

# **MIRAMONT RESOURCES CORP.**

## **CSE Form 2A**

**with respect to a Fundamental Change  
pursuant to Policy 8 of the Canadian Securities Exchange**

**November 22, 2017**

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## 1. INTRODUCTION

This Listing Statement ("**Listing Statement**") is furnished by and on behalf of the management of **Miramont Resources Corp.** (the "**Issuer**") in order to qualify for listing the securities of the resulting issuer following a fundamental change under the Policies of the Exchange.

The information contained or referred to in this Listing Statement with respect to Puno Gold Corporation ("**Puno Gold**") and their related business has been provided by their respective management and is the responsibility of such entity. The Issuer has reviewed information and documents provided by Puno Gold, including audited financial statements of Puno Gold. Management and directors of the Issuer have relied upon Puno Gold for the accuracy of the information provided by Puno Gold.

### **Documents Incorporated by Reference**

**Information has been incorporated by reference in this Listing Statement from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Issuer at Suite 2601, 1111 Alberni Street, Vancouver, B.C.V6E 4V2, and are also available electronically under the Issuer's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The following documents of the Issuer, filed with the various provincial securities commissions, the Canadian Securities Exchange (the "CSE") or similar authorities in Canada, are specifically incorporated into and form an integral part of this Listing Statement:

- the annual audited financial statements for the period from incorporation on July 15, 2015 to July 31, 2015 and for the year ended July 31, 2016 which are contained in the Issuer's final long form prospectus filed through SEDAR on March 10, 2017. See "Financial Statements" in section 25 hereof;
- the annual management's discussion and analysis for the year ended July 31, 2016 which are contained in the Issuer's final long form prospectus filed through SEDAR on March 10, 2017. See "Financial Statements" in section 25 hereof; and
- the unaudited condensed interim financial statements of the Company for the nine month period ended April 30, 2017. See "Financial Statements" in section 25 hereof;

### **Caution Relating to Forward-Looking Information**

This Listing Statement contains forward looking statements. All statements other than statements of historical fact contained in this Statement are forward looking statements, including, without limitation, statements regarding the future financial position, business strategy, proposed acquisitions, budgets, litigation, projected costs and plans and objectives of or involving the Issuer. Shareholders can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. These forward looking statements include statements and assumptions with respect to: fluctuation of mineral prices, foreign currency fluctuations, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines including application for a public necessity declaration granted through a supreme decree with respect to the Lukkacha Property, requirements for additional capital, statutory and regulatory compliance, changes to laws, regulations and permits governing operations and activities of mining companies, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage, dependence on key management employees, conflicts of interest, significant and increasing competition in the mining industry, stock price and volume volatility and other matters related to the Transaction. There can be no assurance that the plan, intentions or expectations upon which these forward looking statements are based will occur. Forward looking statements are subject to risks, uncertainties and assumptions, including those discussed elsewhere in this Statement.

The forward looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward looking statements included herein are made as of the date of this Statement and, except as required under

applicable securities laws, the Issuer undertakes no obligation to publicly update such forward looking statements to reflect new information, subsequent events or otherwise.

For a more detailed discussion of certain of these risk factors, see "Risk Factors".

## GLOSSARY

The following terms have the meanings set out below.

<b>Affiliate</b>	means a company that is affiliated with another company as described below:
	A company is an "Affiliate" of another company if:
	(a) one of them is the subsidiary of the other, or
	(b) each of them is controlled by the same Person.
	A company is "controlled" by a Person if:
	(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
	(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.
	A Person beneficially owns securities that are beneficially owned by:
	(a) a company controlled by that Person, or
	(b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.
<b>Agency Agreement</b>	means the agency agreement dated November 14, 2017 with respect to the Brokered Tranche of the Private Placement among the Issuer and the Private Placement Agents.
<b>Associate</b>	when used to indicate a relationship with an individual or company, means
	(a) an issuer of which the individual or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
	(b) any partner of the individual or company,
	(c) any trust or estate in which the individual or company has a substantial beneficial interest or in respect of which an individual or company serves as trustee or in a similar capacity,
	(d) in the case of an individual, a relative of that person, including
	(i) that individual's spouse or child, or
	(ii) any relative of the individual or of his spouse who has the same residence as that person;
	But

	(e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 in the Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company.
<b>BCBCA</b>	means the <i>Business Corporations Act</i> (British Columbia), as amended, together with its regulations.
<b>Board of Directors</b>	means the board of directors of the Issuer.
<b>Brokered Tranche</b>	means the portion of the Private Placement completed pursuant to the terms of the Agency Agreement.
<b>Cerro Hermoso Property</b>	means the 988.69 hectare Cerro Hermoso project located in the Puno region of Southern Peru. See "Item 4.3 – Mineral Projects".
<b>Common Share or Share</b>	means a common share in the capital of the Issuer.
<b>Company</b>	unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
<b>Control Person</b>	means any Person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.
<b>Exchange</b>	means the Canadian Securities Exchange.
<b>Exchange Requirements</b>	means the Articles, by laws, policies, statements, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of the Exchange (including those of any committee of the Exchange as appointed from time to time), and all applicable provisions of the securities laws of any other jurisdiction.
<b>Insider</b>	if used in relation to an issuer, includes: (a) a director or senior officer of the issuer; (b) a director or senior officer of a company that is an insider or subsidiary of the issuer; and (c) a Person that beneficially owns or controls, directly or indirectly, securities carrying more than 10% of the voting rights attached to all outstanding securities of the issuer.
<b>Issuer or Miramont</b>	means Miramont Resources Corp., a company organized under the BCBCA.
<b>Lead Agent</b>	means Red Cloud Klondike Strike Inc.
<b>Listing Escrow Agreement</b>	means the escrow agreement dated November 28, 2016 entered into among the Transfer Agent as escrow agent, the Issuer and the Miramont Principals, pursuant to National Policy 46-201.

<b>Listing Escrowed Securities</b>	has the meaning ascribed thereto in "Item 11 – Escrowed Securities".
<b>Listing Statement</b>	means this Listing Statement dated as of November 22, 2017.
<b>Lukkacha Property</b>	means the 4,400 hectare Lukkacha project situated in the Tacna Region of Southern Peru. See " Item 4.3 – Mineral Projects ".
<b>MD&amp;A</b>	means management's discussion and analysis of financial condition and operating results.
<b>Midas Option Agreement</b>	means the mineral property option agreement between the Issuer and ALX Uranium Corp. dated October 19, 2016, pursuant to which the Issuer has an exclusive option to acquire a 100% undivided interest in the Midas Property, located in the Sault Ste. Marie Mining Division of north-central Ontario, consisting of ten mining claims encompassing 108 claim units (1,728 hectares or 4,270 acres) located in the Michipicoten Greenstone Belt near Wawa, Ontario.
<b>Midas Property</b>	means the gold property located in the Sault Ste. Marie Mining Division of north-central Ontario, consisting of ten mining claims encompassing 108 claim units (1,728 hectares or 4,270 acres) located in the Michipicoten Greenstone Belt near Wawa, Ontario.
<b>Minera Puno</b>	means Puno Gold's wholly owned subsidiary, Minera Puno Gold, S.A.C.
<b>Miramont Principals</b>	means collectively Tyson King, Gordon King, Gerald Shields, Leah Hodges, Lesia Burianyk and William Pincus.
<b>Non-Arm's Length Party</b>	in relation to a company, means a promoter, officer, director or other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any such Persons, and in relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.
<b>Non-Brokered Tranche</b>	means the Private Placement other than the Brokered Portion.
<b>November 2016 Warrants</b>	means the 4,233,332 Common Share purchase warrants issued on November 16, 2016 which are exercisable into 4,233,332 Common Shares at an exercise price of \$0.15 until November 16, 2018.
<b>Option Plan</b>	means the stock option plan of the Issuer.
<b>OBCA</b>	means the <i>Business Corporations Act</i> (Ontario), as amended, together with its regulations.
<b>Person</b>	means a company or an individual.
<b>Peruvian Properties</b>	means collectively, the Cerro Hermoso Property and the Lukkacha Property.
<b>Puno Gold</b>	means Puno Gold Corporation., a corporation organized pursuant to the Ontario Business Corporations Act.

<b>Puno Gold Loans</b>	means collectively (i) the loan in the amount of \$310,000 made by the Stichting Depository Plethora Precious Metals Fund to Puno Gold, (ii) the loan in the amount of \$260,000 made by Curtis Family Trust and Russell J. Shiels to Puno Gold, and (iii) the loan in the amount of US\$150,000 made by Stichting Depository Plethora Precious Metals Fund to Puno Gold.
<b>Puno Gold Loan Agreements</b>	means the loan agreements relating to the Puno Gold Loans.
<b>Puno Gold Shareholders</b>	means all of the shareholders of Puno Gold.
<b>Puno Gold Shares</b>	means the common shares in the capital of Puno Gold.
<b>Private Placement</b>	means the private placement, consisting of the Brokered Tranche and the Non-Brokered Tranche, of 20,000,033 Private Placement Units at a price of \$0.30 per Private Placement Unit, for gross proceeds of up to \$6,000,010, completed on November 14, 2017.
<b>Private Placement Agents</b>	means a syndicate of agents led by the Lead Agent.
<b>Private Placement Units</b>	means the units issued by Miramont pursuant to the Private Placement, each such Private Placement Unit being comprised of one Private Placement Share and one Private Placement Warrant.
<b>Private Placement Shares</b>	means the common shares of Miramont forming part of the Private Placement Units.
<b>Private Placement Agent's Warrants</b>	means the common share purchase warrants of Miramont issued to the Private Placement Agents in an amount equal to 7% of the number of Private Placement Units sold by the Private Placement Agents in the Brokered Tranche, each such Private Placement Agent's Warrant being exercisable to acquire one Share for an exercise price of \$0.30, for a period of two years from the date of issuance.
<b>Private Placement Finder's Warrants</b>	means the common share purchase warrants of Miramont issued to certain finders in the Private Placement in an amount equal to 7% of the number of Private Placement Units sold by such finders in the Private Placement, each such Private Placement Finder's Warrant being exercisable to acquire one Share for an exercise price of \$0.30, for a period of two years from the date of issuance.
<b>Private Placement Warrants</b>	means the common share purchase warrants of Miramont forming part of the Private Placement Units, each such warrant being exercisable to acquire one Private Placement Warrant Share at an exercise price of \$0.45, for a period of two years from the date of issuance.
<b>Private Placement Warrant Shares</b>	means the Common Shares issuable upon exercise of the Private Placement Warrants in accordance with their terms.
<b>Share Exchange</b>	means the exchange of all of the issued and outstanding shares of Puno Gold Corporation for the Transaction Shares pursuant to the Share Exchange Agreement completed on November 14, 2017.



<b>Share Exchange Agreement</b>	means the Share Exchange Agreement, dated June 2, 2017, among the Issuer, Puno Gold and the Puno Gold Shareholders.
<b>Shareholder Approval</b>	means the approval of the Share Exchange by a majority of the shareholders of Miramont by way of consent resolution as permitted by the Exchange.
<b>Shareholders</b>	means the holders of the Common Shares.
<b>Subscribers</b>	means the subscribers to the Private Placement.
<b>Technical Report</b>	means the technical report entitled "Technical Report on the Cerro Hermoso Gold-Polymetallic Property", dated effective May 31, 2017, prepared by Steven L. Park, C.P.G., excerpts of which are included herein.
<b>Transactions</b>	means, collectively, the Share Exchange and the Private Placement
<b>Transaction Escrow Agreement</b>	means the escrow agreement entered into among the Transfer Agent as escrow agent, the Issuer and certain shareholders of Puno Gold, pursuant to National Policy 46-201.
<b>Transaction Shares</b>	means the 15,048,000 Common Shares issued by the Issuer to the Puno Gold Shareholders in exchange for all of the Puno Gold Shares.
<b>Transfer Agent</b>	means Computershare Investor Services Inc.
<b>Warrant Indenture</b>	means the warrant indenture dated November 14, 2017 entered into by the Issuer and Computershare Trust Company, as warrant agent, with respect to the Private Placement Warrants.

## 2. CORPORATE STRUCTURE

### 2.1 Corporate Name

The full corporate name of the Issuer is Miramont Resources Corp. The Issuer's head office and registered and records office is located at 2601 - 1111 Alberni Street, Vancouver, British Columbia, V6E 4V2.

The full corporate name of Puno Gold is Puno Gold Corporation. Puno Gold's head office and registered and records office is located at 390 Bay Street, Suite 806, Toronto, Ontario M5H 2Y2.

### 2.2 Incorporation

The Issuer was incorporated under the name "Miramont Capital Corp." on July 15, 2015 under the laws of the *Business Corporations Act* (British Columbia). The name of the Issuer was changed to "Miramont Resources Corp." on November 18, 2016.

Puno Gold was incorporated under the name "Puno Gold Corporation" on July 12, 2016 under the laws of the *Business Corporations Act* (Ontario).

### 2.3 Inter-corporate Relationships

The subsidiaries of the Issuer, after giving effect to the Transactions, are follows:



### 2.4 Fundamental Change or Acquisition

#### Share Exchange

On November 14, 2017, the Issuer acquired all of the issued and outstanding Puno Gold Shares by way of the Share Exchange with the shareholders of Puno Gold pursuant to the terms of the Share Exchange Agreement. Pursuant to the Share Exchange, the Issuer issued the Transaction Shares, being 15,048,000 Common Shares, in exchange for an aggregate of 17,100,000 Puno Gold Shares, being all of the issued and outstanding share capital of Puno Gold. Accordingly, Puno Gold Shareholders received 0.88 of a common share of the Issuer for each Puno Gold Share held. Upon completion of the Share Exchange, Puno Gold became a wholly-owned subsidiary of the Issuer.

A copy of the Share Exchange Agreement is available on SEDAR under the Issuer's profile, which can be accessed through the internet at [www.sedar.com](http://www.sedar.com).

### 2.5 Incorporation outside Canada

Puno Gold holds its interest through a wholly owned subsidiary, Minera Puno Gold S.A.C., which was incorporated on August 4, 2016 pursuant to the laws of Peru.

### **3. GENERAL DEVELOPMENT OF THE BUSINESS**

#### **3.1 General Development of the Business**

##### **The Issuer**

The Issuer is engaged in the acquisition, exploration and development of mineral properties. It is currently planning an exploration program on the Midas Gold Property, along with continuing to identify and potentially acquire additional property interests and conduct exploration and evaluation of the properties to assess their potential.

On October 19, 2016, the Issuer entered into the Option Agreement, with ALX Uranium Corp., pursuant to which the Issuer was granted an exclusive option to acquire a 100% undivided interest in the Midas Gold Property, located in the Sault Ste. Marie Mining Division of north-central Ontario, consisting of ten mining claims encompassing 108 claim units (having an area of 1,728 hectares or 4,270 acres) located in the Michipicoten Greenstone Belt near Wawa, Ontario.

On June 2, 2017, the Issuer entered into the Share Exchange Agreement with respect to the Transactions. Under the terms of the Share Exchange Agreement, the Issuer will acquire the Puno Gold Shares in exchange for the Transaction Shares to be issued to the Puno Gold Shareholders.

On June 2, 2017, trading in the Common Shares was halted on the Exchange pending the completion of the Transactions.

##### **Puno Gold**

Puno Gold was formed in July 2016 by four co-founders specifically to finance, acquire, and explore the Cerro Hermoso Property in the Puno Department of southeastern Peru. After contributing initial capital, Puno Gold went about forming a Peruvian subsidiary (Minera Puno), and contracting key legal, accounting, and technical people in Peru. Negotiations resulted in the successful execution of an option to purchase the mineral rights of the Cerro Hermoso Property in September of 2016, and subsequent intents to finance the project as a private company.

In early 2017 the Puno Gold management was presented with the opportunity to acquire a second high-potential exploration project, the Lukkacha Property, in Tacna Department of southern Peru. Negotiations resulted in the successful execution of an option to purchase this project in May 2017. Capital for this acquisition was provided by shareholders Stichting Depository Plethora Precious Metals Fund of the Netherlands.

In May of 2017 Puno Gold developed the opportunity to merge with Miramont, and negotiations have resulted in the successful execution of a definitive agreement to merge the two companies by way of the Share Exchange.

To date, Puno Gold has completed negotiations covering all the necessary surface rights access for the Cerro Hermoso Property with private owners, allowing for complete exploration access to the project. Puno Gold has initiated corporate social responsibility (“CSR”) and environmental baseline studies that are in process that will be used to guide Puno Gold’s relationship with local owners along with the local community, as well as begin the permitting process for drilling later in 2017.

Concurrent with Puno Gold’s CSR and environmental programs, Puno Gold has compiled substantial data from past workers on the project, completed geologic mapping of the main breccia pipe area, and initiated a thorough surface rock geochemistry program that is in progress. Puno Gold is presently reviewing bids for a deep-penetrating geophysical survey to add three-dimensional information that will guide drill-hole planning.

#### **3.2 Significant Acquisitions and Dispositions**

##### **Share Exchange**

On November 14, 2017, the Issuer acquired all of the issued and outstanding Puno Gold Shares by way of the Share Exchange with the shareholders of Puno Gold pursuant to the terms of the Share Exchange Agreement. Pursuant to the Share Exchange, the Issuer issued the Transaction Shares, being 15,048,000 Common Shares, in exchange for an aggregate of 17,100,000 Puno Gold Shares, being all of the issued and outstanding share capital of Puno Gold.

Accordingly, Puno Gold Shareholders received 0.88 of a common share of the Issuer for each Puno Gold Share held. Upon completion of the Share Exchange, Puno Gold became a wholly-owned subsidiary of the Issuer.

A copy of the Share Exchange Agreement is available on SEDAR under the Issuer's profile, which can be accessed through the internet at [www.sedar.com](http://www.sedar.com).

### **Private Placement**

Concurrently with closing of the Share Exchange, the Issuer completed the Private Placement for an aggregate of 20,000,033 Private Placement Units issued at a price of \$0.30 per Private Placement Unit for gross proceeds of \$6,000,010. The Brokered Tranche of the Private Placement was completed pursuant to the terms of the Agency Agreement.

Each Private Placement Unit issued at closing of the Private Placement comprised of, and immediately separated into, one Private Placement Share and one Private Placement Warrant.

The Private Placement Warrants are governed by the terms of the Warrant Indenture, as described further below. The Private Placement Warrants are transferable, subject to applicable securities regulations. The Private Placement Warrants are not listed for trading on the Exchange.

