor metals: Au
- Typical Zn-Pb metal ratio: $Zn/(Zn+Pb) = 0.5$

Type occurrences are Santa Eulalia District, Mexico; Leadville, USA; Gilman, USA; nearest example to the Property of this type mineral occurrence is Berenguela, 8 kms east.

Cerro de Pasco is a world-class polymetallic deposit featuring both CRD and diatreme-hosted polymetallic mineralization (Baumgartner et al, 2008; Einaudi, 1977). Located in the high Andes of central Peru, Cerro de Pasco hosts Cu-Pb-Zn-Ag mineralization in a diatreme breccia pipe 2.5 km in diameter cutting through carbonate and clastic Paleozoic to Mesozoic sediments. Post-1950 production plus known resources total > 175 Mt @ 7% Zn, 2% Pb, 93 g/t Ag.

The diatreme is filled with pyroclastic breccia and intruded by Miocene plugs and dikes of quartz-monzonite porphyry. Massive sulfide replacement and fissure veins in host carbonate sediments (Pucara Fm) form interconnected pipe-like bodies outside of the main diatreme structure. The first stage of ore deposition is defined by emplacement of pyrite-quartz, later replaced by pyrrhotite, in carbonate sediments and to a lesser extent in the diatreme. The second stage of mineralization, partially superimposed on the first, developed Cu-Ag-(Au-Zn-Pb) enargite-pyrite veins in the diatreme breccia and Zn-Pb-(Bi-Ag-Cu) carbonate replacement in the wall rock sediments.

Cerro de Pasco is considered a classic example of high-sulfidation with advanced argillic alteration. At present, only intermediate sulfidation style mineralization has been observed on the Property, although mineralized carbonate sediments found deep in Santa Barbara mine workings have yet to be properly investigated.

8.4 Deposit Models as Guide to Property Exploration

The base-metal veins of Santa Barbara show the characteristics described in the model for ISE carbonate-sulfide-quartz veins except for the predominance of carbonate-barite gangue over quartz. Mineral occurrences in the Santa Lucia district typically have low silica content probably

due in part to the shoshonitic (high-K, low-Si) volcanism driving mineralizing hydrothermal systems in the district in late Oligocene – early Miocene.

Au-Ag mineralization hosted in the Cerro Hermoso diatreme breccia has the same characteristics as those listed above for the vein occurrences, the only difference being the structural setting for the mineralization: open space filling for the Santa Barbara vein system along concentric cone-sheet structures vs. narrow, sheeted veinlets found in massive diatreme breccia units and possibly disseminations of mineralization through host rock matrix. Most Cerro Hermoso outcrops have been intensely oxidized, but the apparent sulfide mineral assemblage is pyrite – chalcopyrite – galena – sphalerite associated with sericite-clay alteration. Only minor quartz has been recognized as associated with mineralization on Cerro Hermoso.

The three structural targets on the Property require distinct approaches to exploration and evaluation of their mineral potential. Structural control of mineralization in a diatreme setting is a critical factor, but is the least able to be guided by a genetic deposit model since each deposit has unique structural characteristics, although in general, most diatremes have brecciated contacts with wall rock that provide prospective structural exploration targets.

A surface drill program along the length of the Santa Barbara vein system will provide assay data for the primary metals as well as geochemical data to indicate metal zonation vectors. Zones between splits in the vein will be tested for low grade mineralization. Exploration on the vein system would benefit from rehabilitating underground access to veins in order to refine modelling of mineral zonation, but this may be programmed for later stages of exploration. The entire margin of the diatreme has potential to host carbonate-sulfide veins similar to the Santa Barbara vein system.

On Cerro Hermoso, the observed disseminated style of Au-Ag mineralization hosted in stockwork or sheeted veinlets in the diatreme breccia may be the equivalent of mineralization seen in diatreme breccia and breccia structures in wall rock and splits of the Santa Barbara vein system. Deposits with similar settings (Penasquito) suggest that the disseminated mineralization may extend throughout the width and depth of the diatreme structure, not confined to the periphery of vein systems located on concentric fractures around the margins of the diatreme.

Exploration programs should evaluate the correlation of pathfinder elements As, Sb, Hg to observed mineralization and apply those findings as a guide to deeper mineralization. Spectral analysis of clay alteration mineralogy in combination with geochemical data may reveal vectors for exploration targets.

Geophysical surveys (IP/Res/mag) will be useful in defining the dimensions of the diatreme, indicating the location of concentrations of sulfide mineralization in relation to the diatreme and identifying CRD-type mineralization at depth.

9.0 EXPLORATION

9.1 Puno Gold's Current Exploration Program

Puno Gold has only recently begun an exploration program on the property. Company geologists began outcrop mapping in 2016 with the objective of identifying the host rock containing strong Au-Ag geochemical anomalies on Cerro Hermoso and to formulate a geological model to guide further exploration. At the time of the author's field visit, Puno Gold was initiating a channel sampling program on the Property. No results from this work are available as of the effective date of this report.

9.2 Summary of Previous Investigations

Brief summaries of previous exploration programs completed on the Property prior to Puno Gold's involvement are listed below in chronological order.

9.2.1 Minsur S.A. (1967-1990)

Minsur did little or no underground exploration other than drifting on veins, grade control sampling and mapping of underground workings while operator at the Santa Barbara Mine. Outcrops of the Cerro Hermoso diatreme show signs of numerous channel samples probably cut by Minsur.

The author understands that most records of mine development and exploration on the Property while Minsur was operator are no longer in their control and not available to Puno Gold.

Puno Gold has found evidence in the field for eight drill platforms that were probably constructed by Minsur. Drill hole collars were found on two of these platforms that could be roughly measured for azimuth and inclination. Elsewhere, two concrete markers were found with identification numbers (DDH-03 and DDH-11) suggesting that Minsur drilled at least 11 diamond drill core holes on the project, presumably in the early 1990's. Most drill platforms are located on the western slope of Cerro Hermoso where Minsur most likely had identified anomalous Au values in surface rock chip sampling.

Puno Gold has attempted to acquire the Minsur drill data or core, but the data and core was apparently discarded in the 1990's. A representative of Puno Gold spoke with a previous exploration manager of Minsur who joined the company several years after termination of the drill program and suggested that initial assays from the drill core indicated significant intercepts of disseminated gold on the order of 1 g/t Au, but that re-assayed core gave negative results.

9.2.2 Teck Resources Ltd. (2012)

Teck completed a two-stage field evaluation of the project including geologic mapping, rock chip/channel sampling, and talus sampling. Results from this work was summarized in a publicly-available report; Excel spreadsheets of the sample descriptions and assay data were provided to the owners of the Property concessions (Paredes family). The Teck report describes having analyzed 93 rock samples but only 73 sample results were provided to the owner.

Teck collected rock chip samples from outcrop and veins around the base of Cerro Hermoso, and was the first group to recognize Au mineralization in the “Base Outcrop” on the west side of Cerro Hermoso that has since been sampled repeatedly. Teck collected a series of 5m channel samples from Base Outcrop that defined a 50m width grading 1.12 g/t Au. Among the anomalously high Au values from these samples, two select samples from narrow (0.5 – 2.0cm), NE-striking goethite-filled fractures yielded 30.2 and 56.4 g/t Au with high base metal values.