Proceeds from the Private Placement will be used to fund exploration on the Peruvian Properties, repayment of the Puno Gold Loans, the costs of the Transactions and for ongoing working capital requirements.

The Private Placement Agents acted as agents to the Issuer to sell the Private Placement Units in the Brokered Tranche on a best efforts basis, and, upon closing of the Brokered Tranche, received as compensation (i) a cash commission of 7% of the gross proceeds of the Brokered Tranche totaling \$26,985, (ii) Private Placement Agent's Warrants in an amount equal to 7% of the number of the Private Placement Units sold under the Brokered Tranche being a total of 89,950 Private Placement Agent's Warrants, and (iii) the payment of its reasonable expenses, including legal fees.

In addition, certain finders' acting with respect to the Non-Brokered Tranche, received as compensation (i) a cash commission of 7% of the gross proceeds of the, (ii) Private Placement Finder's Warrants in an amount equal to 7% of the number of the Private Placement Units sold under the Non-Brokered Tranche. In total, 583,877 Private Placement Finder's Warrants were issued and cash of \$175,163 was issued to finders in the Non-Brokered Tranche.

### **Terms of the Warrant Indenture**

The Private Placement Warrants were created and issued by Miramont pursuant to the terms of the Warrant Indenture and administered pursuant to the terms thereof. The Warrant Indenture was entered into between the Issuer and Computershare Trust Company of Canada, as warrant agent.

The following summarizes certain provisions of the Warrant Indenture. A copy of the Warrant Indenture has been filed and is available on the Issuer's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Each Private Placement Warrant entitles the holder thereof to purchase, subject to adjustment in accordance with the Warrant Indenture, one Common Share at a price of \$0.45 any time prior to the date that is two years from the date of issuance (the "**Warrant Expiry Time**"), after which time the Private Placement Warrants will expire and become null and void.

The Warrant Indenture provides, in the event of certain alterations of the Common Shares, that the number of Common Shares which may be acquired by a holder of Private Placement Warrants upon the exercise thereof will be subject to anti-dilution provisions governed by the Warrant Indenture, including provisions for the appropriate adjustment of the class, number and price of the securities issuable under the Warrant Indenture upon the occurrence of certain events including any subdivision, consolidation, or reclassification of the shares, payment of dividends outside of the ordinary course, or amalgamation/merger of the Issuer.

No fractional Private Placement Warrant Shares will be issuable to any holder of Private Placement Warrants upon the exercise thereof, and no cash or other consideration will be paid *in lieu* of fractional Private Placement Warrant Shares. The holding of Private Placement Warrants will not make the holder thereof a shareholder of the Issuer or

entitle such holder to any right or interest in respect of the Private Placement Warrant Shares except as expressly provided in the Private Placement Warrant Indenture. Holders of Private Placement Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

During the period in which the Private Placement Warrants are exercisable, the Issuer must give notice to holders of Private Placement Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Private Placement Warrants or the number of Private Placement Warrant Shares issuable upon exercise of the Private Placement Warrants, at least fourteen (14) days prior to the record date or effective date, as the case may be, of such event.

The Warrant Indenture provides that, from time to time, the Warrant Agent and the Issuer, without the consent of the holders of Warrants, may be able to amend or supplement the Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Warrant Indenture or in any deed or indenture supplemental or ancillary to the Warrant Indenture, provided that, in the opinion of the Warrant Agent, relying on counsel, the rights of the holders of Warrants are not prejudiced, as a group.

The Warrant Indenture also contain provisions making binding upon all holders of Private Placement Warrants resolutions passed at meetings of such holders in accordance with such provisions or by instruments in writing signed by holders of Warrants holding a specified percentage of the Warrants. Any amendment or supplement to the Warrant Indenture that is prejudicial to the interests of the holders of Warrants, as a group, is expected to be subject to approval by an "Extraordinary Resolution", which is expected to be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Private Placement Warrants at which there are holders of Private Placement Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Private Placement Warrants and passed by the affirmative vote of holders of Private Placement Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Private Placement Warrants represented at the meeting and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Private Placement Warrants representing not less than 66 2/3% of the number of all of the then outstanding Private Placement Warrants.

The principal transfer office of the Warrant Agent in Vancouver, British Columbia is the location at which Warrants may be surrendered for exercise or transfer.

### **3.3 Trends, Commitments, Events or Uncertainties**

There are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Issuer's business, financial condition or results of operations. However, there are significant risks associated with the Issuer's business, as described in Item 17 — Risk Factors.

## **4. NARRATIVE DESCRIPTION OF THE BUSINESS**

### **4.1 General Development of the Business**

#### **Business Objectives of the Issuer following Transactions**

Upon completion of the Transactions, the Issuer will continue in the junior mining exploration business with a focus on the Peruvian Properties.

The Issuer will use its available capital to finance exploration and development on the Peruvian Properties and for general working capital purposes. The Issuer's immediate short-term objectives will be to complete the recommended exploration program on the Cerro Hermoso Property.

The Issuer's long-term objectives will be to:

- (a) determine if an economic mineral deposit exists on the Cerro Hermoso Property;
- (b) find one or more economic mineral deposits and bring them to commercial production; and
- (c) deliver a return on capitalization to shareholders.

The Issuer's Board of Directors may, in its discretion, approve asset or corporate acquisitions or investments (including acquisitions outside the mining industry) that do not conform to these guidelines based upon the Board of Directors' discretion, in accordance with prescribed legal requirements.

### Milestones

To reach the foregoing objectives, the Issuer will target the following milestones. Certain timeframes to reach the different business objectives and milestones may be adjusted depending on the availability of funds.

The following table summarizes each significant event that must occur for the business objectives described above to be accomplished, the time period in which each event is expected to occur and the costs related to each event:

<b>Proposed Use</b>	<b>Expected Completion Date</b>	<b>Funds</b>
To fund costs of the recommended exploration program on the Cerro Hermoso Property	August 2018	\$2,200,396 <sup>(1)</sup> (US\$1,720,000)
Continue further development of the Peruvian Properties	Ongoing	To be determined by the Issuer

Notes:

- (1) The Technical Report recommends an exploration program on the Cerro Hermoso Property of US\$1,720,000. The Canadian dollar amount shown above is for illustrative purposes only and will vary depending on the prevailing exchange rates of the Canadian dollar to the U.S. dollar at Closing. The amount shown assume an exchange rate equal to US\$1.00 = CAD\$1.2793, being the Bank of Canada exchange rate on November 20, 2017.

### Pro Forma Consolidated Capitalization

The following table sets forth the pro forma share capital of the Issuer, on a consolidated basis, after giving effect to the Share Exchange and the Private Placement:

<b>Designation of Security</b>	<b>Amount Authorized or to be Authorized</b>	<b>Amount Outstanding Following the Transactions <sup>(1)</sup></b>
Common Shares	Unlimited	75,005,489

Notes:

- (1) After issuance of 20,000,033 Private Placement Shares pursuant to the Private Placement. The Issuer will also have up to 4,233,332 Common Shares issuable pursuant to the November 2016 Warrants, 20,000,033 Common Shares issuable pursuant to the Private Placement Warrants, and 673,827 Common Shares issuable pursuant to Agent's Warrants and the Finders' Warrants.

### *Fully-Diluted Share Capital*

The following table sets forth the fully-diluted share capital of the Issuer after giving effect to the Private Placement and the Share Exchange:

<b>Designation of Security</b>	<b>Outstanding After Giving Effect to the Private Placement and the Share Exchange</b>	
	<b>Amount</b>	<b>Percentage</b>
<b>Common Shares</b>		
Issued	15,050,264	20%
Transaction Shares	15,048,000	20%
Private Placement Shares	20,000,033	27%
Reserved for issuance pursuant to the November 2016 Warrants	4,233,332	5%
Reserved for issuance pursuant to the Private Placement Warrants	20,000,033	27%
Reserved for issuance pursuant to the Private Placement Agent's Warrants and Private Placement Finder's Warrants	673,827	1%
<b>Total Number of Shares (fully-diluted)</b>	<b>75,005,489</b>	<b>100%</b>

### **Available Funds and Principal Purposes**

Upon completion of the Transactions, the following funds are available to the Issuer:

<b>Description of Funds</b>	<b>Amount</b>
Estimated working capital of the Issuer as of October 31, 2017	\$358,537
Estimated working capital of Puno Gold as of October 31, 2017	\$(698,474)
Gross Proceeds from the Private Placement	\$6,000,010
<b>Total available funds:</b>	<b>\$5,660,073</b>

The Issuer will use the funds available to it to further its business objectives. Specifically, the Issuer will use the funds available to it as follows:

<b>Principal Purposes of Funds</b>	<b>Amount</b>
Costs of proposed exploration program on Cerro Hermoso Property	\$2,200,396 <sup>(1)</sup> (US\$1,720,000)
Costs of proposed exploration program on Lukkacha Property	\$1,023,440 (US\$800,000)
Payments due under Cerro Hermoso Agreement and the Lukkacha Agreement in the next 12 months	\$127,930 <sup>(2)</sup>
Commissions payable pursuant to Private Placement	\$202,148
Estimated fees and expenses of the Transactions	\$90,000
General and Administrative Expenses	\$540,000 <sup>(3)</sup>
Unallocated general working capital	\$714,264
Re-payment of Puno Gold Loans	\$761,895
<b>Total</b>	<b>\$5,660,073</b>

Notes:

- (1) The Technical Report recommends an exploration program on the Cerro Hermoso Property of US\$1,720,000. The Canadian dollar amount shown above is for illustrative purposes only and will vary depending on the prevailing exchange rates of the Canadian dollar to the U.S. dollar at Closing. The amount shown assume an exchange rate equal to US\$1.00 = CAD\$1.2793, being the Bank of Canada exchange rate on November 20, 2017.
- (2) The amounts due under the Cerro Hermoso Agreement and the Lukkacha Agreement are denominated in US dollars in the amount of US\$100,000. The Canadian dollar amount shown above is for illustrative purposes only and will vary depending on the prevailing exchange rates of the Canadian dollar to the U.S. dollar at Closing. The amount shown assume an exchange rate equal to US\$1.00 = CAD\$1.2793, being the Bank of Canada exchange rate on November 20, 2017.
- (3) The Issuer's general and administrative expenses for the next 12 months include the following approximations: \$54,000 for consulting fees; \$175,000 for management fees; \$70,000 for legal, accounting and auditing services; \$25,000 for travel; and \$216,000 for office and administrative, transfer agent, Exchange and regulatory fees, insurance, investor relations, and rent.

There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Issuer to achieve its stated business objectives.

#### **4.2 Companies with Asset-backed Securities Outstanding**

Not applicable.

#### **4.3 Mineral Projects**

##### **THE PERUVIAN PROPERTIES**

###### *Cerro Hermoso Property*

Puno Gold, through Mineral Puno, holds an option to acquire a 100% interest in the Cerro Hermoso Property (the "**Cerro Hermoso Option**") subject to the Cerro Hermoso NSR as described below, located in the Puno region in southern Peru, approximately 60 kilometres west of the city Juliaca.

The Option has been granted to Puno Gold pursuant to the terms of a Mining Concessions Transfer Option Agreements and the Assignment of Contractual Position over Mining Lease Agreements (the "**Cerro Hermoso Agreement**") among Minera Puno and Corporacion Minera Kcoriwasi S.A.C., a Peruvian company ("**Minera Kcoriwasi**") and the titleholders, Manuel Nolasco Paredes Chirino, a Peruvian citizen ("**Paredes**") and Empresa Mineral Paredes Hermanos S.A.C., a Peruvian company ("**Empresa Mineral**" and together with Paredes, the "**Titleholders**").

The Cerro Hermoso Property consists of two concessions (the "**Cerro Hermoso Concessions**"), comprised of the Lucia Josefina concession owned by Paredes and the Haariana II concession, totalling approximately 988 hectares. In 2011, the Titleholders entered into an agreement granting Minera Kcoriwasi an 88% working interest in the Cerro Hermoso Concessions (the "**Kcoriwasi Agreement**"). Pursuant to the Cerro Hermoso Agreement, the rights of the Titleholders and the rights under the Kcoriwasi Agreement are ceded to Minera Puno upon exercise of the Cerro Hermoso Option.

Under the terms of the Cerro Hermoso Agreement, Minera Puno may exercise its option to acquire a 100% interest in the Cerro Hermoso Property by making option payments totalling US\$1,750,000 over a period of four years to the Titleholders, as set forth below, and option payments totalling US\$1,750,000 to Kcoriwasi for assignment of the contractual rights under the Kcoriwasi Agreement.

Minera Puno must make cash payments to the Titleholders, as set out below.

To Paredes:

- US\$17,500 on September 27, 2016 (the "**Effective Date**") (paid);
- US\$17,500 on or before 6 months from the Effective Date (paid);
- US\$35,000 on or before 1 year from the Effective Date (paid);
- US\$35,000 on or before 2 years from the Effective Date;
- US\$35,000 on or before 3 years from the Effective Date; and



- US\$1,085,000 on or before 4 years from the Effective Date.

To Empresa Mineral:

- US\$7,500 on the Effective Date (paid);
- US\$7,500 on or before 6 months from the Effective Date (paid);
- US\$15,000 on or before 1 year from the Effective Date (paid);
- US\$15,000 on or before 2 years from the Effective Date;
- US\$15,000 on or before 3 years from the Effective Date; and
- US\$465,000 on or before 4 years from the Effective Date.

Minera Puno must make cash payments to Kcoriwasi, as set out below.

- US\$25,000 on the Effective Date (paid);
- US\$25,000 on or before 6 months from the Effective Date (paid);
- US\$50,000 on or before 1 year from the Effective Date (paid);
- US\$50,000 on or before 2 years from the Effective Date;
- US\$50,000 on or before 3 years from the Effective Date; and
- US\$1,550,000 on or before 4 years from the Effective Date.

The Cerro Hermoso Concessions are subject to a 1% NSR (the "**Cerro Hermoso NSR**") in favour of the Titleholders (each Titleholder having a 25% entitlement) and Minera Kcoriwasi (having a 50% entitlement) which will take effect upon commencement of commercial production. Pursuant to the terms of the Cerro Hermoso Agreement, commencement of commercial production will be deemed to have occurred when Minera Puno has received cumulative minimum payments of US\$1,000,000 from the sale of minerals produced from the Cerro Hermoso Concessions.

The Cerro Hermoso NSR is subject to a buy-back right pursuant to which Minera Puno may purchase the full Cerro Hermoso NSR for a total payment of US\$5,000,000.

#### *Lukkacha Property*

Puno Gold, through Mineral Puno, holds an option to acquire a 100% interest in the Lukkacha Property (the "**Lukkacha Option**") subject to the Lukkacha NSR as described below, located in Tacna Province of southeastern Peru. The Option has been granted to Puno Gold pursuant to the terms of a Mining Concessions Transfer Option and Mining Lease Agreement (the "**Lukkacha Agreement**") with Rustica Claudia S.A.C., a Peruvian company ("**Rustica Claudia**").

The Lukkacha Property consists of seven concessions totalling 4,400 hectares (the "**Lukkacha Concessions**") and is situated within 50 kilometres of the international border with Chile. Under Article 71 of the 1993 Constitution of Peru, any foreigner that wishes to carry out a mining project within 50 kilometres of Peru's national borders must first obtain a public necessity declaration granted through a supreme decree (the "**Supreme Decree**"). Such application must be submitted to the Peruvian Ministry of Energy and Mines for review by various government entities and must be approved by the President of Peru and the Council of Ministers. A public necessity declaration is not granted automatically but rather is subject to a discretionary analysis by the entities involved having regard to the public interest.

Exercise of the Lukkacha Option and exploration on the Lukkacha Property are subject to Minera Puno obtaining the Supreme Decree allowing it to work on the Lukkacha Property. The Supreme Decree has not yet been granted.

Under the terms of the Lukkacha Agreement, Minera Puno may exercise its option to acquire a 100% interest in the Lukkacha Property by making payments totalling up to US\$3,200,000 over a period of five years and making exploration expenditures in the amount of US\$2,000,000 within 36 months of following receipt of the Supreme Decree, as further described below:

Minera Puno must make the following cash payments to Rustica Claudia:

- US\$200,000.00 on May 17, 2017 (paid)
- Annual payments of US\$100,000, starting on the first anniversary of the date of obtaining the Supreme Decree.
- A final payment of US\$2,500,000 on the date of transfer of the concession title to Minera Puno.

Minera Puno must incur exploration expenditures on the Lukkacha Concessions as follows:

- US\$1,000,000 within 24 months following the date of obtaining the Supreme Decree.
- An additional US\$1,000,000 within 36 months following the date of obtaining the Supreme Decree.

The Lukkacha Concessions are subject to a 2% NSR in favour of Rustica Claudia (the "**Lukkacha NSR**") which will take effect upon commencement of commercial production. Pursuant to the terms of the Lukkacha Agreement, commencement of commercial production will be deemed to have occurred when Minera Puno has received cumulative minimum payments of US\$1,000,000 from the sale of minerals produced from the Lukkacha Concessions.

The Lukkacha NSR is subject to a buy-back right pursuant to which Minera Puno may purchase an initial 0.5% of the Lukkacha NSR by payment of US\$2,000,000 to Rustica Claudia. Thereafter Minera Puno may purchase an additional 0.5% of the Lukkacha NSR, for a further payment of US\$3,000,000.

### ***Technical Report on the Cerro Hermoso Property***

The following is a summary of the Technical Report on the Cerro Hermoso Property. The information below has been extracted in whole from the Technical Report, dated May 31, 2017. The author of the Technical Report, Steven L. Park, C.P.G., is a "qualified person" with the meaning of NI 43-101 and is independent of Puno Gold and the Issuer. The author has verified the disclosure in this section of the Listing Statement that has been derived from the Technical Report and has consented to its use. The author, in writing the Technical Report, used sources of information as listed in the references thereto. The information in those references, including reports written by other geologists, are assumed to be accurate based on the data review conducted by the authors; however they are not the basis for the Technical Report. For further information concerning those references, or to view the figures that are referred to but not included in the following section, see the Technical Report, a copy of which has been filed on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are encouraged to review the entire Technical Report.

### ***Property Description and 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 to the Property is just over two hours from Arequipa and just under one hour from Juliaca.

The central point on the Cerro Hermoso 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 northeast 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 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.