Teck’s talus sampling program identified two locations of anomalous Au at the base of Cerro Hermoso, one location below the continuation of diatreme breccia outcrops north of Base Outcrop, and another near the San Salvador vein adit on the east side of Cerro Hermoso. These anomalous talus samples returned 0.34 and 0.45 g/t Au.

9.2.3 Sears, Barry, & Associates (2012)

Sears, Barry & Assoc. of Sudbury Ontario were commissioned by Kcoriwasi in 2012 to complete a geologic report summarizing exploration and development on the project. The completed report in January 2013 described the vein at the Cerro Hermoso tunnel and workings, as well as providing short descriptions of the Santa Barbara, Pocomoro, and Mina Blanca / San Salvador Mine areas. At the time, work by Kcoriwasi and the Paredes family was initially focused on accessing and sampling the unmined upper portion of the Santa Barbara vein above river level, but this work was mostly within largely oxidized ores incompatible with the plant’s flotation circuit that they had constructed. Cross-cut workings that Kcoriwasi were developing on the Pocomoro and Mina Blanca veins did not reach targeted veins and were abandoned. Access to the Cerro Hermoso vein was completed at a point intersecting narrow vein widths with high Au-Ag grades; three samples taken by Sears of sorted vein material at this point yielded 11.2, 46.8 and 160.4 g/t Au.

The Sears report recommended systematic exploration of the Cerro Hermoso Vein and recognized the disseminated nature of some mineralization in diatreme fill material.

9.2.4 Silver Standard (2015)

Silver Standard conducted a field evaluation of the Property in 2015. Their principal effort was to cut a continuous horizontal channel sample measuring 72.2m in length along the foot of Base Outcrop (Figure 17). Length of each channel sample ranged from 1.0 – 2.0 meters with the exception of a 0.6m width limited to a zone of veining. A total of 41 samples were collected along this channel.

According to Silver Standard geochemical data made available to Puno Gold, the northern end of their channel yielded 19.0m @ 0.56 g/t Au including 2.0m @ 7.53 g/t Au. The southern end of the channel yielded 43.1m @ 1.79 g/t Au including contiguous 2.0m samples assaying 15.7 and 6.8 g/t Au near the mid-point. (This average was calculated without applying a top-cut to the 15.7 g/t Au value.) These intercepts are separated by a barren zone measuring 10.2m in width having >0.10 g/t Au (> 100 ppb Au). The first and last samples of the entire channel, i.e., the edges of the outcrop, both assayed 0.6 g/t Au.

Copper is not anomalous in the channel except for where the 0.6m sample crosses a vein zone containing visible Cu-Pb-Zn sulfides and yielding 1.06% Cu, 6.0% Pb, 5.4% Zn with 3.27 g/t Au. All other samples returned Cu values <100 ppm and Pb, Zn on the order of 1,000 ppm.

Silver Standard's investigation supported the proposed exploration targets that Teck had generated: potential for bulk-mineable gold-silver deposits within the diatreme at Cerro Hermoso and also from structurally-controlled zones similar in mineral tenor to the Santa Barbara Vein located outboard from the diatreme or along the contact zone in the north, east, and southeast quadrants of Cerro Hermoso.



Figure 17. Box and channel samples by Standard Silver from Base Outcrop. Channel sample 70840: 2m @ 3.77 g/t Au. Sheeted, irregular veining with Feox-MnO, minor quartz.

9.2.5 Empresa Minera Kcoriwasi S.A.C. (2011-2016)

Kcoriwasi initiated efforts in 2011 to mine portions of the Santa Barbara and Cerro Hermoso veins with little success. During that time they collected samples of mine tailings from the Santa Barbara flotation plant and defined 270,000 tonnes of tailings grading 1.24 g/t Au, 154 g/t Ag and 0.95% Cu. (Note: these results were never confirmed by an independent source and should not be

considered mineral resources.) Teck reported at the time that Kcoriwasi was shipping hand-sorted ores to an off-site smelter from the Santa Barbara, Cerro Hermoso, and Mina Blanca veins at an approximate rate of 3 tonnes per month, grading 2,160g/tAg, 16%Cu and 3g/tAu.

Kcoriwasi engaged a backhoe in 2012 to transport Au-bearing colluvial material to a plant for gravity separation. Their interpretation of sampling data of colluvium at the base of Cerro Hermoso 100m north of the Cerro Hermoso Vein adit led them to estimate 500,000 tonnes of material at 1.5 g/t Au. Teck’s talus sampling resulted in only one anomalous sample from this area.

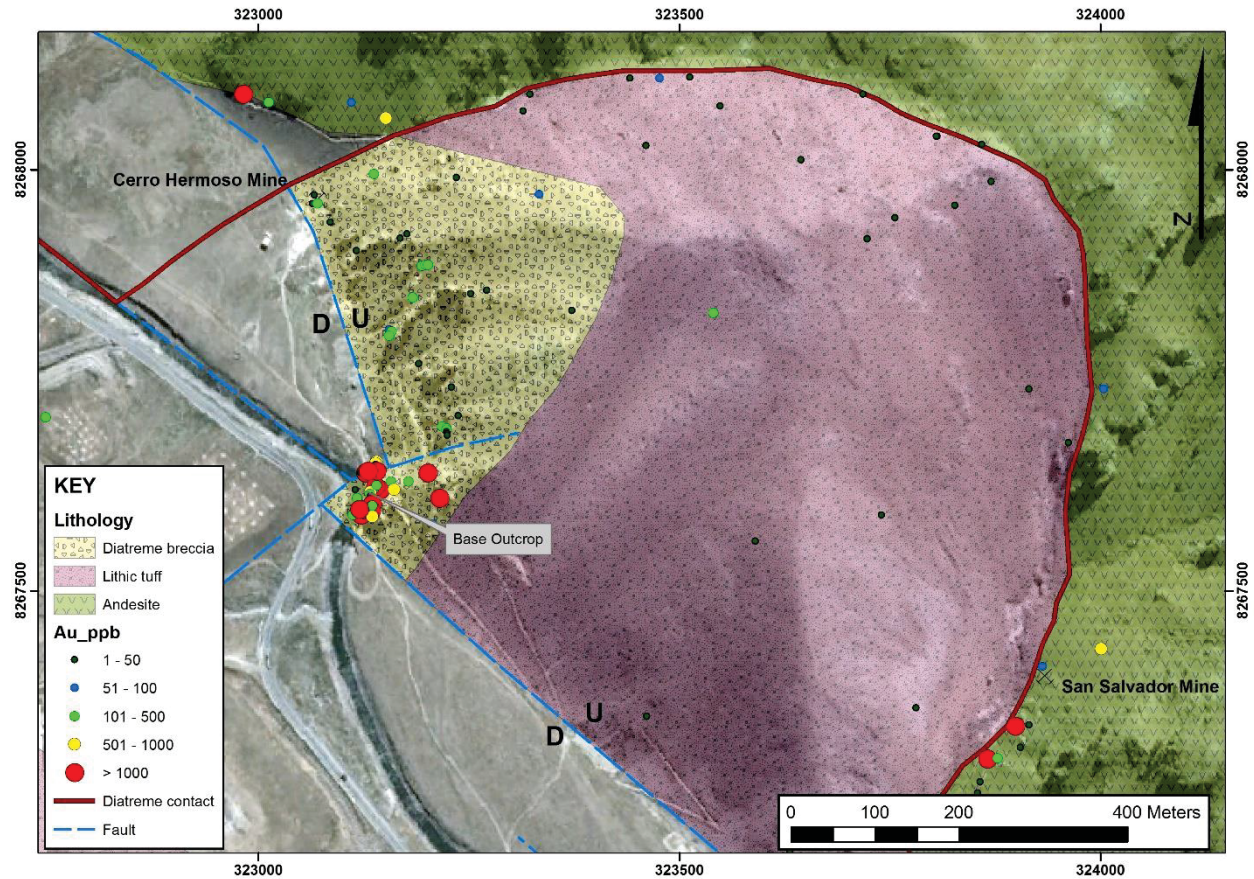


Figure 18. Cerro Hermoso geology and Au values from third party sampling programs (S. Park, 2017)

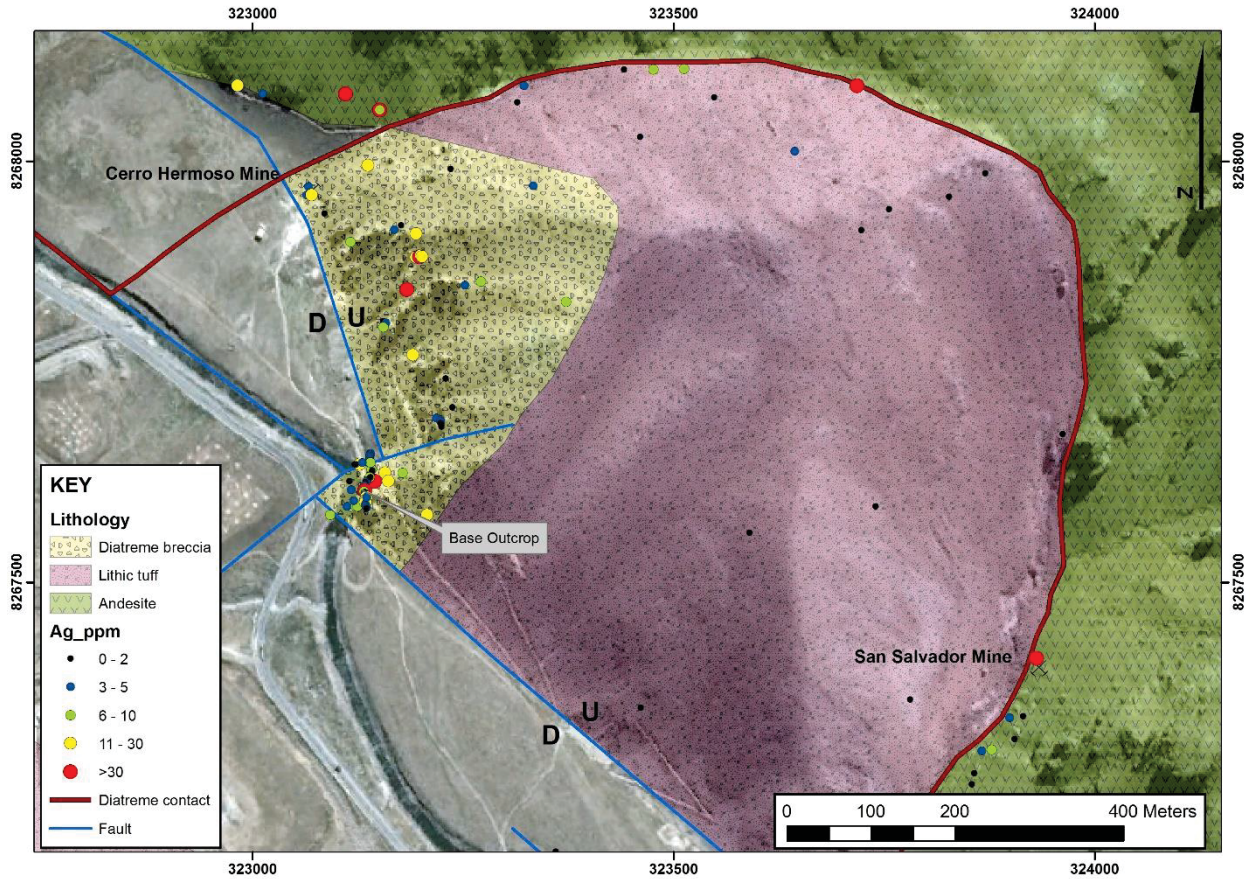


Figure 19. Cerro Hermoso geology and Ag values from third party sampling programs (S. Park, 2017)