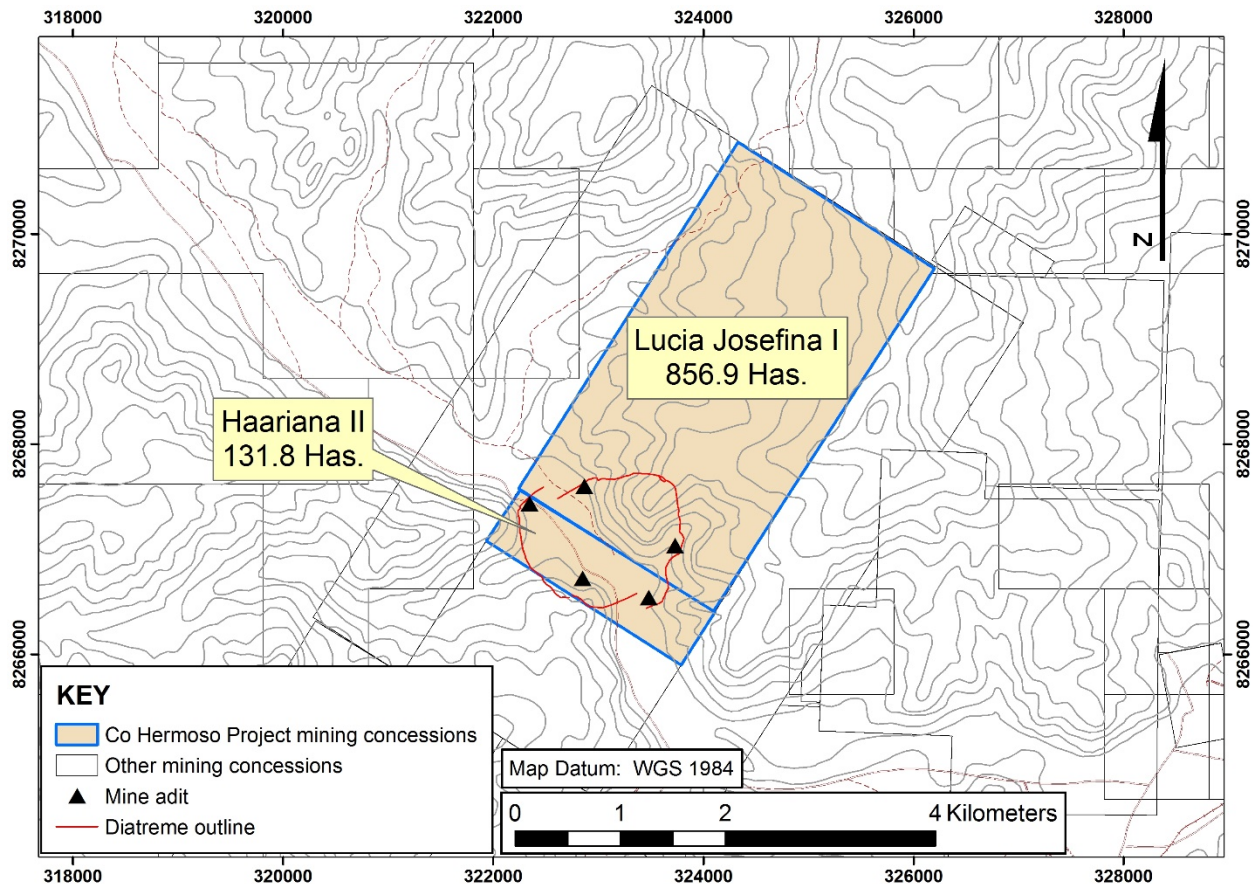
### ***Mining Concessions***

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 of the Technical Report. 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 the Technical 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. The total fees were paid prior to June 30, 2017. The properties are in good standing.

### ***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 was entered into with the current titleholders of the concessions and Kcoriwasi. Provisions of this contract will cede all rights, including 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 USD \$3,500,000 over 4 years is listed in Table 2. The first two payments totaling USD \$100,000 have been paid..

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

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

<b>Date</b>	<b>USD\$</b>	<b>Paid</b>
27-Sep-16	\$50,000	Yes
27-Mar-17	\$50,000	Yes
27-Sep-17	\$100,000	Pending <sup>(1)</sup>
27-Sep-18	\$100,000	Pending
27-Sep-19	\$100,000	Pending
27-Sep-20	\$3,100,000	Pending
<b>Total</b>	<b>\$3,500,000</b>	

Notes:

- (1) Subsequent to the issuance of the 43-101 report on May 31, 2017, the September option payment has been made.

### ***Exploration Permits and Surface Rights***

#### **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 m<sup>3</sup> 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.

#### ***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.<sup>(1)</sup> 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.

Notes:

- (1) Subsequent to the issuance of the 43-101 report on May 31, 2017, a new DIA was submitted to the MEM on September 7, 2017.

### 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

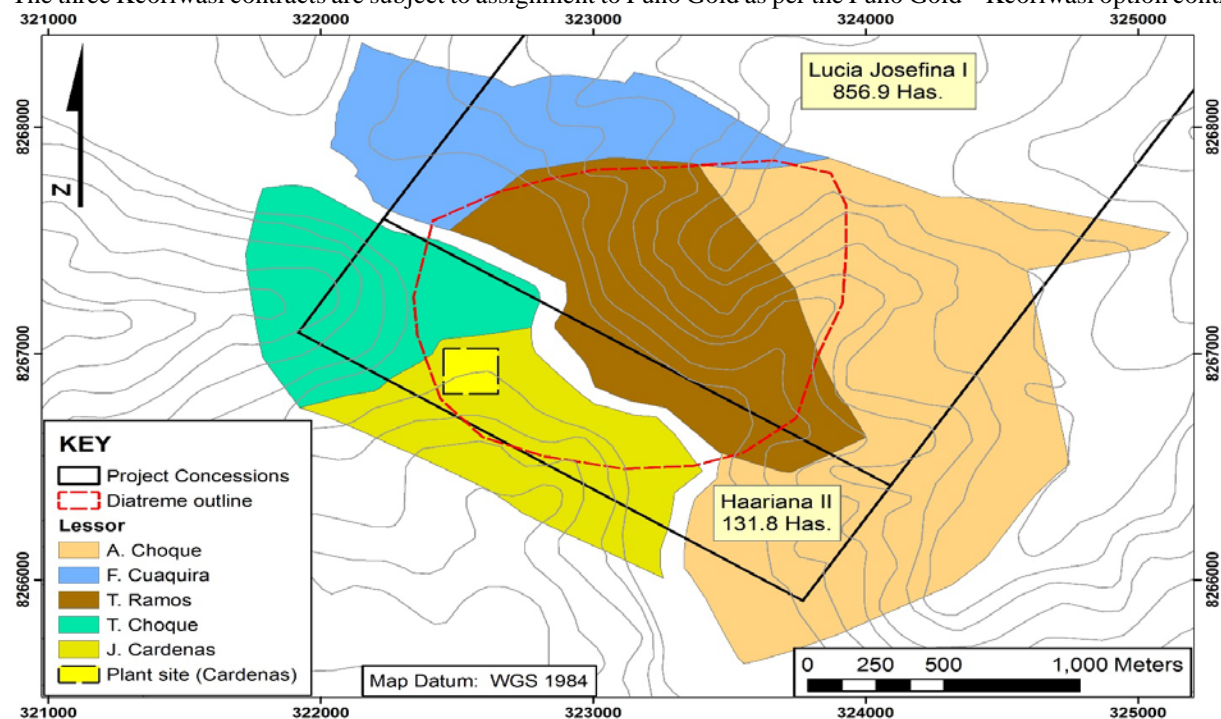


Figure 4 of the Technical Report. Area of surface lease contracts, May 2017

Table 3. Cerro Hermoso surface lease summary

<b>Lessor</b>	<b>Lessee</b>	<b>Contract_Date</b>	<b>Contract_Expires</b>	<b>Area (Has.)</b>	<b>Comments</b>
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.<sup>(1)</sup>

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.<sup>(1)</sup>

Notes:

- (1) Subsequent to the issuance of the 43-101 report on May 31, 2017, this study was completed.

***Accessibility, Climate, Local Resources, Infrastructure and Physiography***  
***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.

***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.

***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 of the Technical Report. 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**

#### **History: Santa Lucia District**

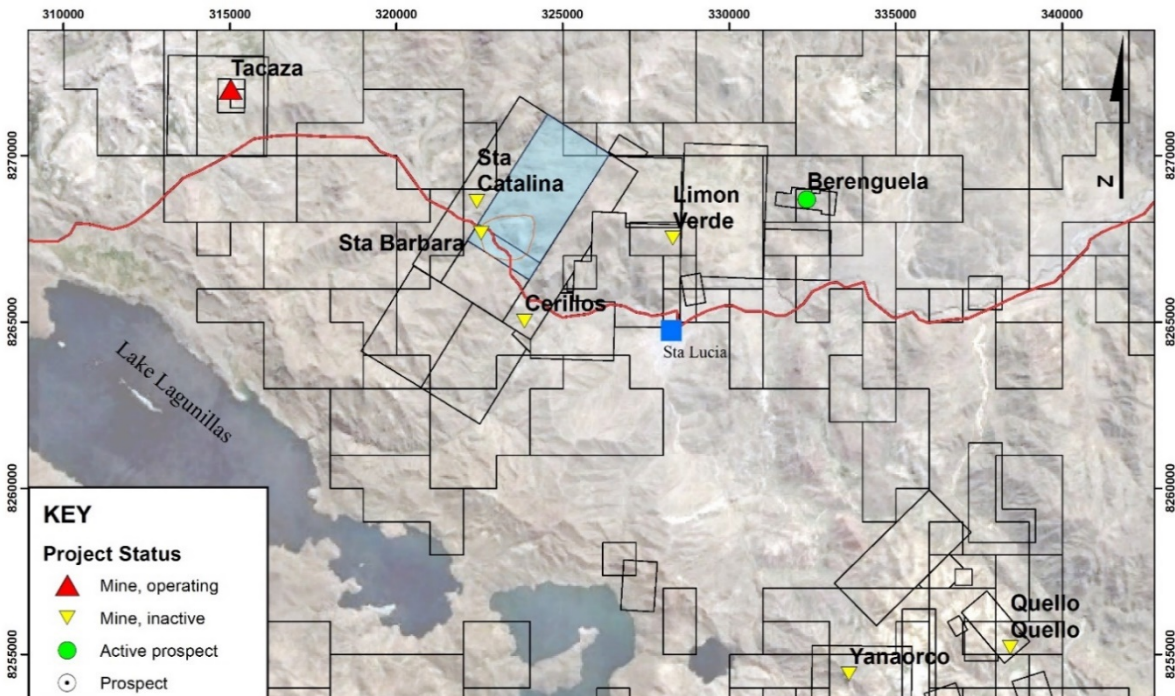
Mining in the Santa Lucia district began during the Spanish colonial era in the 16th century as evidenced by old workings found throughout the district. In the Property, colonial miners exploited the supergene-enriched Ag-Cu ore-zone at Mina Santa Barbara adjacent to the west margin of the Cerro Hermoso 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 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.





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

### ***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 (Wasteneys 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.

### ***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.



**Figure 7 of the Technical Report. Panoramic view of Santa Barbara Mine looking west from Cerro Hermoso.**

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 the Technical Report.

***Geologic Setting and Mineralization***  
***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).



### 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 Incaquico 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 klipmes 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

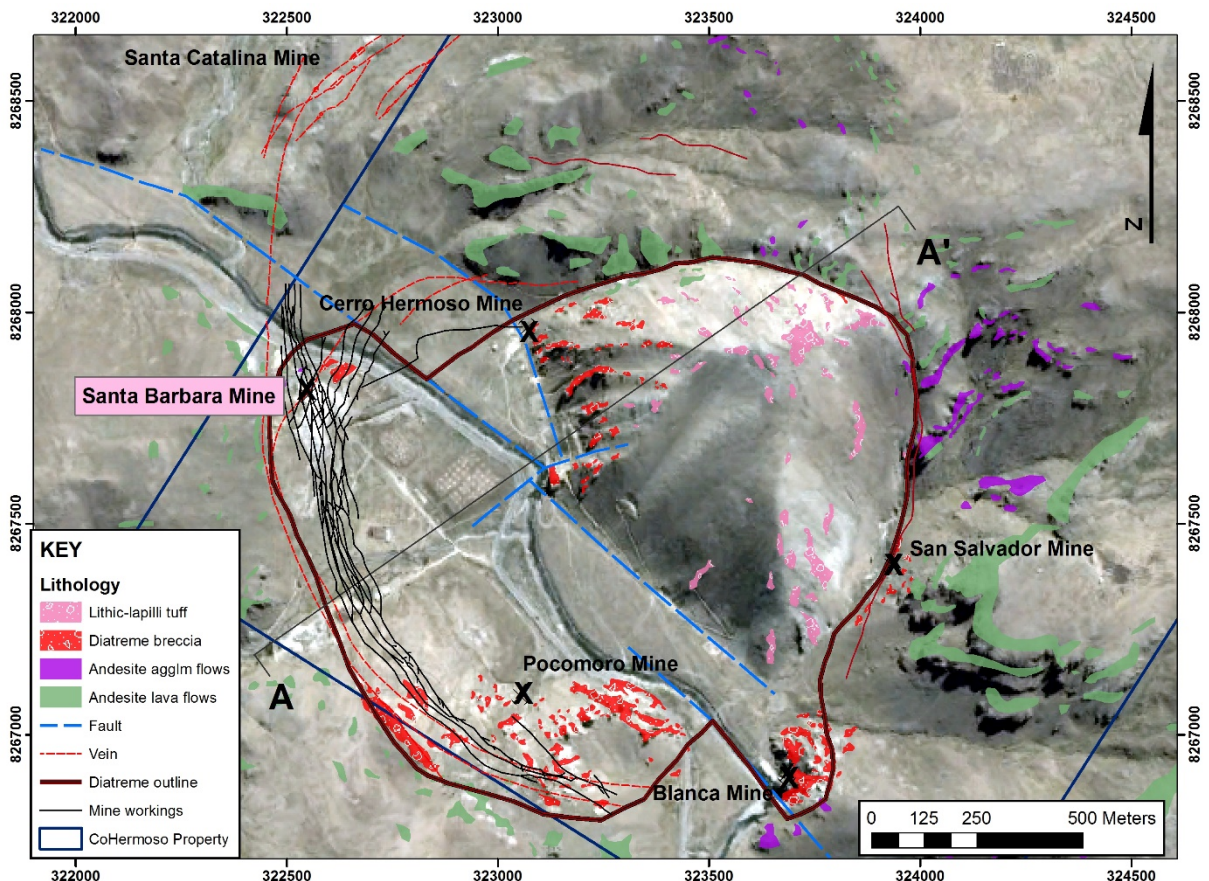


Figure 13 of the Technical Report. Outcrop geology by Puno Gold (Vargas, 2016) and inferred

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.

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.

## **Project Area Mineralization**

### ***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  $23.5 \pm 0.5$  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.

### ***Diatreme-hosted Au-Ag***

#### ***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 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 indicates a later mineralization event filling brittle fractures. The history and timing of mineralization is yet to be determined.





**Figure 14 of the Technical Report. 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**

### 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.

### 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.

**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).

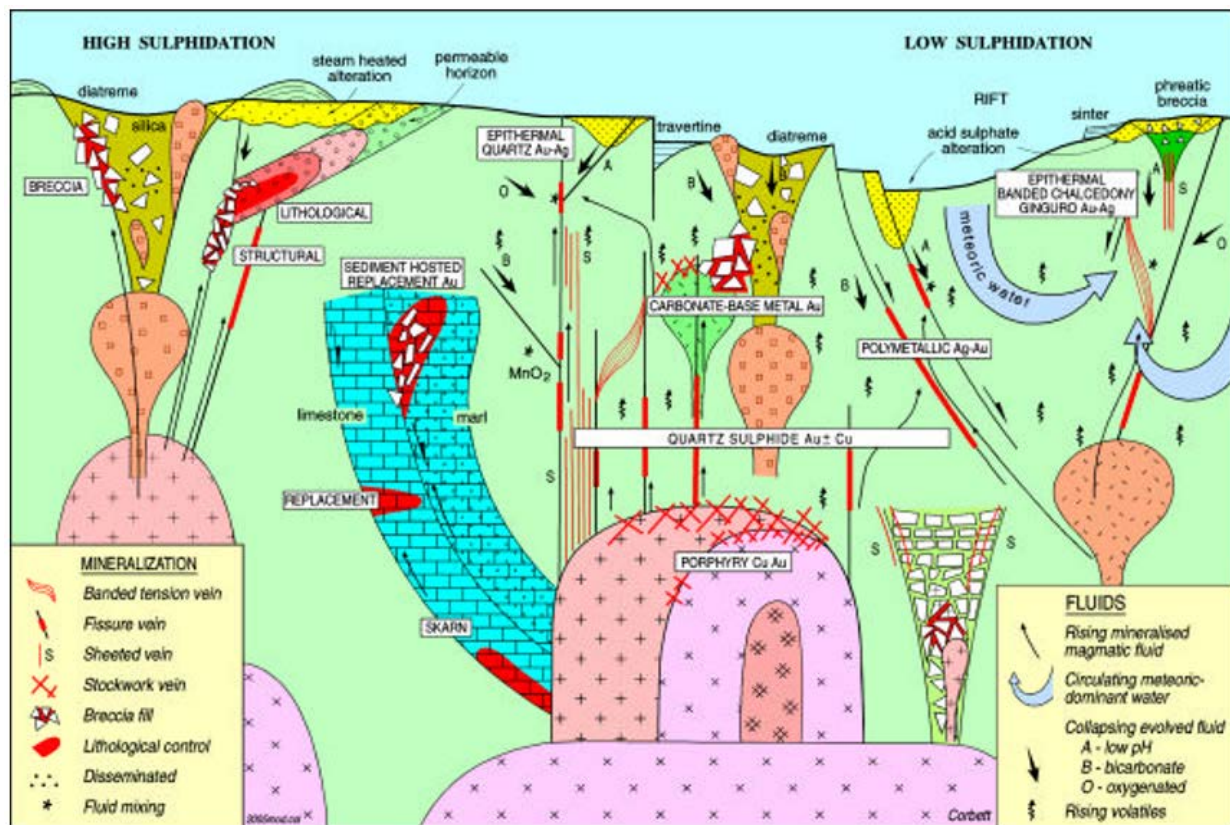


Figure 15 of the Technical Report. Schematic section of mineral deposit settings contrasting high-sulphidation to low-sulphidation styles, including diatreme volcanic structures (Corbet, 2008). ISE-style in upper-center of diagram.