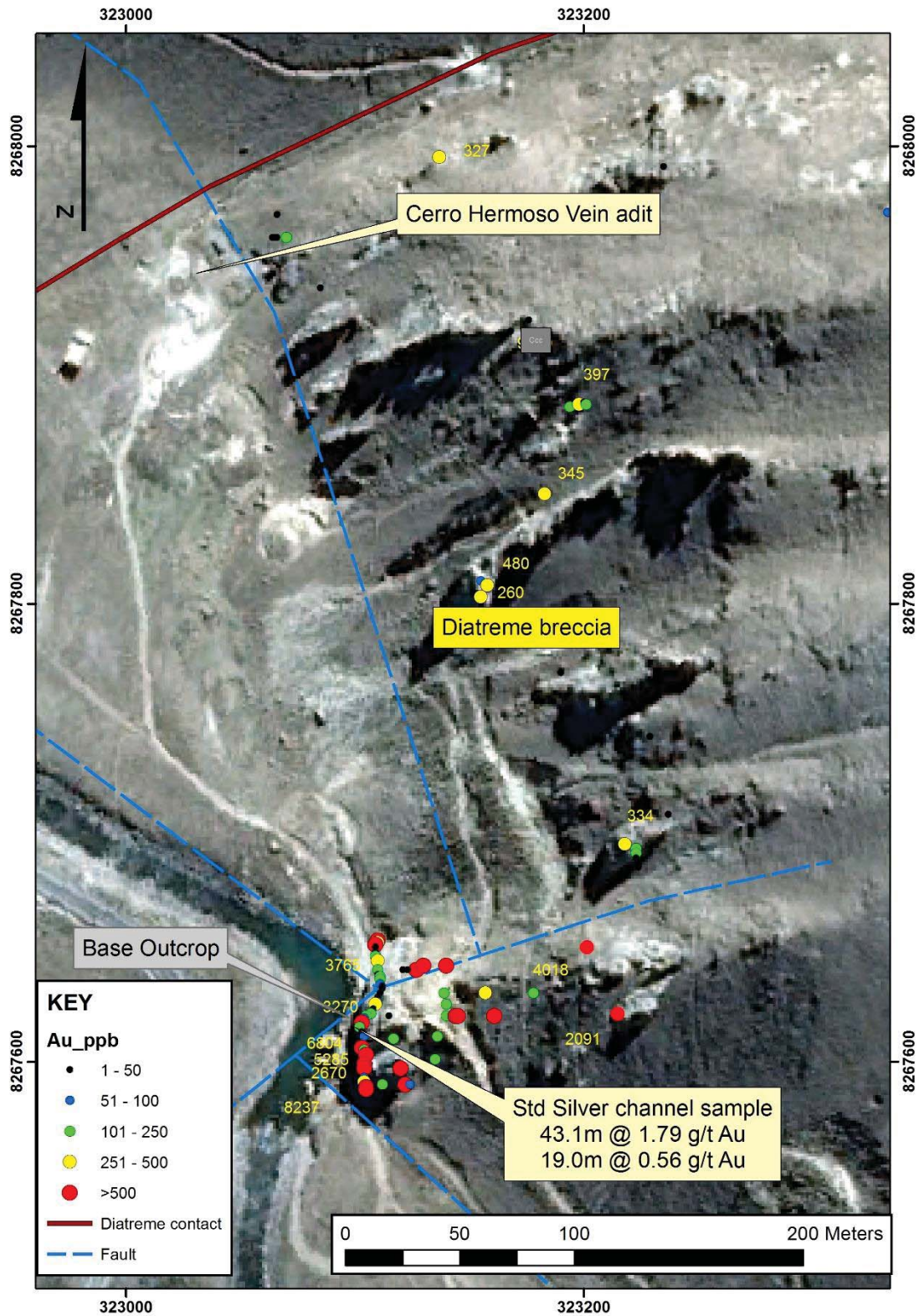


Figure 20. Anomalous diatreme breccia zone, Au values from third party sampling programs (S. Park, 2017)

10.0 DRILLING

Puno Gold has not completed any drilling on the project to date.

11.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY

Puno Gold has recently begun their channel sampling program and so have not submitted samples for geochemical analysis to be included in this report.



Figure 21. Puno Gold sampling crew cutting channel samples in diatreme breccia zone

During the author's field visit he observed the methods used by the Puno Gold sampling crew to cut horizontal channels in outcrop using a power rock saw, then quarter, bag and label sample material. Rock samples in their individual plastic bags were to be shipped in sealed rice bags to the preparation lab of SGS in the city of Arequipa for geochemical analysis at the SGS assaying

facility in Lima, Peru. SGS operates under a quality management system that meets ISO-9001 and ISO/IEC 17025 requirements.

Puno Gold/Miramont will implement a quality control protocol for rock chip samples sent from the field. A duplicate sample of each field sample will be collected and control samples (standards and blanks) will be included with each batch of samples sent to SGS.

In the author's opinion, Puno Gold is using best practice methods to conduct their recently initiated sampling program.

12.0 DATA VERIFICATION

The author visited the Property on April 27 – 29, 2017 accompanied by Puno Gold technical personnel with the objective of reviewing the more significant outcrops of mineralization and to collect comparative rock chip samples. The author collected 10 samples in total including 4 as duplicate samples repeating Silver Standard's sampling in the Base Outcrop. Sample numbers identifying Silver Standard samples are still evident as is the complete length of the horizontal channel, so repeating the Silver Standard sampling was straightforward. One sample taken along the Silver Standard channel was a select of a sulfide-bearing vein at 58° dip which intersected the channel. Several other samples were taken from small open cut mine workings on veins along the northern contact of the diatreme, and two dump samples from the Cerro Hermoso Vein workings.

Table 6. Author's check sample assays with selected sample comparison to Silver Standard

| Sample ID | S. Park Check Samples | | | | | | | Silver Std Channel Samples | | |
|-----------|-----------------------|---------|--------|-------|------|--------|--------|----------------------------|------|------|
| | UTM_PSAD56 | | Au | Ag | Cu | Pb | Zn | ID | Au | Ag |
| | East | North | ppb | ppm | ppm | ppm | ppm | | ppb | ppm |
| 6482 | 323120 | 8267621 | 402 | 2.1 | 61 | 2108 | 1223 | 70857 | 523 | 1.7 |
| 6483 | 323124 | 8267639 | 118 | 2.1 | 17 | 540 | 245 | 70844 | 231 | 3.4 |
| 6484 | 323120 | 8267609 | >10000 | 231.0 | 905 | >10000 | >10000 | | | |
| 6485 | 323135 | 8267601 | 1251 | 6.3 | 13 | 1911 | 716 | 70866 | 5285 | 13.1 |
| 6486 | 323125 | 8267585 | 301 | 1.5 | 7 | 265 | 331 | 70873 | 596 | 1.4 |
| 6487 | 322991 | 8267991 | 242 | 1.3 | 9 | 549 | 1150 | | | |
| 6488 | 323373 | 8268212 | 183 | 538.0 | 2292 | 755 | 161 | | | |
| 6489 | 323347 | 8268154 | >10000 | 16.7 | 5665 | 618 | 663 | | | |
| 6490 | 323320 | 8267351 | 22 | <0.2 | 14 | 45 | 177 | | | |
| 6491 | 323146 | 8268045 | >10000 | 45.5 | 1238 | >10000 | 7721 | | | |

Table 7. Check sample descriptions

| Sample ID | Au | Ag | Description (S.Park check samples) |
|-----------|--------|-------|---|
| | ppb | ppm | |
| 6482 | 402 | 2.1 | Dbx (diatreme breccia), black lithics, wht clay mtx, black pts (MnO) dssm; rare fract |
| 6483 | 118 | 2.1 | Dbx, rounded lithics, wht clay mtx; abundant hairline, discont fract |
| 6484 | >10000 | 231.0 | Select of gossan/sulfide vein 1.5cm wd; MnO, Feox, gal, py; N070/58SE |
| 6485 | 1251 | 6.3 | Dbx, black lithics, wht clay mtx, black pts (MnO) dssm; common fract/veinlets |
| 6486 | 301 | 1.5 | Dbx, minor black lithics; rare - no fract |
| 6487 | 242 | 1.3 | Dbx, com fresh lithics; com fract w/ Mn-Feox + minor qtz vnlts. Split of PG000025 |
| 6488 | 183 | 538.0 | Select of vein in hb diorite, 2-4cm wd, no qtz, abn Feox. Vein: N335/50NE |
| 6489 | >10000 | 16.7 | Select of vein in feld-rich dacite-and, open cut. Vein 4-5cm wd, minor qtz. N330/65NE |
| 6490 | 22 | <0.2 | Bx, jig-saw texture, carbonate mtx, angular fragments, mtx support |
| 6491 | >10000 | 45.5 | Select from dump, level above CoHrm adit. Gal, cpy, py, qtz-dolomite gangue |

The check samples were analyzed by SGS Laboratories in Lima after sample preparation in their Arequipa facility. Gold was analyzed by fire assay with atomic absorption finish to an upper limit of 10.0 g/t Au. Ag, Cu, Pb, Zn were analyzed as part of an ICP-MS 36 element package. Two high-Ag samples were re-run with fire assay and gravimetric finish. Gold values >10.0 g/t Au were not resolved.

The repeat check sampling of Silver Standard's sampling work returned values on the same order but systematically lower. This may be due to sampling method since the original sample was taken 3-4cm deep on a fresh cut into the outcrop with a rock saw, whereas the author chipped out rock from the same channel without first removing the exposed rock layer to make a fresh cut since the rock in the channels did not appear to be significantly weathered.

Results of the check-sampling broadly corroborate the previous rock chip and channel sampling campaigns of Teck, Silver Standard, Golden Mining and Sears, Barry, & Associates. Their sampling programs were assuredly conducted using best practice methods and sampling protocols. The author is confident in sample identification and location data compiled by these groups. The author has reviewed assay certificates from ALS Chemex and SGS for samples from the Property submitted by these groups (less Teck) and has high confidence that these assay results fairly represent geochemical values contained in samples presented by these companies to these laboratories.