**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.

**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

### ***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):

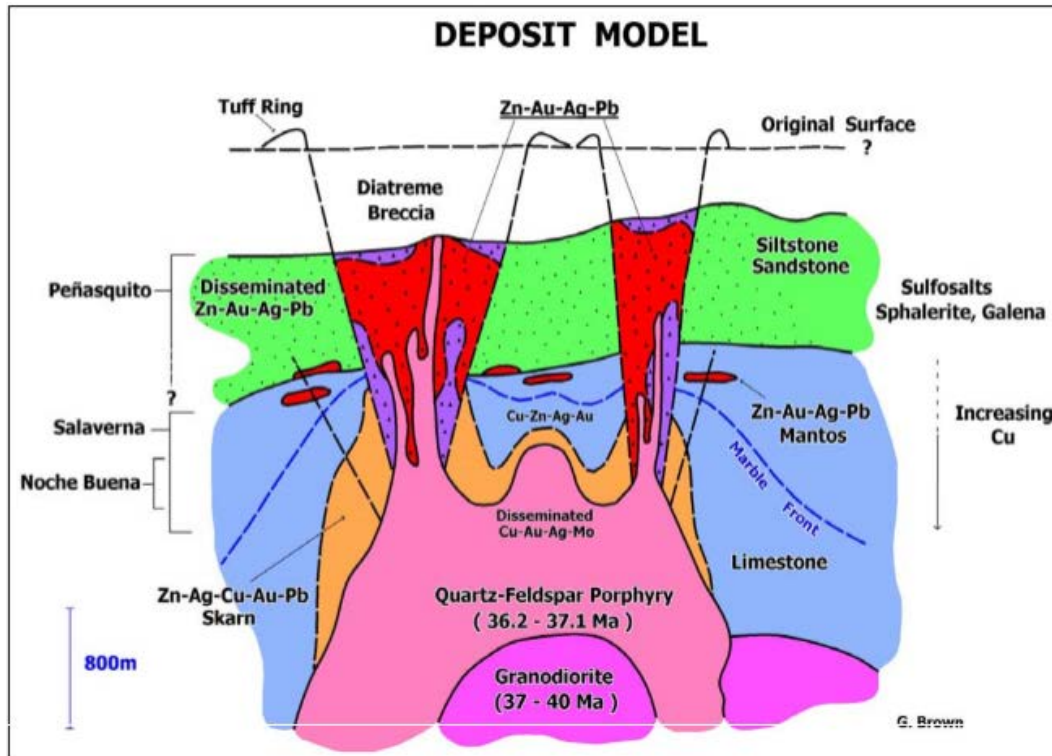
- Metaluminous, sub-alkalic intrusions of intermediate to felsic composition that span the boundary between ilmenite- and magnetite-series;
- Carbonic hydrothermal fluids;
- Pluton-proximal gold mineralization may be associated with Bi, Te, and W aureole-hosted mineralization with an As or Sb tenor; 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 of the Technical Report. 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 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.

### 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.

### ***Exploration***

#### **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 the Technical Report.

### **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.

#### **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.

#### **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.

#### **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.

### **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 of the Technical Report. 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.**

### **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.

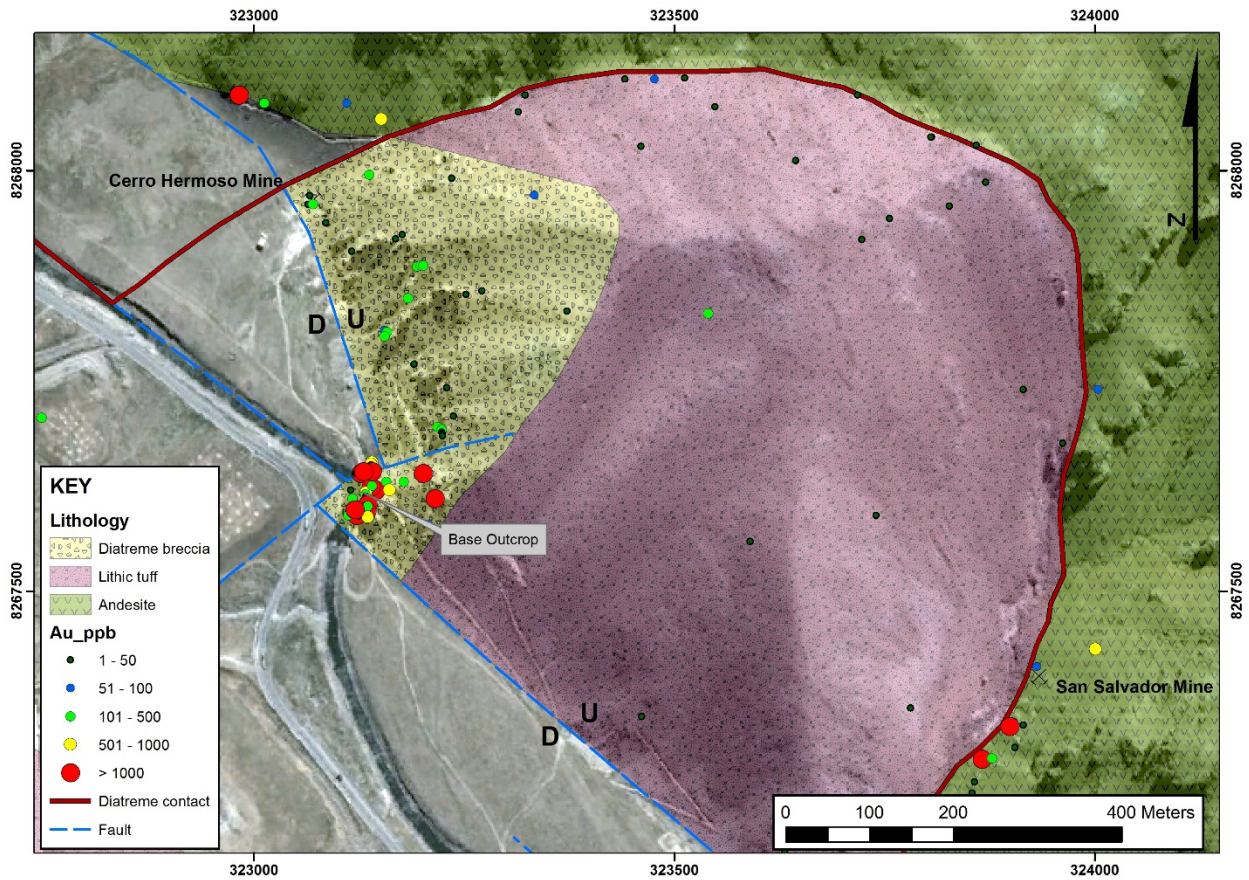


Figure 18 of the Technical Report. Cerro Hermoso geology and Au values from third party sampling programs (S. Park, 2017)

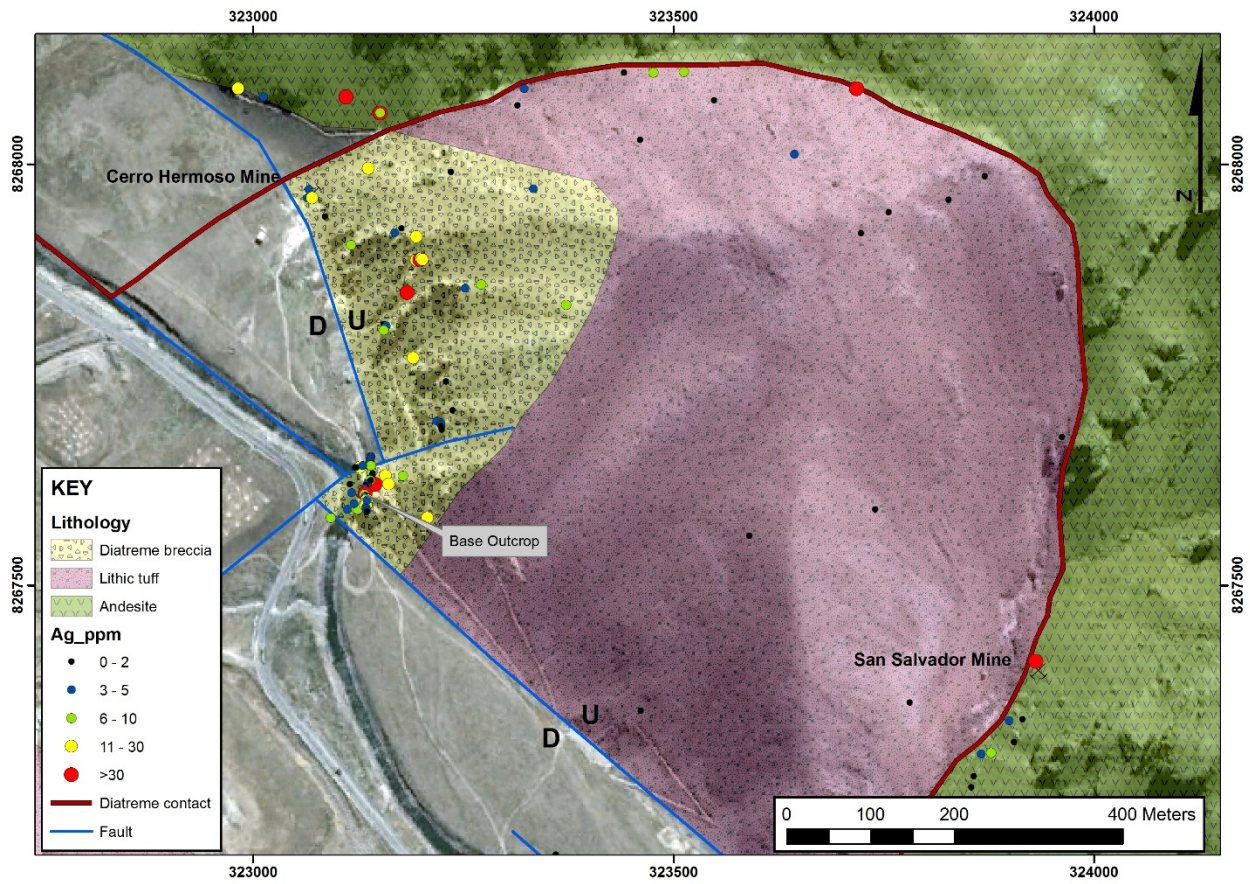


Figure 19 of the Technical Report. Cerro Hermoso geology and Ag values from third party sampling programs (S. Park, 2017)



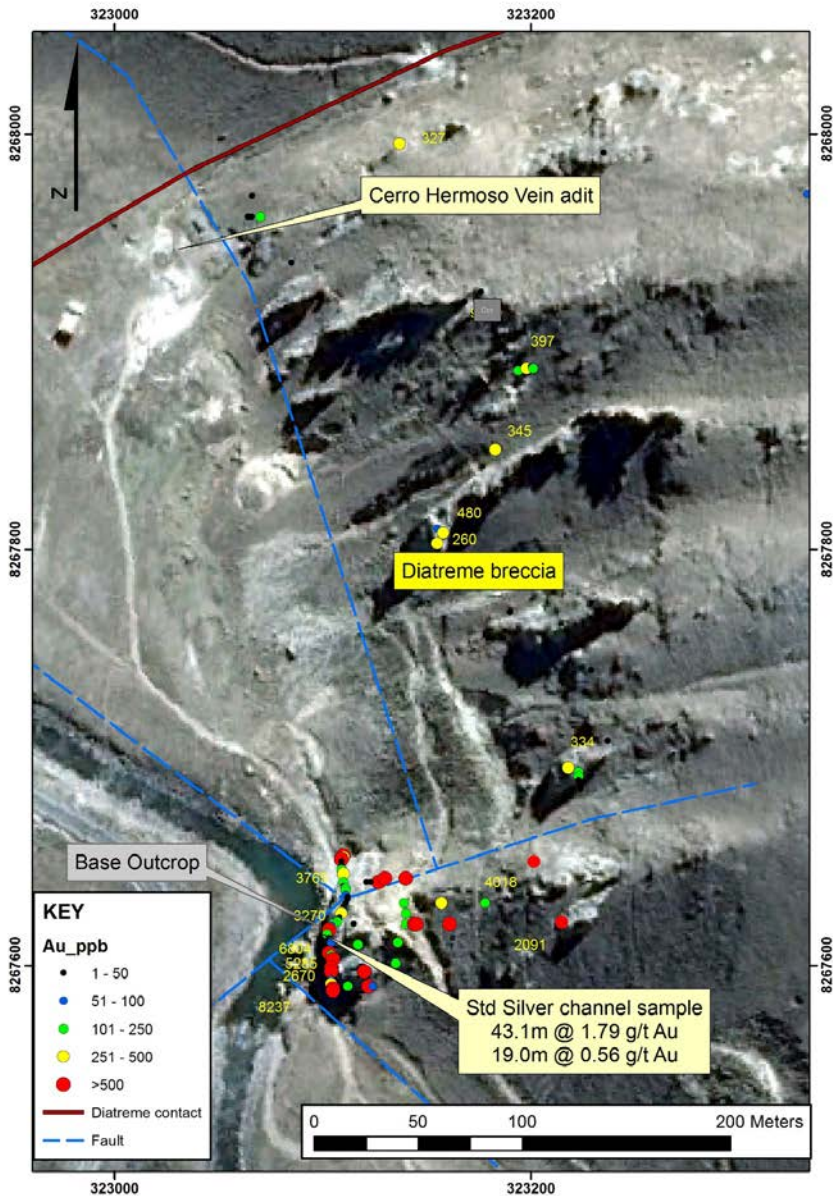


Figure 20 of the Technical Report. Anomalous diatreme breccia zone, Au values from third party sampling programs (S. Park, 2017)

*Drilling*

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

*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 the Technical Report.



**Figure 21 of the Technical Report. 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.

***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 4. 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 5. 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 vnlt. 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.

### **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.

### **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 the Technical 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.

### **Adjacent Properties**

#### **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.

#### **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).

### **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

### ***Other Relevant Data and Information***

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

### ***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.

### ***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.



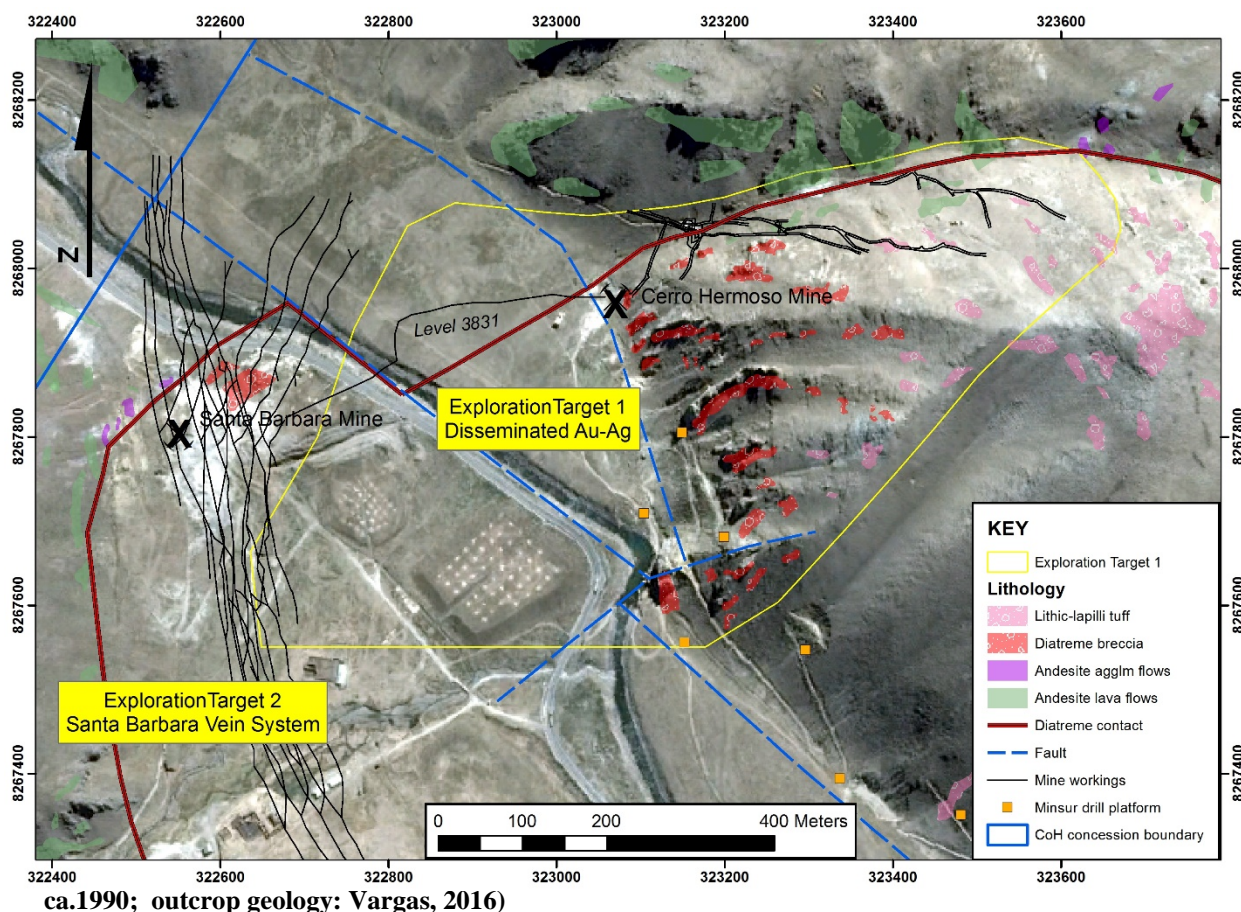
Structural interpretation on a Property scale suggests that the mineralized diatreme breccia at the base of the western slope of Cerro Hermoso may have been truncated and down-dropped into the river valley (cross section, Figure 24). To the east, outcrop of the diatreme breccia appears to terminate against 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.

### Base-Metal Vein Systems

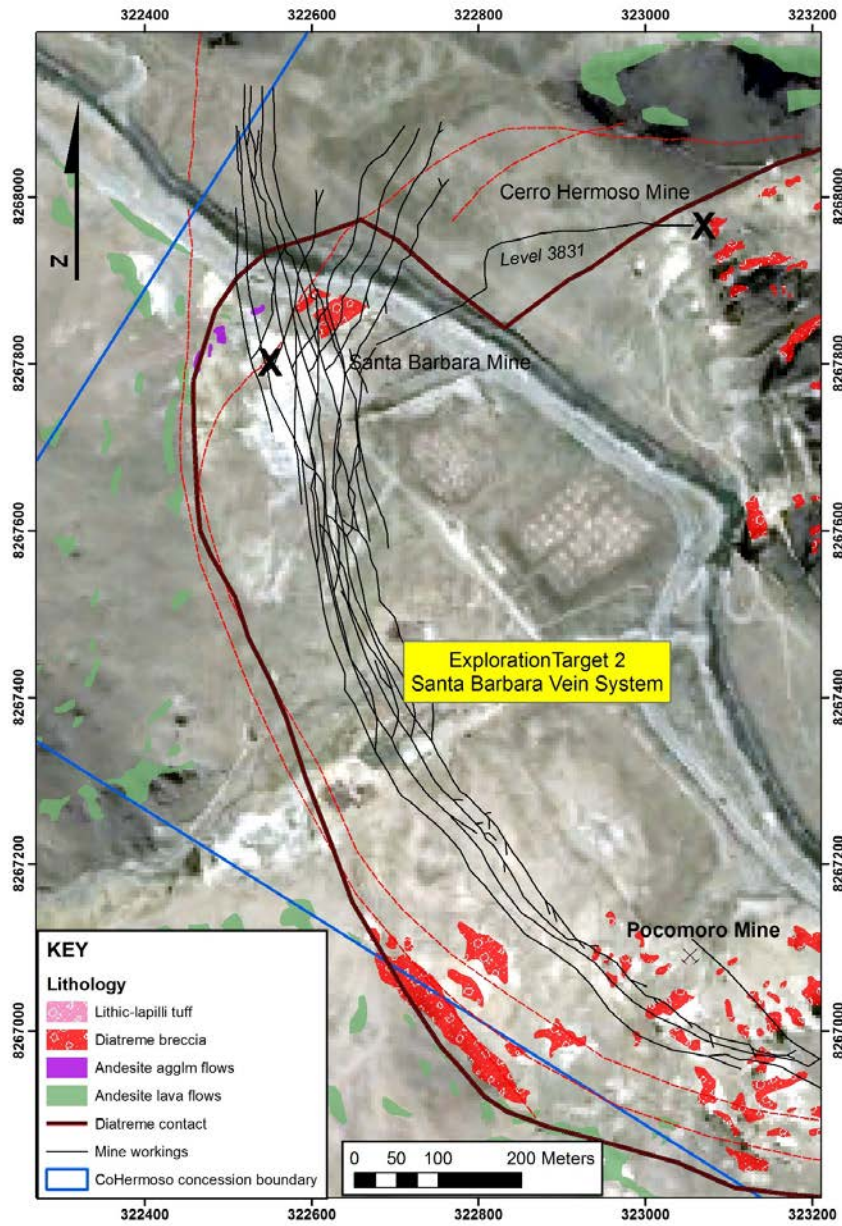


Exploration Target 2 relates to the Santa Barbara vein system hosted along in the western segment of the diatreme contact (Figure 23). Objectives for this target are identifying:

- 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.

### ***Carbonate Replacement Deposits***

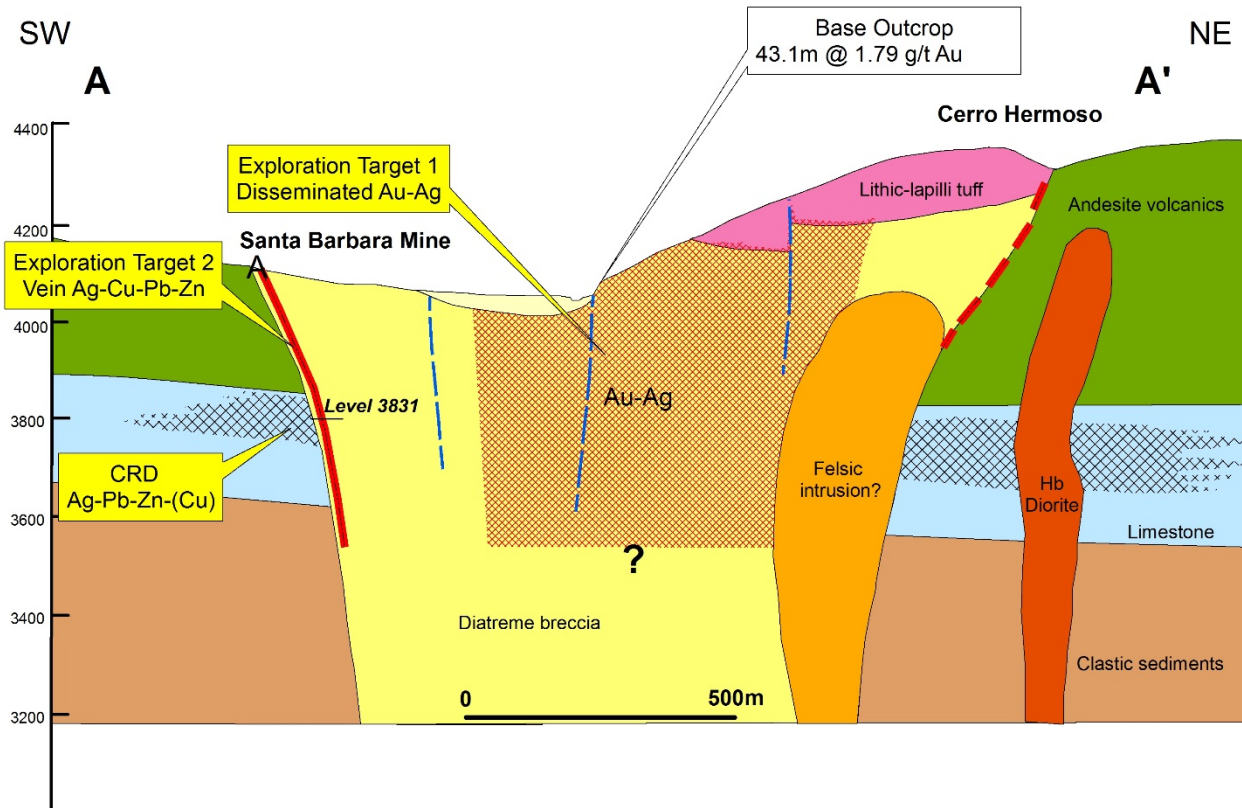
The CRD exploration target is largely conceptual on the Property, but the mineralized Ayavacas Limestone found in the Santa Barbara workings, possibly associated with hornblende diorite intrusions pre-dating the diatreme, provides a prospective exploration target given the carbonate-hosted Ag-Cu deposit 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 of the Technical Report. Proposed exploration Target 2, Santa Barbara Vein System (Mine workings: Minsur S.A., ca.1990; geology: Vargas, 2016)**



Figure 24 of the Technical Report. Idealized cross section through Cerro Hermoso diatreme illustrating exploration targets



### 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.

## ***Recommendations***

### **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.

### **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.

### **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

### ***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 6. Proposed exploration budget, Cerro Hermoso**

Item	Amount	Unit cost	Total (USD\$)
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
<b>Total</b>			<b>\$1,720,000</b>

## **5. SELECTED CONSOLIDATED FINANCIAL INFORMATION**

### **The Issuer**

The following table sets out selected historical financial information for the Issuer for the period from incorporation on July 15, 2015 to July 31, 2015, the year ended July 31, 2016 and for the nine months ended April 30, 2017.

<b>Income Statement Data</b>	<b>Nine Months Ended April 30, 2017 (unaudited)</b>	<b>Year ended July 31, 2016 (audited)</b>	<b>Period from incorporation to July 15, 2015 (audited)</b>
Total Expenses	\$90,585	\$12,610	\$614
Deferred Costs (financing costs)	\$Nil	\$Nil	\$Nil

### **Puno Gold**

The following table sets forth selected historical financial information for Puno Gold for the period from incorporation on July 12, 2016 to July 31, 2017, expressed in accordance with International Financial Reporting Standards. The following amounts are expressed in Canadian dollars.

	<b>Period from incorporation on July 12, 2016 to July 31, 2017 (audited)(\$)</b>
Cash	105,093
Total Assets	107,171
Total Liabilities	575,194
Net loss and comprehensive loss	894,155
Basic and diluted net loss per share	0.07

## Dividend Policy

There will be no restrictions in the Issuer's articles or elsewhere, other than customary general solvency requirements under applicable laws, which would prevent the Issuer from paying dividends following the completion of the Transactions.

It is anticipated that all available funds will be invested to finance the growth of the Issuer's business and accordingly it is not contemplated that any dividends will be paid on the Issuer's Shares in the immediate or foreseeable future. The directors of the Issuer will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Issuer's financial position at the relevant time.

## 6. MANAGEMENT'S DISCUSSION AND ANALYSIS

### (a) Annual MD&A

The Issuer's annual management's discussion and analysis for the year ended July 31, 2016 (the "Annual MD&A") which are contained in the Issuer's final long form prospectus have been filed through SEDAR at [www.sedar.com](http://www.sedar.com) on March 10, 2017. The Annual MD&A is specifically incorporated into and forms an integral part of this Listing Statement.

### (b) Interim MD&A

The Issuer's management's discussion and analysis for the nine month period ended April 30, 2017 and for the six month period ended January 31, 2017 (the "Interim MD&A") have been posted and are accessible at [www.sedar.com](http://www.sedar.com). The Interim MD&A is specifically incorporated into and forms an integral part of this Listing Statement.

## 7. MARKET FOR SECURITIES

The Issuer is a reporting issuer in British Columbia and Ontario and its common shares are listed and posted for trading on the Exchange under the symbol "MONT".

## 8. CONSOLIDATED CAPITALIZATION

The following table sets forth the pro forma share capital of the Issuer, on a consolidated basis, after the Share Exchange and the Private Placement:

<u>Designation of Security</u>	<u>Amount Authorized or to be Authorized</u>	<u>Amount Outstanding after Giving Effect to the Transactions <sup>(1)</sup></u>
Common Shares	Unlimited	75,005,489

Notes:

- (1) After issuance of 20,000,033 Private Placement Shares pursuant to the Private Placement. The Issuer will also have up to 4,233,332 Common Shares issuable pursuant to the November 2016 Warrants, 20,000,033 Common Shares issuable pursuant to the Private Placement Warrants, and 673,827 Common Shares issuable pursuant to Agent's Warrants and the Finders' Warrants.

## 9. OPTIONS TO PURCHASE SECURITIES

The Option Plan was approved by the Board of Directors and adopted by the Issuer on November 15, 2016. The purpose of the Option Plan is to assist the Issuer in attracting, retaining and motivating directors, officers, employees, consultants, and advisors (together "service providers") of the Issuer and of its affiliates and to closely align the personal interests of such service providers with the interests of the Issuer and its shareholders. The Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of Shares issued and outstanding from time to time.

The Option Plan is administered by the Board of Directors, which has full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Option Plan to such service providers of the Issuer and its affiliates, if any, as the Board may from time to time determine, subject to Exchange policies. The exercise prices shall be determined by the Board of Directors, but shall, in no event, be less than the closing market price of the Common Shares on the Exchange, less the maximum discount permitted under the Exchange policies, if such is permitted, on the date the options are granted. The Option Plan provides that the number of Common Shares issuable on the exercise of options granted to all persons together with all of the Issuer's other previously granted options may not exceed 10% of the number of Common Shares issued and outstanding at the time of grant. In addition, the number of Common Shares which may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the number of issued and outstanding Common Shares on a yearly basis. Subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, all options granted under the Option Plan will expire on the date of expiry set by the Board of Directors at the time of grant, which may not be later than ten years from the date that such options are granted. Options granted under the Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

As at the date hereof, the Issuer does not have any Options outstanding, nor has the Issuer granted any Options since its incorporation.

## **10. DESCRIPTION OF THE SECURITIES**

### **10.1 Description of the Issuer's Securities**

The Issuer is authorized to issue an unlimited number of Common Shares without par value. As of the date hereof, 15,050,264 Common Shares are issued and outstanding as fully paid and non-assessable shares. In addition, 4,233,332 Common Shares are reserved for issuance pursuant to the exercise of the November 2016 Warrants.

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board of Directors; to one vote per share at meetings of the shareholders of the Issuer; and, upon dissolution, to share equally in such assets of the Issuer as are distributable to the holders of Common Shares.

### **10.2 Debt Securities**

Other than its common shares, the Issuer has no debt securities or other securities.

### **10.4 Other Securities**

Other than its common shares, the Issuer has no debt securities or other securities.

### **10.5 Modification of Terms**

The Issuer has not modified any of the terms of its securities.

### **10.6 Other Attributes**

There are no other attributes of the Issuer's securities that would materially limit or qualify the rights of any other class of securities.

### **10.7 Prior Sales**

#### **The Issuer**

The following table summarizes the issuances of Common Shares or securities convertible into Common Shares for the 12 month period prior to the date of the Listing Statement:

<b>Date</b>	<b>Number of Common Shares</b>	<b>Issue Price Per Common Share</b>
November 16, 2016	4,233,332 <sup>(1)</sup>	\$0.10

<u>Date</u>	<u>Number of Common Shares</u>	<u>Issue Price Per Common Share</u>
March 23, 2017	100,000	\$0.10
<b>Total:</b>	4,333,332	

Notes:

<sup>(1)</sup> These Common Shares were issued as part of a unit which also included one (1) November 2016 Warrant in each Unit. A total of 4,233,332 November 2016 Warrants were issued and each such warrant entitles the holder to purchase one additional Common Share at a price of \$0.15 per Common Share until November 16, 2018.

## Puno Gold

The following table summarizes the issuances of Common Shares or securities convertible into Common Shares for the 12 month period prior to the date of the Listing Statement:

<u>Date</u>	<u>Number of Common Shares</u>	<u>Issue Price Per Common Share</u>
March 8, 2017	6,500,000	\$0.05
<b>Total:</b>	6,500,000	

## 10.8 Stock Exchange Price

The Issuer's Common Shares have been listed and posted for trading on the Exchange since March 27, 2017. The following table sets out trading information for the Common Shares for the periods indicated.

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Volume</u>
March 2017 .....	N/A	N/A	N/A	N/A
April 2017.....	\$0.20	\$0.20	\$0.20	2,000
May 2017.....	\$0.30	\$0.21	\$0.30	12,500
June 2017.....	N/A	N/A	N/A	N/A
July 2017.....	N/A	N/A	N/A	N/A
August 2017.....	N/A	N/A	N/A	N/A
September 2017 .....	N/A	N/A	N/A	N/A



<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Volume</u>
October 2017 .....	N/A	N/A	N/A	N/A
November 1-21, 2017 .....	N/A	N/A	N/A	N/A

Notes:

- (1) The Common Shares were listed on the Exchange on March 27, 2017 and were halted on the Exchange on June 2, 2017 pending completion of the Share Exchange.

## 11. ESCROWED SECURITIES

There are 6,598,975 Common Shares currently held in escrow as of the date hereof and are set out in the following table:

<b>Designation of class held in escrow</b>	<b>Number of Securities held in escrow</b>	<b>Percentage of Class <sup>(1)</sup></b>
Common Shares	6,598,975	13.17%

Notes:

- (1) Based on 50,098,297 Common Shares issued outstanding as of November 21, 2017.

An aggregate of 6,449,375 Common Shares are held in escrow pursuant to the Listing Escrow Agreement.

An aggregate of 149,600 Common Shares are held in escrow pursuant to the Transaction Escrow Agreement.

The conditions governing the release of the Common Shares pursuant to the Listing Escrow Agreement are as follows:

<b>Date of Automatic Timed Release</b>	<b>Amount of Escrowed Securities Released</b>
On the Listing Date	1/10 of the Escrowed Securities
6 months after the Listing Date	1/6 of the remaining Escrowed Securities
12 months after the Listing Date	1/5 of the remaining Escrowed Securities
18 months after the Listing Date	1/4 of the remaining Escrowed Securities
24 months after the Listing Date	1/3 of the remaining Escrowed Securities
30 months after the Listing Date	1/2 of the remaining Escrowed Securities
36 months after the Listing Date	the remaining Escrowed Securities

The Issuer is an “emerging issuer” as defined in the applicable policies and notices of the Canadian Securities Administrators. If the Issuer achieves “established issuer” status during the term of the Listing Escrow Agreement, it will “graduate” resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18 month schedule applicable to established issuers as if the Issuer had originally been classified as an established issuer.

The conditions governing the release of the Common Shares pursuant to the Transaction Escrow Agreement are as follows:

<b>Date of Automatic Timed Release</b>	<b>Amount of Escrowed Securities Released</b>
On the Closing Date of the Share Exchange	1/10 of the Escrowed Securities

6 months after the Listing Date	1/6 of the remaining Escrowed Securities
12 months after the Listing Date	1/5 of the remaining Escrowed Securities
18 months after the Listing Date	1/4 of the remaining Escrowed Securities
24 months after the Listing Date	1/3 of the remaining Escrowed Securities
30 months after the Listing Date	1/2 of the remaining Escrowed Securities
36 months after the Listing Date	the remaining Escrowed Securities

## 12. PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Issuer, after completion of the Transactions, the following person, beneficially owns or exercises control or direction over, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all of the outstanding Common Shares.

Name	Percentage of Outstanding Shares	Number of Shares upon completion of the Transactions
Stichting Depository Plethora Precious Metals Fund	14.15% <sup>(1)</sup>	7,088,000

**Notes:**

(1) Based on 50,098,297 Shares issued and outstanding as of November 21, 2017.

## 13. DIRECTORS AND OFFICERS

The following table sets out the name, city of residence, position with the Issuer, and the number and percentage of Common Shares which will be beneficially owned or controlled by each of the Issuer's directors, officers and promoters after completion of the Transactions:

Name, Age and City of Residence	Positions and Offices to be Held with the Issuer	Common Shares Beneficially Owned or Controlled upon completion of the Transactions	
		Number	Percentage <sup>(2)</sup>
<b>William Pincus</b> Colorado, USA	Chief Executive Officer, President and Director	83,333	0.17%
<b>Tyson King</b> <sup>(1)</sup> British Columbia, Canada	Vice President and Director	2,680,000	5.35%
<b>Quinton Hennigh</b> Colorado, USA	Chairman	149,600	0.30%
<b>Gerald Shields</b> <sup>(1)</sup> British Columbia, Canada	Director	966,666	1.93%
<b>Gordon King</b> <sup>(1)(3)</sup> British Columbia, Canada	Director	4,550,000	9.08%
<b>Lesia Burianyk</b> British Columbia, Canada	Chief Financial Officer	202,000	0.40%
<b>Leah Hodges</b> British Columbia, Canada	Corporate Secretary	200,500	0.40%

**Notes:**

(1) Member of Audit Committee.

(2) Based on 50,098,297 Common Shares issued and outstanding as of November 21, 2017.

(3) These Shares are issued to Goldreign Capital Inc., a company owned and controlled by Mr. King.