In the author's opinion, the geochemical results released by previous investigations are reliable and form a sound basis to guide further exploration efforts by the Company.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

Puno Gold is in an early exploration phase at the Property and so has not undertaken any metallurgical testing of mineralized material from the Property nor has considered methods of mineral processing.

14.0 MINERAL RESOURCE ESTIMATES

Puno Gold is in an early exploration phase at the Property and so no data is available on which to base an estimate of resources.

Grades and tonnages mentioned in this report are all considered as historic estimates in that the quantity and grade of metal or mineral content of deposits referred to herein have not been verified as current mineral resources or mineral reserves. Historical estimates should not be relied upon since there is no guarantee that with additional investigation these resources will be converted into NI 43-101 compliant resource categories or demonstrate economic viability.

13.0 - 22.0 OMITTED: N/A FOR PROPERTIES NOT CONSIDERED “ADVANCED”

23.0 ADJACENT PROPERTIES

23.1 Berenguela

Carbonate sediment-hosted, manganiferous Ag-Cu mineralization of the Berenguela deposit represents an epigenetic replacement-type deposit ore model (Clark et al, 1990). Ag-Cu-Mn mineralization has replaced structurally deformed limestone and dolomite of the Cretaceous Ayavacas Formation along a west-northwest trend extending over 1,400m in length. Both hypogene and supergene Ag and Cu minerals are associated with high concentrations of Mn ± Fe-oxide representing metasomatic replacement zones preferentially localized in structurally prepared zones at the intersection of conjugate faults along sheared axial planes in tightly folded limestone and related orthogonal fault structures (McCrea, 2005).

Rhyodacitic stocks and dikes are recognized in the western sector of the deposit cutting the host carbonate sediments; small breccia pipes/dikes in the central sector have been interpreted as phreatic in origin, comprised of large angular clasts of hornblende diorite, sandstone and carbonate.

The Berenguela deposit was first mined at a commercial scale by Lampa Mining Co. beginning in 1906 and continuing through 1965 during which time Lampa extracted approximately 500,000 tonnes of ore from underground workings. The Ag-Cu-bearing manganese oxide ore has been a metallurgical challenge for all operators during Berenguela's history due to its refractory nature; Lampa tried mixing the ore with copper ores from the San Rafael mine for processing but achieved only limited success. From 1966 – 1970 Lampa optioned the deposit successively to ASARCO, Cerro de Pasco and Charter Consolidated, all of whom conducted extensive metallurgical studies during their turn as operator. Charter unsuccessfully attempted to solve the metallurgical problem employing the "TORCO" pyrometallurgical process.

After failing to fulfill production quotas demanded by the General Mining Law at the time, Berenguela reverted back to control by the state-owned company Minero del Peru in 1972. Kappes, Cassidy & Associates (KCA) purchased the property in 1995 and continued to conduct metallurgical tests on bulk samples shipped from the property. In 2004 Silver Standard entered into an option agreement with KCA, and by 2005 had completed a reverse circulation drill program of 222 holes in a grid pattern across the property. The resulting drill data led to Silver Standard stating a NI 43-101-compliant Indicated Mineral Resource of 15.6Mt @ 132 g/t Ag, 0.92% Cu and 8.8% Mn using a 50 g/t Ag cut-off (McCrea, 2005). No metallurgical factors were considered with this resource estimate.

On May 2, 2017, Silver Standard announced the sale of Berenguela to an Australian company, Valor Resources Ltd., for US\$12,000,000 and a 9.9% equity interest in Valor.

23.2 Limon Verde

The Limon Verde Mine is located immediately north of the town of Santa Lucia and 6 km due east of the Property. Copper-silver mineralization at Limon Verde is associated with an intrusive complex consisting of monzogabbro, propylitized hornblende-diorite and phreatic breccias all cutting limestones and red-bed strata of the Moho Group – Ayavacas and Huancane Formations. Much of the Cu mineralization is oxide in the form of chrysocolla associated with low-temperature silica (jasper, chalcedony). Extensive magnetite-hematite bodies are found along the contact of the monzogabbro with red-beds of the Huancane Formation (Wasteneys, 1990).

23.3 Tacaza

CIEMSA's Tacaza Mine, located 8 km northwest of the Property, is a currently-operating open-pit mine exploiting secondary sulfide copper mineralization from one of several stacked horizontal mantos hosted in andesite volcanic flows. CIEMSA reports a total mineral resource of 5,036,000 Mt with an average grade of 1.30% Cu.

Secondary Cu-sulfide ore occurs in horizontal units of andesite volcanic flow breccias and tuff units bound above and below by less permeable volcanogenic sediments. Copper mineralization is found primarily in the matrix of andesite flow breccias and fractures in more competent units such as lava and welded tuffs. Mineralized matrices show argillic alteration to a sandy or clayey texture.

The ore solutions transporting Cu-(Ag-Pb) were probably low-temperature acidic fluids capable of carrying high quantities of base metals in solution. Evaporite sediments in the underlying Puno Group may have increased the salinity of these ore fluids thus enhancing the ore fluid's capacity to transport base metals in solution.

Native copper is commonly found in high-grade zones of chalcocite along fractures in competent andesite units at the base of mineralized manto units in contact with less permeable strata

24.0 OTHER RELEVANT DATA AND INFORMATION

No other information is necessary to add at this stage of the project.

25.0 INTERPRETATION AND CONCLUSIONS

The Cerro Hermoso Property holds three significant exploration targets: base-metal vein system, disseminated Au-Ag, and CRD-type deposits. The vein system and disseminated targets differ in structural setting within a diatreme, but both represent an intermediate-sulfidation, epithermal polymetallic deposit model.

25.1 Disseminated Au-Ag

The Company has only recently begun geological field work toward defining a mineralization model that would identify host rock, structural control and timing of the anomalous Au-Ag mineralization found along the base of the western slope of Cerro Hermoso. From the author's brief visit and review of previous studies, he proposes that disseminated Au-Ag mineralization is found in sheeted or stockwork fractures in host diatreme breccia originating from the same hydrothermal system that produced a series of mineralizing events that injected metal-bearing hydrothermal fluids into the veins at Santa Barbara and other veins located on the diatreme margin. Moderate silicification (alteration) of diatreme breccia during the mineralization process resulted in their forming resistant outcrop ribs in the slope of Cerro Hermoso. Similarly, alignment of diatreme breccia outcrops at the southern end of the Santa Barbara vein system (Pocomoro zone) are parallel to vein orientation.

The proposed mineralization and structural model leads to an estimation of the exploration target size as roughly 500 x 1,000 m (Target 1, Figure 22). The target area is bound on the north and east by the margin of the diatreme; to the west by the Santa Barbara vein system as arbitrary boundary between exploration targets; and to the south by the absence of diatreme breccia outcrops. The eastern extent of the target area is underlain by veins of the Cerro Hermoso Mine indicating mineralization in that zone possibly related to the extension of diatreme breccia covered by lithic-lapilli tuff flows. Depth limit of mineralization is assumed to be at least as deep as the productive range of the Santa Barbara vein system – not yet defined at levels 300m below surface. At Peñasquito (MX) Au-base metal mineralization extends from surface 800m down toward the root zone of the diatreme structure; Cerro Hermoso may host mineralization to a similar depth.