For particulars of the occupations of the directors and officers see "Directors and Officers" below. The directors and officers of the Issuer, as a group, will own 8,832,099 Common Shares upon completion of the Private Placement and the Share Exchange, being approximately 17.63% of the issued Common Shares which will then be issued and outstanding.

### ***Directors and Officers***

The following is a brief description of the directors and officers of the Issuer:

**William Pincus**, Chief Executive Officer, President and Director, 64 years old

Mr. Pincus has over 40 years of industry experience. Most recently, Mr. Pincus was Chairman of Global Minerals Ltd., a company developing the Strieborna silver deposit in Slovakia. Prior to that he was Chairman of Esperanza Resources, which was acquired by Alamos Gold for a total value of \$85M in 2013. His experience includes: Vice President of Sunshine Mining Company, overseeing the early development of the 155-million-ounce Pirquitas silver deposit and Executive Vice President of the mining consulting firm, Pincock, Allen and Holt. Additionally, Mr. Pincus was a key player at FMC Gold (acquired by Meridian Gold) and Atlas Corporation where he was involved in the successful exploration and acquisition of various precious metal projects. He graduated from the University of Colorado with a B.A. in geology in 1975 and received an M.Sc. in geology and an M.Sc. in mineral economics in 1981 and 1986, respectively, from the Colorado School of Mines. He is a Certified Professional Geologist.

Mr. Pincus is not a party to any employment, non-competition or confidentiality agreement with the Issuer and is an independent contractor to the Issuer. Mr. Pincus will spend the time necessary in order to complete his duties and responsibilities as an officer and director of the Issuer.

**Tyson King**, Vice President and Director, 32 years old

Mr. King has over ten years of experience in the commodities and natural resource sector. Mr. King currently works as an operations consultant for a number of publicly traded and privately held resource companies, where he actively manages day-to-day operations and exploration activities. Mr. King obtained his Bachelor of Arts degree in Economics from the University of Calgary.

Mr. King is not a party to any employment, non-competition or confidentiality agreement with the Issuer and is an independent contractor to the Issuer. Mr. King will spend the time necessary in order to complete his duties and responsibilities as an officer and director of the Issuer.

**Dr. Quinton Hennigh**, PhD, P.Geo. Chairman of the Board of Directors, 50 years old

Dr. Hennigh is an economic geologist with more than 25 years of exploration experience with major gold mining firms including Homestake Mining, Newcrest Mining and Newmont Mining. Currently, Dr. Hennigh is President, CEO and director of Novo Resources Corp. that is developing a gold mine in western Australia, as well as serving as and director of Irving Resources Inc., TriStar Gold Inc., Precipitate Gold Corp and NV Gold Corp.

Dr. Hennigh is not a party to any employment, non-competition or confidentiality agreement with the Issuer and is an independent contractor to the Issuer. Mr. Hennigh will spend the time necessary in order to complete his duties and responsibilities as the Chairman and director of the Issuer.

**Gordon King**, Director, 63 years old

Mr. King serves as the President of Goldreign Capital Inc. Mr. King has over 35 years of investment banking and finance experience. He has served on the board of directors of numerous firms in the UK, one of which he was a co-founder and Managing Director. Mr. King brings a wealth of finance experience, having been instrumental in raising funds for over 50 publicly trading North American and European companies.

Mr. King is not a party to any employment, non-competition or confidentiality agreement with the Issuer. Mr. King will spend the time necessary in order to complete his duties and responsibilities as a director of the Issuer.

**Gerald Shields**, Director, 63 years old

Mr. Shields was engaged in the practice of law from 1979 through 2006 in Ottawa, Calgary and Vancouver, specializing in corporate/commercial law, corporate finance and securities, and mergers and acquisitions. In 2006 he left the practice of law and joined Providia, a Vancouver-based group engaged in public company start-ups. Mr. Shields was a founding shareholder of Ryland Oil Corporation, and served as its President and a member of the Board from 2007 until its sale to Crescent Point Energy in 2010. Mr. Shields was also a founding shareholder of Rainy River Resources Ltd., a TSX listed gold exploration company. He was elected to the board of directors of Rainy River in 2008 and was engaged as Vice President, Administration in 2009. He was subsequently appointed Vice President, General Counsel and Corporate Secretary in 2011, positions he held until the sale of Rainy River to New Gold Inc. in 2013. Mr. Shields holds a Bachelor of Laws degree from the University of Western Ontario (1979).

Mr. Shields is not a party to any employment, non-competition or confidentiality agreement with the Issuer. Mr. Shields will spend the time necessary in order to complete his duties and responsibilities as a director of the Issuer.

**Lesia Burianyk**, CFO, 42 years old

Ms. Burianyk has over 15 years of experience working for public and private companies. She served as CFO of Suparna Gold Corp., Declan Resources Inc., and eShippers Managements Ltd. She is a CPA, CA and holds a Bachelor of Business Administration degree from Simon Fraser University. Ms. Burianyk was previously employed as an audit manager at a Canadian accounting firm where she specialized in the mining industry.

Ms. Burianyk is not a party to any employment, non-competition or confidentiality agreement with the Issuer and is an independent contractor to the Issuer. Ms. Burianyk will spend the time necessary in order to complete her duties and responsibilities as an officer of the Issuer.

**Leah Hodges**, *Corporate Secretary*, 34 years old

Mrs. Hodges has over 12 years of experience in corporate compliance and administration of public and private companies, specializing in corporate and securities law, corporate governance, mergers and acquisitions. Mrs. Hodges is a Commissioner for Taking Affidavits in British Columbia, has an Associate of Arts degree from Capilano University, has completed the Corporate Governance course through the Canadian Securities Institute and is a member of the Governance Professionals of Canada and Institute of Corporate Directors.

Mrs. Hodges is not a party to any employment, non-competition or confidentiality agreement with the Issuer and is an independent contractor to the Issuer. Mrs. Hodges will spend the time necessary in order to complete her duties and responsibilities as an officer and director of the Issuer.

### ***Committees***

Currently, the only committee of the Board of Directors of the Issuer is the Audit Committee.

The Audit Committee consists of Tyson King, Gordon King and Gerald Shields (Chair). The mandate of the Audit Committee is to ensure the Issuer effectively maintains the necessary management systems and controls to allow for timely and accurate reporting of financial information to safeguard shareholder value, to meet all relevant regulatory requirements and to provide recommendations to the board of directors in the areas of management systems and controls.

### ***Corporate Cease Trade Orders or Bankruptcies***

No director, officer, Insider or Promoter or a shareholder holding a sufficient number of securities to affect materially the control of the Issuer is, or within ten years before the date of the Listing statement, has been, a director, officer, Insider or Promoter of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### ***Penalties or Sanctions***

No individual who will be a director, officer or promoter of the Issuer has within the ten years before the date of this Listing Statement, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer, theft or fraud.

### ***Individual Bankruptcies***

No individual who will be a director, officer or promoter of the Issuer is, or, within the ten years before the date of this Listing Statement, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

### ***Conflicts of Interest***

Conflicts of interest may arise as a result of the directors, officers and promoters of the Issuer also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Issuer have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Issuer will be in direct competition with the Issuer. Conflicts, if any, will be subject to the procedures and remedies provided under British Columbia corporate law. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

### ***Other Reporting Issuer Experience***

The following table sets out the proposed directors, officers and promoters of the Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

<b>Name</b>	<b>Name of Other Reporting Issuers</b>	<b>Name of Exchange or Market</b>	<b>Position</b>	<b>From</b>	<b>To</b>
Gordon King	Declan Resources Inc.	Exchange	Director	10/2013	12/2016
William Pincus	Esperanza Resources Corp	TSXV	CEO and Director	09/2003	08/2013
	Global Minerals Corp	TSXV	CEO and Director	11/2010	05/2015
Tyson King	Declan Resources Inc.	Exchange	Director	12/2015	06/2017
Gerald Shields	Tower Resources Ltd.	TSXV	Director	05/2014	Present
	eShippers Management Ltd.	NEX	Director	11/2010	Present
	Rainy River Resources Ltd.	TSX	Director and Officer	02/2007	07/2013
	Global Daily Fantasy Sports Inc.	TSXV	Officer	04/2003	12/2012
Quinton Hennigh	Novo Resources Corp.	Exchange	President and Chairman	07/2011	Present
	Irving Resources Inc.	Exchange	Director	10/2015	Present



Name	Name of Other Reporting Issuers	Name of Exchange or Market	Position	From	To
	Gold Canyon Resources	TSXV	Director	03/2011	Present
	Precipitate Gold Corp.	TSXV	Director	10/2011	Present
	NV Gold Corp.	TSXV	Director	02/2011	12/2014
	Prosperity Goldfields Corp.	TSXV	Director	02/2011	12/2014
Lesia Burianyak	eShippers Management Ltd.	NEX	CFO	09/2013	07/2015
	Suparna Gold Corp.	TSXV	CFO	09/2013	07/2015
	Declan Resources Inc.	TSXV	CFO	09/2013	07/2015
Leah Hodges	Tower Resources Ltd.	TSXV	Corporate Secretary	07/25/2017	Present
	eShippers Management Ltd.	NEX	Corporate Secretary	02/27/2008	Present
	Versus Systems Inc.	Exchange	Corporate Secretary	08/22/2013	08/31/2016
	Moovly Media Inc.	TSXV	Corporate Secretary	07/27/2016	08/31/2016
	Declan Resources Inc.	Exchange	Corporate Secretary	08/31/2011	08/31/2016
	Scientific Metals Corp.	TSXV	Corporate Secretary	10/01/2010	08/31/2016
	CellStop Systems Inc.	NEX	Corporate Secretary	02/07/2008	08/31/2016

#### 14. CAPITALIZATION

##### Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	50,098,297	75,005,489	100%	100%
Held by Related Persons or employees of the Company or Related Person of the Company, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the	16,008,088	17,824,765	32%	24%

Company upon exercise or conversion of other securities held) (B)

Total Public Float (A-B)	34,090,198	57,180,724	68%	76%
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Freely-Tradeable Float

Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	25,309,133	50,216,325	51%	67%
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Total Tradeable Float (A-C)	24,789,164	24,789,164	49%	33%
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Public Securityholders (Registered)

**Class of Security**

<b><u>Size of Holding</u></b>	<b><u>Number of holders</u></b>	<b><u>Total number of securities</u></b>
1 – 99 securities	Nil	N/A
100 – 499 securities	Nil	N/A
500 – 999 securities	93	46,500
1,000 – 1,999 securities	12	12,600
2,000 – 2,999 securities	8	16,000
3,000 – 3,999 securities	1	3,000
4,000 – 4,999 securities	4	16,000
5,000 or more securities	113	50,004,197
	231	50,098,297

Public Securityholders (Beneficial)

**Class of Security**

**Size of Holding**

**Number of holders**

**Total number of securities**

1 – 99 securities	Nil	N/A
100 – 499 securities	Nil	N/A
500 – 999 securities	5	2,500
1,000 – 1,999 securities	Nil	N/A
2,000 – 2,999 securities	1	2,000
3,000 – 3,999 securities	2	6,000
4,000 – 4,999 securities	3	12,000
5,000 or more securities	25	4,421,048
Unable to confirm	Nil	N/A

Non-Public Securityholders (Registered)

**Class of Security**

**Size of Holding**

**Number of holders**

**Total number of securities**

1 – 99 securities	Nil	N/A
100 – 499 securities	Nil	N/A
500 – 999 securities	Nil	N/A
1,000 – 1,999 securities	Nil	N/A
2,000 – 2,999 securities	Nil	N/A
3,000 – 3,999 securities	Nil	N/A
4,000 – 4,999 securities	Nil	N/A
5,000 or more securities	7	8,832,099
	7	8,832,099

**14.2 Convertible or exchangeable securities**

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Warrants <sup>(1)</sup>	4,233,332	4,233,332

Warrants <sup>(2)</sup>	20,000,033	20,000,033
Warrants <sup>(3)</sup>	673,827	673,827

1. Each Warrant entitles the holder to purchase one common share at a price of \$0.15 per common share until November 16, 2018.
2. Each Warrant entitles the holder to purchase one common share at a price of \$0.45 per common share until November 14, 2019.
3. Each Warrant entitles the holder to purchase one common share at a price of \$0.30 per common share until November 14, 2019.

### 14.3 Other Listed Securities

Not Applicable. There are no listed securities of the Issuer currently reserved for issuance.

## 15. EXECUTIVE COMPENSATION

The following provides a summary of the Statement of Executive Compensation and also provides information concerning compensation paid to the directors of the Issuer.

For the purposes of this section, the Named Executive Officers are the proposed Chief Executive Officer and Chief Financial Officer of the Issuer and each of the three most highly compensated executive officers of the Issuer for the 12 month period following the Transaction. Based on the above criteria, the Named Executive Officers for the Issuer are William Pincus (Chief Executive Officer and President), Tyson King (Vice President), Lesia Buriayk (Chief Financial Officer) and Leah Hodges (Corporate Secretary).

### *Compensation Discussion and Analysis*

When determining compensation policies and individual compensation levels for the Issuer's executive officers, a variety of factors, will be considered including: the overall financial and operating performance of the Issuer, each executive officer's individual performance and contribution towards meeting corporate objectives; each executive officer's level of responsibility and length of service; and industry comparables.

The Issuer's compensation philosophy for its executive officers will follow three underlying principles: to provide compensation packages that encourage and motivate performance; to be competitive with other companies in the industry in which it operates, which are of similar size and scope of operations, so as to attract and retain talented executives; and to align the interests of its executive officers with the long-term interests of the Issuer and its shareholders through stock related programs.

### *Summary Compensation Table*

The following Summary Compensation Table provides a summary of the proposed compensation to be paid by the Issuer to the Named Executive Officers for the 12 month period following the closing of the Transactions.

Name and Principal Position	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
William Pincus Chief Executive Officer, President, and Director	175,000	Nil	Nil	Nil	Nil	Nil	Nil	175,000
Tyson King Vice President and Director	54,000	Nil	Nil	Nil	Nil	Nil	Nil	54,000

Name and Principal Position	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
Lesia Burianyk Chief Financial Officer	30,000	Nil	Nil	Nil	Nil	Nil	Nil	30,000
Leah Hodges Corporate Secretary	30,000	Nil	Nil	Nil	Nil	Nil	Nil	30,000

### ***Stock Options***

The Issuer intends to grant Issuer Options to its directors, officers and consultants pursuant to the Option Plan; however, details respecting any such option grants have not yet been determined.

### ***Pension Plan Benefits***

The Issuer does not intend to implement any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

### ***Termination of Employment and Change of Control Benefits***

The Issuer does not intend to provide any compensation to any Named Executive Officers as a result of a change of control of the Issuer.

### ***Management Contracts***

The Issuer does not have management contracts with any of its directors or executive officers but proposes to have management contracts with its executive officers in the future.

### ***Compensation of Directors***

The Issuer does not intend to pay compensation to its directors in the form of annual fees for attending meetings of the Board of Directors or for acting as chairs of committees of the Board of Directors. Subject to the discretion of the Board of Directors, directors will be entitled to receive stock options in accordance with the terms of the Option Plan and the Exchange requirements, subject to the discretion of the Board of Directors. Directors will be reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Board of Directors, committees of the Board of Directors or meetings of the shareholders of the Issuer. It is also anticipated that the Issuer will obtain customary insurance for the benefit of its directors and enter into indemnification agreements with its directors pursuant to which the Issuer will agree to indemnify its directors to the extent permitted by law.

## **16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

### **16.1 Aggregate Indebtedness**

No existing or proposed director, executive officer or senior officer of the Issuer or any associate thereof, was indebted to the Issuer as of fiscal year ended July 31, 2016 or is currently indebted to the Issuer.

### **16.2 Indebtedness under Securities Purchase and Other Programs**

Not applicable.

## 17. RISK FACTORS

**The following are certain factors relating to the business of the Issuer.**

**These risks and uncertainties are not the only ones facing the Issuer. Additional risks and uncertainties not presently known to the Issuer, or that the Issuer currently deems immaterial, may also impair the operations of the Issuer. If any such risks actually occur, the financial condition, liquidity and results of operations of the Issuer could be materially adversely affected and the ability of the Issuer to implement its growth plans could be adversely affected.**

**An investment in the Issuer is speculative. An investment in the Issuer will be subject to certain material risks and investors should not invest in securities of the Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Issuer.**

### *Limited Operating History*

The Issuer is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Issuer was incorporated on July 15, 2015 and has yet to generate a profit from its activities. The Issuer is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Issuer anticipates that it may take several years to achieve positive cash flow from operations.

### *Exploration, Development and Operating Risks*

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will be discovered in sufficient quantities to warrant commercial exploitation. The Issuer's operations will be subject to all of the hazards and risks normally encountered in the mineral exploration business. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions which could result in damage and possible legal liability. This could have a material adverse impact on the business, operations and financial performance of the Issuer.

### *Substantial Capital Requirements and Liquidity*

Substantial additional funds will be required and there can be no assurances given that the Issuer will be able to raise the necessary funds. To meet such funding requirements, the Issuer may undertake additional equity financing which would be dilutive to shareholders. There is no assurance that additional financing will be available on terms acceptable to the Issuer or at all. If the Issuer is unable to obtain additional financing as needed, it may reduce or discontinue operations.

### *Political and Social Risk in Peru*

The Cerro Hermoso Property and the Lukkacha Property are located in Peru. The Government of Peru is currently supportive of mining exploration and development in the country; nevertheless mineral exploration and mining activities in Peru may be affected to varying degrees by political or economic instability, expropriation of property and changes in government regulations such as tax laws, business laws, environmental laws, and mining laws. Any changes in regulations or shifts in political conditions are beyond the control of the Issuer and may materially adversely affect its business, including, for example if the Issuer is not able to obtain the required Supreme Decree with respect to the Lukkacha Property, or if significant enough, may make it impossible to operate in Peru altogether. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

In addition, social acceptance to operate during the various stages of a mining project is an integral part of operating in Peru such that lack thereof provides a very real risk during the exploration, exploitation and closure stages of mine



development. The fact that the means and tools to manage social acceptance are not an exact science adds to the level of risk.

### ***Competition***

There is competition within the mining industry for properties considered to have commercial potential. The Issuer will compete with other mining companies, many of which have greater financial, technical and other resources than the Issuer, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

### ***Reliance on Management and Dependence on Key Personnel***

The success of the Issuer will be largely dependent upon on the performance of its directors and officers and the ability to attract and retain its key personnel. The loss of the services of these persons may have a material adverse effect on the Issuer's business and prospects. The Issuer will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Issuer can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Issuer and its prospects.

### ***Fluctuating Mineral Prices and Marketability of Minerals***

The market price of any mineral is volatile and is affected by many factors beyond the Issuer's control, including but not limited to: international supply and demand, consumer product demand levels, international economic trends, commodity prices, operations costs, variations in mineral grade, fluctuations in the market price of minerals, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Depending on the price of certain minerals, the Issuer may determine that it is impractical to continue its mineral exploration operations. Sustained downward movements in mineral market prices could render less economic, or uneconomic, some or all of the mineral exploration activities to be undertaken by the Issuer. The marketability of minerals is affected by factors such as government regulation of mineral prices, royalties, allowable production and the importation and exportation of minerals, the effect of which cannot be accurately predicted.

### ***No Mineral Reserves or Mineral Resources***

The Peruvian Properties and the Midas Gold Property are in the early exploration stage only and do not contain a known body of commercial minerals.

### ***Environmental Risks***

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and prevailing governing laws and regulations. Environmental legislation regulates various substances produced or used in association with mining operations. The legislation also requires that operations sites be maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability, all of which will increase capital expenditures and operating costs.

### ***Governmental Regulations and Processing Licenses and Permits***

The activities of the Issuer are subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Issuer believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Issuer. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions

which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Issuer's investments in such projects may decline.

### ***Management Inexperience in Developing Mines***

The proposed management of the Issuer will have some experience in exploring for minerals, but may lack some of the necessary technical training and experience to successfully develop and operate a mine. Without adequate training or experience in these areas, management may not be fully aware of many of the specific requirements related to working within the mining industry and their decisions and choices may not take into account all available and necessary engineering or managerial approaches that experienced mine operating companies commonly use to successfully develop a mine. Consequently, the Issuer's operations, earnings and ultimate financial success could be materially adversely effected.

### ***Conflicts of Interest***

Certain of the directors and officers of the Issuer are engaged in other business activities and such persons may become subject to conflicts of interest. Prevailing legislation provides certain procedures which must be followed in resolving such conflicts and it is the Issuer's intention to fully comply with such legislative provisions.

### ***Markets for Securities***

There can be no assurance that an active trading market in the Issuer Shares will be established and sustained. The market price for the Issuer Shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Issuer's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of Issuer. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector.

### ***Uninsurable Risks***

Exploration operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Issuer may decide not to insure against certain risks as a result of high premiums or for other reasons. Should there be the occurrence of such an event, it could have an adverse impact on the Issuer. The Issuer does not intend to maintain insurance against environmental risks.

### ***Foreign Exchange***

The Issuer may be adversely affected by future fluctuations in foreign exchange rates. For example, to the extent the actual Canadian to U.S. dollar exchange rate is less than or more than the exchange rate used in this Listing Statement, the costs to complete the exploration program on Cerro Hermoso Property as set out in the Technical Report will increase and thereby decrease funds available for general and administrative expenses and the Issuer's available unallocated capital.

## **18. PROMOTERS**

### **18.1 Promoters**

Tyson King has acted as a promoter of the Issuer within the two years preceding the date of this Listing Statement as he took the initiative in founding and organizing the business of the Issuer. Additionally, the late Peter Drobeck (who passed away on November 3, 2017), one of the co-founders of Puno Gold acted as promoter of Puno Gold within the two years preceding the date of this Information Statement. The following table sets out the number and percentage of Common Shares beneficially owned or controlled by each of Tyson King and the estate of Peter Drobeck as of the date of this Listing Statement:

Name	Common Shares Beneficially Owned or Controlled	
	Number	Percentage
Tyson King	2,680,000	5.35%
Estate of Peter Drobeck <sup>(1)</sup>	2,200,000	4.39%

Notes:

- (1) An aggregate of 880,000 of these Common Shares are held by Golden Mining Corp., a private corporation controlled by Mr. Drobeck's estate.

## 18.2 Corporate Cease Trade Orders or Bankruptcies

No promoter, while acting in the capacity as director, chief executive officer or chief financial officer of any person or company, within 10 years before the date of this document:

- (a) was subject to a CTO (or an order similar to a cease trade order, or an order that denied the relevant person or company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days) that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) was subject to any such order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer; or
- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

## 19. LEGAL PROCEEDINGS

### 19.1 Legal Proceedings

The Issuer is not a party to any legal proceedings and is not aware of any such proceedings known to be contemplated.

### 19.2 Regulatory Actions

The Issuer is not a party to any regulatory action and is not aware of any such action known to be contemplated.

## 20. INTEREST OF MANAGEMENT & OTHERS IN MATERIAL TRANSACTIONS

### 20.1 Interest of Management & Others in Material Transactions

No director or executive officer of the Issuer or any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class of the Issuer's outstanding voting securities, or an associate or affiliate of any such persons or companies, has any material interest, direct or indirect, in any transaction within the three years preceding the date of this document, or any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer.

## 21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Issuer's auditor is Davidson & Company LLP, Chartered Professional Accountants, of 1200 - 609 Granville Street, Vancouver, British Columbia, V7Y 1G6. The Issuer's transfer agent and registrar is Computershare Investor Services Inc. of 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9.

## **22. MATERIAL CONTRACTS**

The Issuer has entered into the following material contracts:

1. the Share Exchange Agreement;
2. the Listing Escrow Agreement;
3. the Transaction Escrow Agreement; and
4. the Midas Option Agreement.

Copies of these agreements are available for inspection at the offices of the Issuer's legal counsel at Suite 409 – 221 West Esplanade, North Vancouver, BC V7M 3J3, at any time during ordinary business hours and until 30 days after the completion of the Transaction.

The following are the material contracts entered into by Puno Gold:

1. The Share Exchange Agreement;
2. The Option Agreements relating to Peruvian Properties; and
3. The Puno Loan Agreements.

Copies of these agreements will be available for inspection at the offices of Puno Gold, at any time during ordinary business hours until the completion of the Transactions and for a period of 30 days thereafter.

## **23. INTEREST OF EXPERTS**

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Issuer or of an Associate or Affiliate of the Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Issuer or of an Associate or Affiliate of the Issuer and no such person is a promoter of the Issuer or an Associate or Affiliate of the Issuer.

## **24. OTHER MATERIAL FACTS**

There are no material facts about the Issuer, Puno Gold or the Transaction which are not otherwise disclosed in this Listing Statement.

## **25. FINANCIAL STATEMENTS**

### **25.1 Financial Statements of the Issuer**

The following documents of the Issuer which have been posted and are accessible under the Issuer's SEDAR profile at [www.sedar.com](http://www.sedar.com), are specifically incorporated into and form an integral part of this Listing Statement:

#### **Annual Financial Statements**

- The annual audited financial statements for the period from incorporation on July 15, 2015 to July 31, 2015 and for the year ended July 31, 2016 which are contained in the Issuer's final long form prospectus filed through SEDAR on March 10, 2017.
- The annual management's discussion and analysis for the year ended July 31, 2016 which are contained in the Issuer's final long form prospectus filed through SEDAR on March 10, 2017.

#### **Interim Financial Statements**

- The unaudited condensed interim financial statements of the Company for the nine month period ended April 30, 2017.

### **25.2 Financial Statements of Puno Gold**

Enclosed as Schedule "A" is a copy of the audited financial statements of Puno Gold for the period from incorporation on July 12, 2016 to July 31, 2017.

Enclosed as Schedule "B" is a copy of the unaudited pro forma financial statements of the Issuer as at April 30, 2017.

**SCHEDULE "A"**

**FINANCIAL STATEMENTS OF PUNO GOLD**



**Puno Gold Corporation**

**Consolidated Financial Statements  
For the Period from Incorporation (July 12, 2016) to July 31, 2017**

**(Expressed in Canadian Dollars)**

## Independent Auditors' Report

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To the Shareholders of Puno Gold Corporation:

We have audited the accompanying consolidated financial statements of Puno Gold Corporation, which comprise the statement of financial position as at July 31, 2017, and the statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the period from incorporation (July 12, 2016) to July 31, 2017, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Puno Gold Corporation as at July 31, 2017, and its financial performance and its cash flows for period from incorporation (July 12, 2016) to July 31, 2017, in accordance with International Financial Reporting Standards.

### *Emphasis of Matter*

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on the entity's ability to continue as a going concern.

Mississauga, Ontario

October 13, 2017

*MNP* LLP

Chartered Professional Accountants

Licensed Public Accountants

**MNP**

**Puno Gold Corporation**  
**Consolidated Statement of Financial Position**  
**(Expressed in Canadian Dollars)**

	As at July 31, 2017
<b>Assets</b>	
Current assets	
Cash	\$ 105,093
Receivables	2,078
	<b>\$ 107,171</b>
<b>Liabilities</b>	
Current liabilities	
Accounts payable and accrued liabilities (Note 9)	\$ 5,194
Loans payable (Notes 6 and 9)	570,000
	<b>575,194</b>
<b>Shareholders' Deficiency</b>	
Share capital (Note 8)	426,132
Deficit	(894,155)
	<b>(468,023)</b>
	<b>\$ 107,171</b>

**Nature of Operations and Going Concern (Note 1)**  
**Commitments (Notes 5 and 11)**  
**Subsequent Events (Note 12)**

Approved by the Board     "Leo Karabelas"     Director

**Puno Gold Corporation**  
**Consolidated Statement of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**

	<b>From Incorporation (July 12, 2016) to July 31, 2017</b>
<b>Expenses</b>	
Exploration and evaluation expenditures (Notes 5 and 9)	\$ 829,578
Professional fees	30,803
Administrative expenses	9,672
Travel and accommodation	11,766
Loss on foreign exchange	12,336
<b>Net loss and comprehensive loss</b>	<b>\$ (894,155)</b>
<b>Loss per share - basic and diluted</b>	<b>\$ (0.07)</b>
<b>Weighted average number of common shares outstanding</b>	<b>12,715,885</b>

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

**Puno Gold Corporation**  
**Consolidated Statement of Changes in Shareholders' Deficiency**  
**(Expressed in Canadian Dollars)**

	Share Capital		Deficit	Total
	Number	Amount		
<b>Balance, July 12, 2016</b>	-	\$ -	\$ -	\$ -
Founders shares (Note 8(i))	10,600,000	106,000	-	106,000
Private placement (Note 8(ii))	6,500,000	325,000	-	325,000
Share issue cost	-	(4,868)	-	(4,868)
Net loss for the period	-	-	(894,155)	(894,155)
<b>Balance, July 31, 2017</b>	<b>17,100,000</b>	<b>\$ 426,132</b>	<b>\$ (894,155)</b>	<b>\$ (468,023)</b>

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

**Puno Gold Corporation**  
**Consolidated Statement of Cash Flows**  
**(Expressed in Canadian Dollars)**

	<b>From Incorporation (July 12, 2016) to July 31, 2017</b>
<b>Cash (used in) provided by:</b>	
<b>Operating activities</b>	
Net loss for the period	\$ (894,155)
Items not affecting cash:	
Shares issued for exploration and evaluation expenditures	30,000
Changes in current assets and liabilities:	
Receivables	(2,078)
Accounts payable and accrued liabilities	5,194
	<b>(861,039)</b>
<b>Financing activities</b>	
Net proceeds from issuance of shares	396,132
Proceeds from loans payable	570,000
	<b>966,132</b>
<b>Net change in cash</b>	<b>105,093</b>
Cash, beginning of period	-
<b>Cash, end of period</b>	<b>\$ 105,093</b>

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

**Puno Gold Corporation**  
**Consolidated Financial Statements**  
**For the period from incorporation (July 12, 2016) to July 31, 2017**  
**(Expressed in Canadian Dollars)**

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**1. Nature of Operations and Going Concern**

Puno Gold Corporation (the "Company" or "Puno") was incorporated pursuant to the Business Corporations Act (Ontario) on July 12, 2016. The Company's head office is located at 390 Bay Street, Suite 806, Toronto, Ontario, M5H 2Y2.

The Company is in the process of exploring its mineral properties in Peru and has not yet determined whether the mineral properties contain mineral reserves that are economically recoverable. The continuing operations of the Company and the underlying value for mineral properties are entirely dependent upon maintaining a license to operate, the existence of economically recoverable mineral reserves, the ability to obtain the necessary financing to complete the exploration and development of the mineral property interests and on future profitable production or proceeds from the disposition of the mineral property interests.

These consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The Company is at an exploration stage and as is common with many exploration companies, it raises financing to support its exploration and acquisition activities. The Company has incurred a current net loss of \$894,155 for the period ended July 31, 2017 and has an accumulated deficit of \$894,155 as at July 31, 2017. In addition, the Company had working capital deficiency of \$468,023 at July 31, 2017 and expenditure commitments as outlined in notes 5 and 11.

However, existing funds may not be sufficient to explore potential exploration project acquisitions and in due course, further funding will be required. In the event that the Company is unable to secure further financing it may not be able to complete the development of its projects.

Due to limited working capital, the Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop mineral projects, if they are proven successful, and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. These conditions indicate the existence of uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management believes it has sufficient working capital to support operations for the next twelve months. The consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

**2. Significant Accounting Policies**

These consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the Interpretations of the IFRS Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook, as issued and effective for the year ended July 31, 2017.

These consolidated financial statements were approved by the Board of Directors on October 13, 2017.

**Basis of Measurement**

These consolidated financial statements have been prepared on a historical cost basis.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.



**Puno Gold Corporation**  
**Consolidated Financial Statements**  
**For the period from incorporation (July 12, 2016) to July 31, 2017**  
**(Expressed in Canadian Dollars)**

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**2. Significant Accounting Policies (Continued)**

**Basis of Consolidation**

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary, Minera Puno Gold S.A.C.

Subsidiaries are entities which the Company controls, either directly or indirectly, where control is defined as the power to govern an entity's financial and operating policies and generally accompanies a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that may arise upon the exercise or conversion of non-voting securities are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and they are de-consolidated from the date on which control ceases. All inter-company transactions and balances have been eliminated upon consolidation.

**Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer of the Company. The Company has determined that it has one operating segment, the acquisition, exploration and development of mineral resource properties.

**Foreign currency translation**

The presentation and functional currency of the Company is the Canadian dollar.

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of the parent company and Minera Puno Gold S.A.C. is the Canadian dollar.

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing at the reporting date are recognized in profit or loss. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**Cash**

Cash in the consolidated statement of financial position comprise cash at banks and on hand. The Company's cash is invested with major financial institutions in business accounts.

**Exploration and evaluation expenditures**

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of exploration properties, property option payments and evaluation activity.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

**Puno Gold Corporation**  
**Consolidated Financial Statements**  
**For the period from incorporation (July 12, 2016) to July 31, 2017**  
**(Expressed in Canadian Dollars)**

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**2. Significant Accounting Policies (Continued)**

**Financial Instruments**

Financial Assets

Financial assets are comprised of cash which is classified as loans and receivables. Financial assets are classified as 'loans and receivables' which are initially measured at fair value plus transaction cost. Loans and receivables are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

Financial Liabilities

Financial liabilities are classified as 'other financial liabilities' and are comprised of accounts payable and accrued liabilities and loans payable. Other financial liabilities are initially measured at fair value. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or to the net carrying amount on initial recognition.

De-Recognition of Financial Liabilities

The Company de-recognizes financial liabilities when the obligations are discharged, cancelled or expire.

**Income Taxes**

Income tax on the profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

**Puno Gold Corporation**  
**Consolidated Financial Statements**  
**For the period from incorporation (July 12, 2016) to July 31, 2017**  
**(Expressed in Canadian Dollars)**

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**2. Significant Accounting Policies (Continued)**

**Share capital**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**Loss Per Share**

The Company presents basic and diluted loss per share data for its common shares outstanding, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding to include potential common shares for the assumed conversion of all dilutive securities under the treasury stock method.

**Future Accounting Pronouncements**

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 as a first phase in its ongoing project to replace IAS 39. IFRS 9, which is to be applied retrospectively, will be effective for annual periods beginning on or after January 1, 2018.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The Company is in the process of assessing the impact of this announcement.

In January 2016, the IASB issued IFRS 16, Leases (IFRS 16). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The extent of the impact of adoption of IFRS 16 has not yet been determined.

There are no other relevant IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

**Puno Gold Corporation**  
**Consolidated Financial Statements**  
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**(Expressed in Canadian Dollars)**

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**3. Capital Management**

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be shareholders' deficiency, comprising share capital and deficit which at July 31, 2017 totaled \$468,023. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its exploration and administration expenditures. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the period ended July 31, 2017.

**4. Property and Financial Risk Factors**

**Property Risk**

The Company's significant mineral properties are the Lukkacha and Cerro Hermoso properties located in Peru. Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon these properties. If no additional mineral properties are acquired by the Company, any adverse development affecting these projects would have a material adverse effect on the Company's financial condition and results of operations.

**Financial Risk**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate, foreign exchange rate, and commodity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks and on hand. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at July 31, 2017, the Company had a cash balance of \$105,093 to settle current liabilities of \$575,194. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not generate revenue, managing liquidity risk is dependent upon the ability to secure additional financing, controlling expenses, and preserving cash.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

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**4. Property and Financial Risk Factors (Continued)**

Market Risks

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

**Interest Rate Risk**

The Company has cash balances and regularly monitors its cash management policy. As a result, the Company is not subject to significant interest rate risk.

**Foreign Exchange Risk**

The Company's functional currency is the Canadian dollar and it transacts major purchases in United States dollars, Canadian dollars and Peruvian Soles. To fund exploration expenses, it maintains United States dollar and Peruvian Soles denominated bank accounts containing sufficient funds to support monthly forecasted cash outflows. Management believes the foreign exchange risk derived from currency conversions is minimal, and therefore does not hedge its foreign exchange risk.

**Price Risk**

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

**5. Exploration and expenditure**

Cerro Hermoso Agreement

On September 23, 2016, Minera Puno Gold S.A.C., entered into an agreement to acquire the 2 mining concessions in the district of Santa Lucia, province of Lampa, Puno Region in Peru known as the Cerro Hermoso Concessions for a purchase price of US\$3,500,000. The purchase price will be paid as follows:

- (i) US\$50,000 payment on the effective date (paid);
- (ii) US\$50,000 payment six months from the effective date (paid);
- (iii) US\$100,000 payment one year from the effective date;
- (iv) US\$100,000 payment two years from the effective date;
- (v) US\$100,000 payment three years from the effective date;
- (vi) US\$3,100,000 payment four years from the effective date.