Structural interpretation on a Property scale suggests that the mineralized diatreme breccia at the base of the western slope of Cerro Hermoso may have been truncated and down-dropped into the river valley (cross section, Figure 24). To the east, outcrop of the diatreme breccia appears to terminate against bedded lithic tuff units mid-way up the slope on Cerro Hermoso. The nature of this contact is unclear.

The margin of the Cerro Hermoso diatreme must be considered a potential host of mineralization due to brecciation along its contact with volcanic wallrock. The Santa Barbara mineralization occupies the western margin as a vein system, although it's not clear whether the vein follows the contact or a cone-structure inboard from the contact at depth. In the latter case, brecciated zones on the contact at the same elevation but outward from the veins may contain significant

mineralization. The northern boundary of the disseminated Au-Ag exploration target zone includes this prospective structural setting.

Integration of the Santa Barbara vein system and Cerro Hermoso diatreme breccia mineralization may be shown by the trace of mine level 3831 that crosses under the river valley to connect Santa Barbara to Cerro Hermoso. The presumption is that this level is a drift on a vein or mineralized structure; if so, it may have followed mineralization along the western extension of one of the diatreme breccia ribs that outcrops at the base of Cerro Hermoso (CRD-type mineralization was found on this level but no location data is available.)

The bulk of Cerro Hermoso may be underlain by a late intrusive rock as noted in generic diatreme models and suggested by the form of the mountain. Presence of an intrusive may also explain the form of the diatreme breccia ribs arching toward the center of the mountain rather than away. One rock chip sample from a small prospect dump indicates the presence of mineralization on top of Cerro Hermoso (205 ppb Au, 0.3% Cu, 1% Pb, 1% Zn) showing that the remainder of the mountain has mineral potential that should be evaluated. If a late intrusive has formed a dome of Cerro Hermoso, it may not necessarily be barren of mineralization.

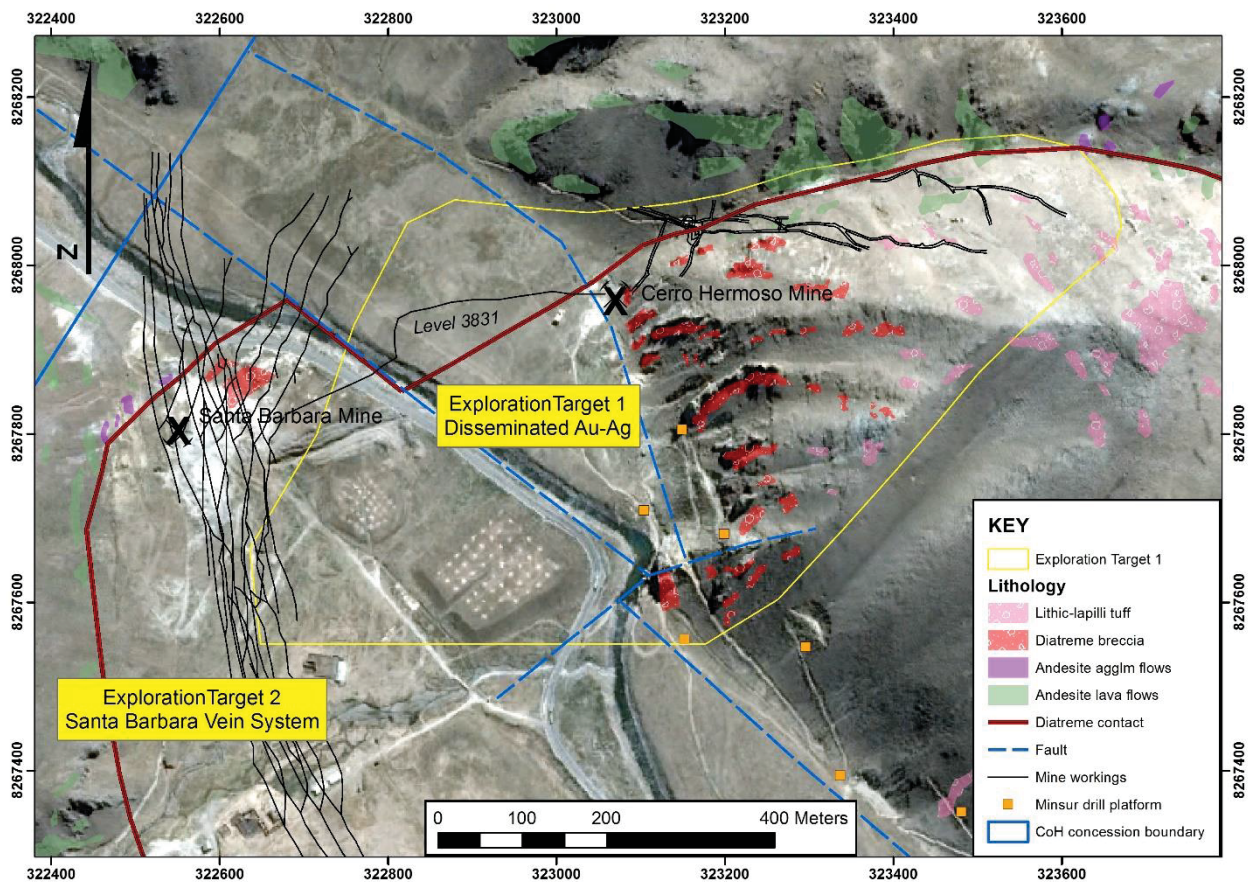


Figure 22. Proposed exploration Targets 1 and 2. (mine workings: Minsur S.A., ca.1990; outcrop geology: Vargas, 2016)

25.2 Base-Metal Vein Systems

Exploration Target 2 relates to the Santa Barbara vein system hosted along in the western segment of the diatreme contact (Figure 23). Objectives for this target are identifying:

- Additional tonnage in the vein system found between vein splits and in wall rock along the complete length of vein system (> 2 km)
- Based on metal zonation models, additional base-metal tonnage may be found at depth below the northern end of Au-rich Santa Barbara veins
- Extrapolation of existing veins around the diatreme since concentric cone-sheet fractures should surround the entire diatreme structure. Same reasoning applies to explore for radial fractures throughout the diatreme structure.
- Brecciated zones along the diatreme contact with volcanic wall rock outboard from veins dipping at lower angle than contact on concentric cone structures.

25.3 Carbonate Replacement Deposits

The CRD exploration target is largely conceptual on the Property, but the mineralized Ayavacas Limestone found in the Santa Barbara workings, possibly associated with hornblende diorite intrusions pre-dating the diatreme, provides a prospective exploration target given the carbonate-hosted Ag-Cu deposit at Berenguela and the Cu-Ag mineralization on intrusive-carbonate contacts at the neighboring Limon Verde. At Peñasquito (Mexico) the mineralizing hydrothermal system formed Zn-Au-Ag-Pb replacement deposits in carbonate country rock as well as mineralizing breccias interior to the diatreme structure.

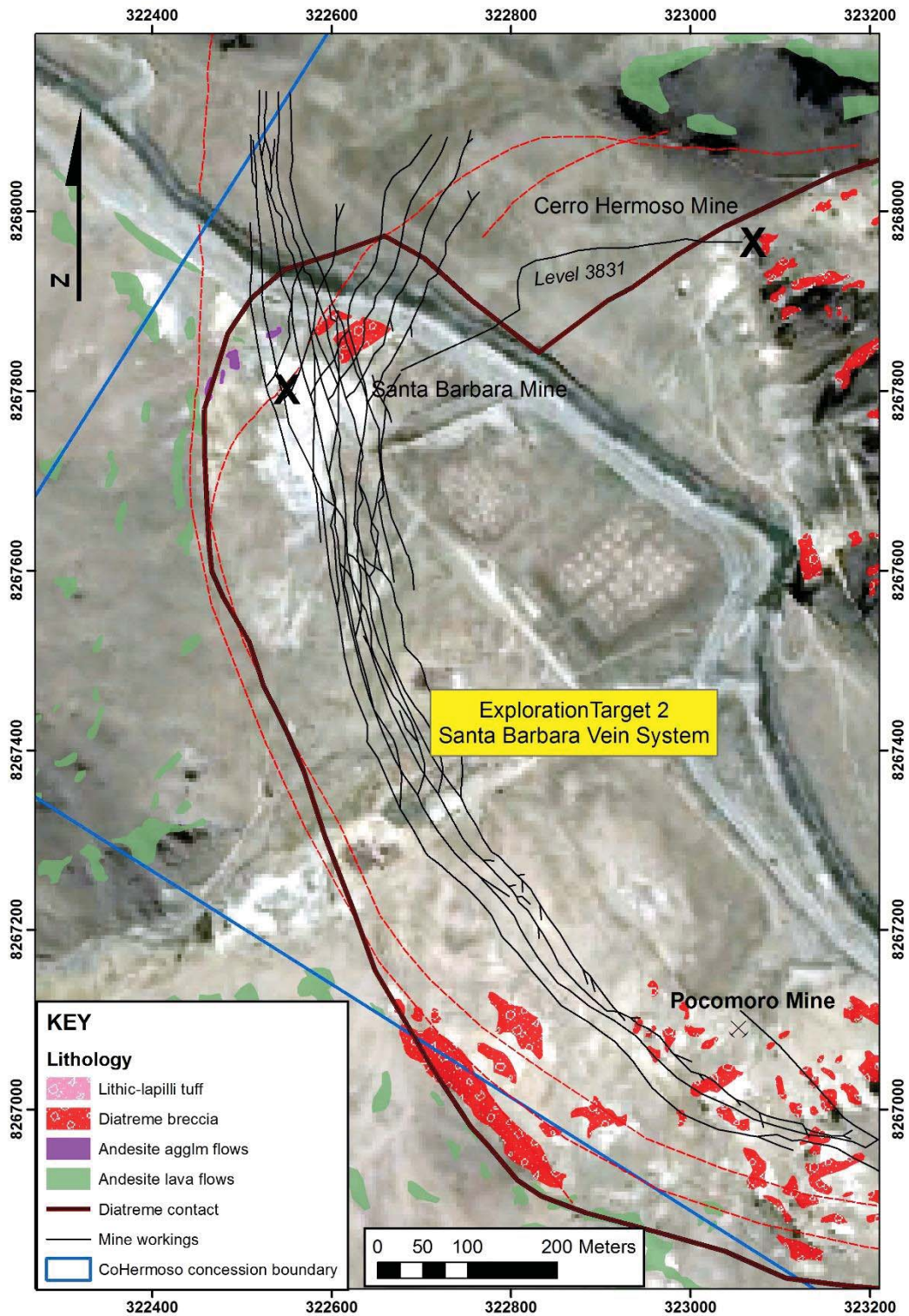
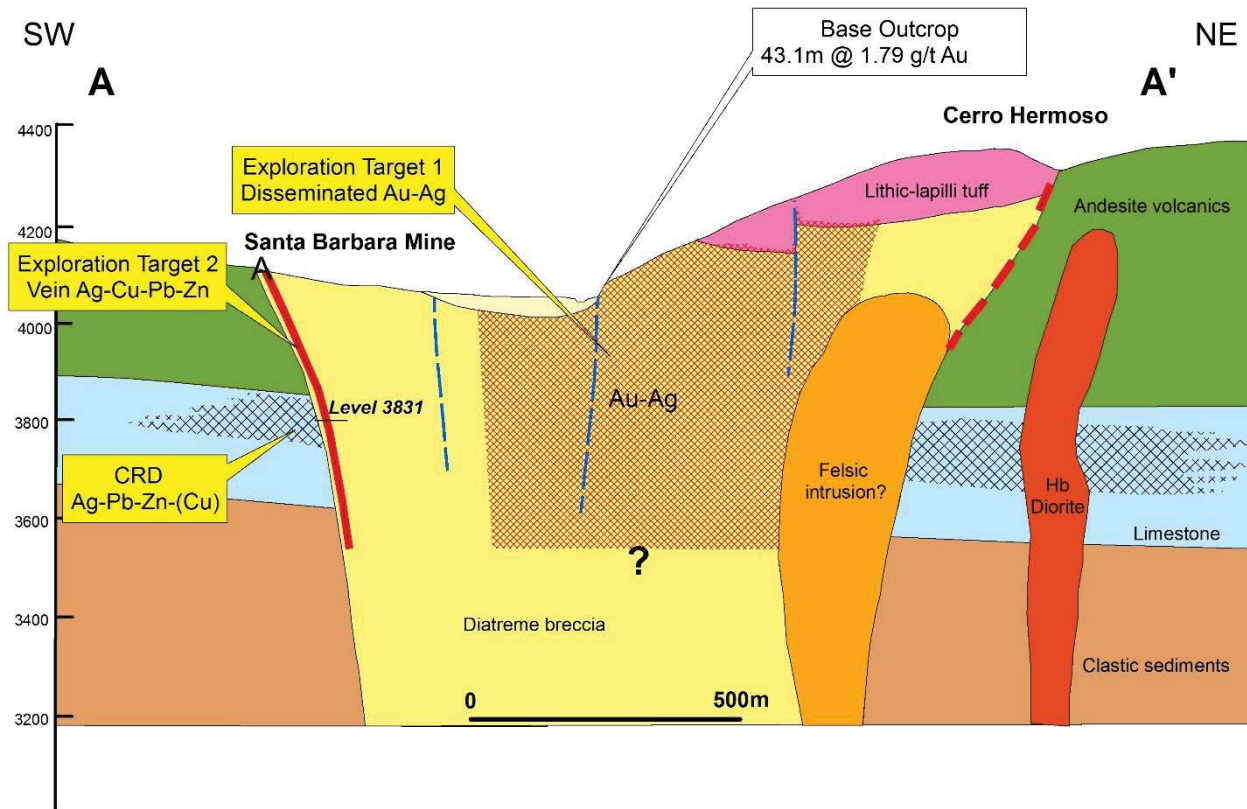


Figure 23. Proposed exploration Target 2, Santa Barbara Vein System (Mine workings: Minsur S.A., ca.1990; geology: Vargas, 2016)

Figure 24. Idealized cross section through Cerro Hermoso diatreme illustrating exploration targets



25.4 Summary of Cerro Hermoso Exploration Model

The potential for disseminated Au-Ag mineralization extends through the central section of the diatreme structure hosted in pyroclastic breccia fill material, “diatreme breccia”, as indicated by strong geochemical anomalies of Au-Ag and base metals found on surface in the western slope of Cerro Hermoso. Mineralization may be downthrown to the west along the boundary of a small graben with surface expression as the Verde River valley whose fluvial sediments cover potentially mineralized diatreme breccia. Outcrops of diatreme breccia along the western rim have not shown mineralization outside of the Santa Barbara vein system thereby constraining the western limit of potential disseminated mineralization. The eastern limit is not defined since an unmineralized lithic-lapilli tuff covers that portion of Cerro Hermoso, and may also cover veins on the eastern margin similar to Santa Barbara. Disseminated mineralization may have the same vertical range as the Santa Barbara vein system since mineralization in both settings is likely associated with the same hydrothermal system; analogous deposits (Peñasquito) suggest vertical ranges of mineralization greater than 800 meters. Metal zonation observed in mined veins at Santa Barbara and Cerro Hermoso indicate greater Au-Ag content relative to base metals toward the center and northern margin of the diatreme.

25.5 Project Risks

As an early-stage exploration project, there are few risks involved other than the matter of locating significant mineralization that would warrant further exploration efforts. Considering the positive case that this project does move forward after identifying a mineral resource, there are some concerns regarding concession areas and eventual mine layout.

The circular diatreme exploration target fits close to boundaries at the SW end of the concession package leaving little room for expanding exploration targets in that area. However, the risk is low that third party mining concessions would have to be acquired to pursue mineralization outside of the current Property concessions. Surface lease agreements cover a sufficient area to contain an eventual mine layout.

The Verde River flows through the center of the diatreme surface section where all exploration and, if warranted, future mining activity will be located. The river presents a challenge for mine layout planning and may limit ore extraction to underground methods. Re-routing the river is technically possible but would meet with resistance from local residents.

25.6 Project of Merit

Puno Gold exploration efforts on the Property to date and results of previous investigations by reputable exploration companies suggest that the Cerro Hermoso Property holds viable mineral exploration targets; as such, this is a property of merit that justifies the continuation of exploration programs designed to test the deposit models outlined in this report.

Puno Gold is evaluating the Property in a professional manner in line with industry practice.

26.0 RECOMMENDATIONS

26.1 Disseminated Au-Ag, Target 1

- 1) Continue detailed channel sampling of all outcrop on western slope of Cerro Hermoso.
- 2) Conduct a soil sampling program over the portion of Cerro Hermoso with few outcrops. Samples should be taken from immediately below the organic soil zone to maintain a uniform method.
- 3) Continue with classifying lithic tuffs and diatreme breccia by lithic fragment content and characteristics; relate each class to geochemical results.
- 4) Resolve the origin of the diatreme breccia ribs and their relation to mineralization.
- 5) Continue with geologic mapping, initiate petrographic studies to define the level of the current surface within the diatreme structure.

- 6) Conduct an infrared spectroscopy analysis of alteration minerals from traverse lines across Cerro Hermoso, including zones underlain by diatreme breccia and lithic-lapilli tuff.
- 7) Geophysical survey: consult with geophysical contractor regarding the best geophysical methods for use in this geological setting considering known mineralization is related to sulfides, presence of magnetite in system, low amounts of silica, potential for CRD deposits at depth, and objective of defining diatreme contacts/shape.
- 8) Drilling: Target 2 area defined above. 20 platforms (maximum allowed by DIA), drill site to be selected following geochemical and geophysical results. Drilling most likely to be focused on the diatreme breccia outcrop zone and to the west in the river valley. DDH drilling, estimated 4,000m.

26.2 Base-Metal Vein Systems, Target 2

- 1) Detail the mineral zonation along the vein system and determine the lower level of the vertical production range using available data,
- 2) Conduct detailed mapping of all vein occurrences along the full circumference of the diatreme contact with the objective of locating mineralization on undeveloped segments of the bounding concentric structures
- 3) Drill program after mapping – sampling: target vein splits, mineralized breccia dikes along the length of the vein system to locate additional resource. DDH drilling, estimated 2,000m.
- 4) Evaluate the cost to rehabilitate underground mine workings at Santa Barbara to allow access for mapping and sampling.

26.3 Carbonate Replacement Deposit Target

- 1) Geophysical survey: to be included in Target 2 geophysical survey
- 2) Drilling: to be included in Target 2 drilling; 2 – 3 deep holes (>400m) to test geophysical anomalies or physically located CRD in underground workings
- 3) If underground access is made available to the lower levels on the Santa Barbara vein system, carbonate sediments should be sought out and evaluated for mineralization

26.4 Proposed Budget for Continued Exploration

The budget proposed below is a guideline to the cost of proceeding with an exploration program through a full initial drilling program. The suggested total meters of drilling includes 4,000m in the Cerro Hermoso target and 2,000m on the Santa Barbara vein system. The corresponding number of drill core assays is based on sample intervals of 2 meters with provision for a substantial number at shorter intervals as required when sampling a vein system. The drill program may be split into two stages, either drilling each target successively, or drilling both targets concurrently with widely spaced holes initially, then testing prospective zones with a second stage of drilling as understanding of the geologic model evolves.

Final configuration of the geophysical survey will be recommended by geophysical consultants. Rehabilitating mine access may be a viable option for further exploration subject to a cost-benefit analysis.

Table 8. Proposed exploration budget, Cerro Hermoso

| Item | Amount | Unit cost | Total (US\$) |
|--|---------------|-------------|--------------------|
| Continuing rock, soil surveys; geology | 500 samples | \$40/sample | \$20,000 |
| Geophysical survey | 50 line km | \$3,000/km | \$150,000 |
| DDH drilling | 6,000 meters | \$200/m | \$1,200,000 |
| Drill core prep, assays (Au,Ag,Cu,Pb,Zn) | 4,000 samples | \$50/sample | \$200,000 |
| Travel, logistics | | | \$150,000 |
| Total | | | \$1,720,000 |

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Qualified Person:

The author is an “independent qualified person” in accordance with definitions established in National Instrument 43-101.

Property Inspection:

The author visited the Cerro Hermoso Property, subject of this technical report, on April 27-29, 2017.

Responsibility:

The author is responsible for the content of this report except as described in the disclaimer given in Section 3.0 – Reliance on Other Experts.

Independence:

The author is not, nor has been, an officer, director, or employee of Miramont Resources Corporation. The author has neither received nor expects to receive shares of Miramont Resources Corporation or any other consideration besides fair remuneration for the preparation of this report. The author has not earned the majority of his income during the preceding three years from the Company nor from any associated or affiliated companies.

Technical Information:

The author certifies that, to the best of his knowledge, this technical report includes all the requisite scientific and technical information necessary to provide the reader with a fair assessment of the Property.

Compliance:

The author has read National Instrument 43-101 and confirms that this technical report has been prepared in compliance with that Instrument.



Steven L. Park

C.P.G.

May 31, 2017

DATE AND SIGNATURE OF AUTHOR

This report titled “Technical Report on the Cerro Hermoso Gold-Polymetallic Property, Department of Puno, Peru”, with effective date of May 31, 2017 was prepared on behalf of Miramont Resources Corporation by Steven L. Park and signed:



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31th day of May, 2017