The Cerro Hermoso Concessions are subject to a 1% Net Smelter Return (the "Cerro Hermoso NSR") in favour of the Titleholders (each Titleholder having a 25% entitlement) and Minera Kcoriwasi (having a 50% entitlement) which will take effect upon commencement of commercial production. Pursuant to the terms of the Cerro Hermoso Agreement, commencement of commercial production will be deemed to have occurred when Minera Puno has received cumulative minimum payments of US\$1,000,000 from the sale of minerals from the Cerro Hermoso Concessions.

The Cerro Hermoso NSR is subject to a buy-back right pursuant to which Minera Puno may purchase the full Cerro Hermoso NSR for a total payment of US\$5,000,000. Cerro Hermoso NSR payments made before the buy-back may be deducted against the US\$5,000,000.

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**5. Exploration and expenditure (Continued)**

**Lukkacha Option Agreement**

On May 15, 2017, Minera Puno Gold S.A.C., entered into an agreement to acquire a 100% interest in seven mining concessions of Rustica Claudia, known as the Lukkacha Option Agreement. The Lukkacha Option Agreement has a five year term. The purchase price will be paid as follows:

- (i) Initial payment of US\$200,000 on the effective date of the Lukkacha Option Agreement (paid);
- (ii) Annual payments of US\$100,000 starting on the first anniversary of obtaining Supreme Decree. Supreme Decree refers to the issuance by the President of the Republic and countersigned by the President of the Council of Ministers, the Ministry of Energy and Mines and the Minister of Defence, which will authorize Puno to acquire the Concessions and the rights thereon established in the Agreement hereof since the Concessions are located within 50 km from the border with the Republic of Chile;
- (iii) A final payment of US\$2,500,000 on the execution of public deed of transferring mining rights.

Minera Puno must incur exploration expenditures on the Lukkacha Concessions as follows:

- US\$1,000,000 within 24 months following the date of obtaining the Supreme Decree; and
- An additional US\$1,000,000 within 36 months following the date of obtaining the Supreme Decree.

In the event that any exploration expenditures for the Lukkacha Concessions made by Minera Puno is determined to be less than agreed under the Lukkacha Option Agreement, Minera Puno may remedy the default and keep the Lukkacha Option Agreement in force by paying Rustica Claudia an amount equal to fifty percent (50%) of the deficient amount of exploration expenditures.

The Lukkacha Concessions are subject to a 2% Net Smelter Return in favour of Rustica Claudia (the "Lukkacha NSR") which will take effect upon commencement of commercial production. Pursuant to the terms of the Lukkacha Agreement, commencement of commercial production will be deemed to have occurred when Minera Puno has received cumulative minimum payments of US\$1,000,000 from the sale of minerals from the Lukkacha Concessions. Minera Puno may reduce the Lukkacha NSR to 1.5% by making a payment to Rustica Claudia of US\$2,000,000. In addition, Minera Puno may further reduce the Lukkacha NSR to 1.0% by making a payment to Rustica Claudia of US\$3,000,000.

**6. Loans Payable**

(i) On May 27, 2017, the Company received \$260,000 (the "Loan") from two arm's length individuals (the "Lenders") in the form of a loan. The Loan is non-interest bearing and is payable in full on the earlier of: (i) the date which is six months from the Advancement Date (the "Due Date"); or (ii) on the Closing of the Miramont Transaction. The Miramont Transaction refers to a share exchange agreement with Miramont Resources Corp. ("Miramont") and Puno, pursuant to which the Company's shareholders have agreed to sell and Miramont has agreed to acquire all of the issued and outstanding shares of the Company in exchange for shares of Miramont.

If the Company repays less than the full amount of the Loan, all payments shall be made to the Lenders on a pro-rata basis in proportion to the percentages of the Loan amount advanced by each Lender. The Company shall be entitled to prepay any sum up to the full amount of the Loan then outstanding at any time without penalty or bonus.

In the event of default, if the Company has not paid the Loan in full, the Lenders may by delivering written notice (the "Notice") to the Company, exercise its rights of Conversion in respect of all or any portion of the total outstanding amount of the Loan as of that date into common shares of the Company (the "Conversion Right") at the conversion price of \$0.05 per common share.

Management has assess that listing on a recognized stock exchange in North America is expected within the next 12 months and as such has not discounted the Loan.

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**6. Loans Payable (Continued)**

(ii) On April 10, 2017, the Company received \$310,000 from Stichting Depository Plethora Precious Metals Fund, a major shareholder, in the form of an unsecured debenture. The loan is non-interest bearing and is payable in full on the June 30, 2019. In the event that shares of the Company become listed on a recognized stock exchange in North America before the Maturity Date, the Maturity Date shall be accelerated to the later of (i) the effective date of the listing, and (ii) ten business days from notice to the Holder of the effective date of the listing.

Management has assess that listing on a recognized stock exchange in North America is expected within the next 12 months and as such has not discounted the unsecured debenture.

**7. Segment Reporting**

The Company's only operating segment is the acquisition, exploration and development of mineral resource properties in the Peru.

**8. Share Capital**

Authorized: Unlimited number of common shares

<b>Common shares issued:</b>	<b>Number of Shares</b>	<b>Amount</b>
<b>Balance, July 12, 2016</b>	-	\$ -
Founders shares (i)	10,600,000	106,000
Private placement (ii)	6,500,000	325,000
Share issue costs	-	(4,868)
<b>Balance, July 31, 2017</b>	<b>17,100,000</b>	<b>\$ 426,132</b>

(i) On July 12, 2016, the Company issued 10,600,000 founder shares at a price of \$0.01 per share for gross proceeds of \$106,000. 3,000,000 founder shares were issued to directors of the Company in lieu of consulting fees included in exploration and evaluation expenditures.

(ii) On March 8, 2017, the Company completed a private placement financing of 6,500,000 common shares at a price of \$0.05 for gross proceeds of \$325,000.

**9. Related Party Transactions and Balances**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.



**Puno Gold Corporation**  
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**(Expressed in Canadian Dollars)**

**9. Related party transactions and Balances (Continued)**

Remuneration of key management personnel of the Company was as follows:

	From Incorporation (July 12, 2016) to July 31, 2017
Consulting fees <sup>(1)</sup>	\$ 119,469

<sup>(1)</sup> Consulting fees paid to officers and directors included in exploration and evaluation expenditures on the consolidated statement of loss and comprehensive loss.

**Major shareholders**

To the knowledge of the directors and senior officers of the Company as at July 31, 2017, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

Major shareholders	Number of common shares	Percentage of outstanding common shares
Stichting Depository Plethora Precious Metals Fund	8,000,000	46.78 %
Hall Stewart	2,000,000	11.70 %
Ronaldo de Oliveira	2,000,000	11.70 %

The remaining 29.82% of the shares are widely held, which includes various small holdings which are owned by directors and officers of the Company. The holdings can change at any time at the discretion of the owners.

**10. Income taxes**

The Company is subject to tax in Canada and Peru. During the period ended July 31, 2017, the statutory rate in these jurisdictions was 26.5%. The Company's income tax expense is as follows:

	From Incorporation (July 12, 2016) to July 31, 2017
Loss before income taxes	\$ (894,155)
Expected income tax recovery based on statutory rate	\$ (236,951)
Difference due to foreign tax rates	(13,433)
Non-deductible expenses and other adjustments	29,854
Changes in benefits not recognized	220,530
Income tax recovery (expense)	\$ -

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**10. Income taxes (Continued)**

The following table summarizes the components of deferred tax:

	<b>As at July 31, 2017</b>
<u>Deferred tax assets</u>	
Exploration expense - Peru	\$ 13,635
Unrealized foreign exchange gain - Peru	(13,635)
<b>Total gross deferred tax asset</b>	<b>\$ -</b>

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	<b>As at July 31, 2017</b>
Non-capital losses carried forward - Canada	\$ 78,726
Share issuance cost	4,650
Unrealized foreign exchange gain - Canada	46,219
Exploration expense - Peru	636,396
Non-capital losses carried forward - Peru	15,507

As at July 31, 2017, the Company had \$78,726 of non-capital income tax losses in Canada which expire in 2037.

The Company's non-capital income tax losses of \$15,507 in Peru will be carried indefinitely, subject to an annual deductible limit equal to 50% of the taxable income in each year.

**11. Commitments and contingencies**

Mineral properties

See Note 5 for exploration commitments.

The Company's exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

**Puno Gold Corporation**  
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**12. Subsequent Events**

(i) On June 2, 2017, the Company entered into a definitive share exchange agreement (the "Share Exchange Agreement") whereby all of the issued and outstanding shares of Puno will be acquired by Miramont (the "Transaction").

Pursuant to the terms of the Share Exchange Agreement, Miramont will issue to the shareholders of Puno (the "Puno Shareholders") an aggregate of 15,048,000 million common shares of Miramont ("Transaction Shares") at the time of closing of the Transaction. The Transaction Shares to be issued will represent approximately 37.5% of issued and outstanding common shares of the resulting issuer, assuming completion of the proposed financing on the terms described below.

Concurrently with the closing of the Transaction, Miramont intends to complete an equity financing of units of the Company, each unit consisting of one common share and one share purchase warrant, for gross proceeds of not less than \$3,000,000, (the "Miramont Financing"), at a price of not less than \$0.30 per Miramont common share. As an anticipated term to the Miramont Financing, which may be brokered or non- brokered, Miramont may pay cash commissions and issue certain share purchase warrants (each, a "Commission Warrant").

(ii) On September 14, 2017, the Company received US\$150,000 (the "Principal Sum") from Stichting Depository Plethora Precious Metals Fund (the "Lender") in the form of a promissory note (the "Note"). The Principal Sum borrowed is non-interest bearing. The Lender acknowledges receipt of a payment of US\$10,000 as a bonus for accepting this Note and advancing the Principal Sum. This Note is due and payable as to the Principal Sum on the earlier of (i) October 31, 2017, and (ii) completion of the Transaction.

**SCHEDULE "B"**

**PRO FORMA FINANCIAL STATEMENTS OF THE ISSUER**

**MIRAMONT RESOURCES CORP.**  
**PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**  
**APRIL 30, 2017**  
**(Unaudited - Expressed in Canadian Dollars)**

**MIRAMONT RESOURCES CORP.**  
**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(Unaudited - Expressed in Canadian Dollars)

	Miramont Resources Corp. as at April 30, 2017	Puno Gold Corporation as at July 31, 2017	Notes	Pro forma Adjustments	Pro forma Consolidated
	\$	\$		\$	\$
<b>ASSETS</b>					
<b>Current</b>					
Cash	604,059	105,093	3(c) 3(c) 3(d)	6,000,010 (202,148) (570,000)	5,937,014
Accounts receivable	4,478	2,078		-	6,556
Prepays	5,507	-		-	5,507
	614,044	-		5,227,862	5,949,077
<b>Exploration and evaluation assets</b>	40,000	-		4,982,423	5,022,423
	654,044	107,171		10,210,285	10,971,500
<b>LIABILITIES</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	21,173	5,194		-	26,367
Loans payable	-	570,000	3(d)	(570,000)	-
	21,173	575,194		(570,000)	26,367
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	736,680	426,132	3(a) 3(b) 3(c) 3(c) 3(c)	4,514,400 (426,132) 6,000,010 (202,148) (131,227)	10,917,715
Reserves	-	-	3(c)	131,227	131,227
Deficit	(103,809)	(894,155)	3(b)	894,155	(103,809)
	632,871	(468,023)		10,780,285	10,945,133
	654,044	107,171		10,210,285	10,971,500

The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements

## **MIRAMONT RESOURCES CORP.**

### **NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

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#### **1. PROPOSED TRANSACTION**

Miramont Resources Corp. (CSE: MONT) ("Miramont") and Puno Gold Corporation ("Puno"), have entered into a definitive share exchange agreement dated, June 2, 2017, for all of the issued and outstanding shares of Puno (the "Transaction"). Under the provisions of the Transaction, Miramont will acquire all of the issued and outstanding securities of Puno and Puno will become a wholly owned subsidiary of Miramont. Puno is a privately held Ontario corporation and the sole shareholder of Minera Puno Gold, S.A.C. ("Minera Puno"). Minera Puno is a Peruvian corporation engaged in the business of mineral exploration and development in Peru and holds options to acquire a 100% interest in the Cerro Hermoso property and the Lukkacha property.

The Transaction is an arm's length transaction.

Under the terms of the Transaction, Miramont and Puno will enter into an acquisition transaction under British Columbia corporate law whereby Miramont will acquire all of the issued and outstanding securities of Puno in consideration of the issuance of an aggregate of 15,048,000 of Miramont, which is intended to result in the issuance of 0.88 of one common share of Miramont for each Puno share held. Concurrent with the completion of the Transaction, Miramont will complete a private placement (the "Financing").

The completion of the Transaction is subject to a number of conditions, including: (i) the approval of Miramont's shareholders; (ii) completion of the Financing; (iii) receipt of all applicable regulatory approvals for the transaction; and (iv) no material adverse change shall have occurred in Puno. There can be no assurance that the transaction will be completed.

#### **2. BASIS OF PRESENTATION**

The unaudited pro forma consolidated financial statements of Miramont have been compiled for illustrative purposes by management to give effect to the Transaction as if it had been completed on April 30, 2017. In substance, the Transaction involves Miramont acquiring certain assets from Puno, primarily the Cerro Hermoso and Lukkacha properties. The group of assets acquired from Puno do not meet the definition of a business under International Financial Reporting Standards ("IFRS") and, as such, have been accounted for as an asset acquisition. Assets and liabilities are assigned a carrying amount based on relative fair values. The purchase price calculation and the purchase price allocation are dependent upon finalization of the fair value estimates and assumptions as at the acquisition date and therefore, certain valuations are provisional and are subject to change.

The unaudited pro forma consolidated financial information is not intended to reflect the consolidated financial position that will exist following the Transaction. Actual amounts recorded should the Transaction take place will likely differ from those recorded in the unaudited pro forma consolidated financial information. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the Transaction have been excluded from the unaudited pro forma consolidated financial information.

The unaudited pro forma consolidated financial statements should be read in conjunction with the April 30, 2017 unaudited condensed interim financial statements of Miramont, the July 31, 2016 audited financial statements of Miramont, and the July 31, 2017 audited consolidated financial statements of Puno.

The unaudited pro forma consolidated financial statements of Miramont have been compiled from, and include:

- unaudited condensed interim financial statements for the nine months ended April 30, 2017 of Miramont;
- audited consolidated financial statements for the period from incorporation on July 12, 2016 to July 31, 2017 of Puno; and
- the additional information set out in Notes 3, 4, and 5 of these unaudited pro forma consolidated financial statements.



**MIRAMONT RESOURCES CORP.****NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

**3. UNAUDITED PRO FORMA ASSUMPTIONS AND ADJUSTMENTS**

The unaudited pro forma consolidated statement of financial position gives effect to the completion of the Transaction incorporating the assumptions within Note 1, as if it had occurred on the date presented, being April 30, 2017.

The unaudited pro forma consolidated financial statements have been prepared based on the following assumptions:

- a) As consideration to acquire 100% of the shares of Puno, Miramont will issue 15,048,000 common shares to Puno, valued at \$4,514,400.
- b) The Transaction will be accounted for as an asset acquisition. Accordingly the total purchase price, including transaction costs, is allocated to the assets acquired and liabilities assumed based on their respective fair values with any excess allocated to exploration and evaluation assets.

The preliminary allocation of estimated consideration transferred is subject to change and is summarized as follows:

**Consideration:**

Common shares	\$ 4,514,400
	<b><u>\$ 4,514,400</u></b>

**Net assets acquired:**

Cash	\$ 105,093
Accounts receivable	2,078
Accounts payable and accrued liabilities	(5,194)
Loans payable	<u>(570,000)</u>
	(468,023)
Allocation to exploration and evaluation assets	<u>4,982,423</u>
	<b><u>\$ 4,514,400</u></b>

The pro forma adjustments and allocations of the estimated consideration transferred are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of Puno Gold's net assets to be acquired pursuant to the Transaction will ultimately be determined after the closing of the transaction. It is likely that the final determination of the consideration transferred and the related allocation of the fair value of the assets acquired and liabilities assumed will vary from the amounts present in the unaudited pro forma consolidated financial information and that those differences may be material.

- c) Concurrent with the Transaction, Miramont will raise gross proceeds of \$6,000,010 through the issuance of 20,000,033 units. Each unit will be priced at \$0.30 and will include one common share and one share purchase warrant. Each warrant shall entitle the holder to purchase an additional common share at a price of \$0.45 for a period of two years. Finders' fees are estimated to be cash commission of 7% of the brokered unit financing and a portion of the non-brokered financing, or \$202,148, and broker warrants of 7% of the brokered units sold and a portion of the non-brokered units sold, or 673,827, valued at \$131,227 using the Black-Scholes option pricing model with the following assumptions: exercise price of \$0.30, expected life of two years, expected volatility of 131%, risk free rate of return of 1.31% and a dividend yield of \$nil. Each agent warrant shall entitle the holder to purchase an additional common share at a price of \$0.30 for a period of two years. The finders' fees have been included in equity as share issue costs.
- d) Under the terms of the Transaction, Miramont will use the proceeds of the Financing to repay the loans payable.

**MIRAMONT RESOURCES CORP.**  
**NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited - Expressed in Canadian Dollars)

**4. SHARE CAPITAL AND RESERVES**

As a result of the Transaction, the share capital as at April 30, 2017 in the unaudited pro forma consolidated financial statements is comprised of the following:

	Notes	Number of Shares	Share Capital \$	Reserves \$
<b>Authorized</b>				
Unlimited common shares without par value				
<b>Issued</b>				
Beginning balance		15,050,264	736,680	-
Shares issued for acquisition of Puno	3a	15,048,000	4,514,400	-
Shares issued for cash	3c	20,000,033	6,000,010	-
Share issue costs	3c	-	(202,148)	-
Warrants issued as share issue cost	3c	-	(131,227)	131,227
		<b>50,098,297</b>	<b>10,917,715</b>	<b>131,227</b>

**5. INCOME TAX**

The pro forma effective statutory Canadian income tax rate applicable to the consolidated operations subsequent to the completion of the Transaction is approximately 26%.

## CERTIFICATE OF THE ISSUER

The foregoing contains full, true and plain disclosure of all material information relating to **Miramont Resources Corp.** It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia, this 22<sup>nd</sup> day of November, 2017.

/s/ "William Pincus"

William Pincus  
Chief Executive Officer

/s/ "Lesia Burianyk"

Lesia Burianyk  
Chief Financial Officer

/s/ "Tyson King"

Tyson King  
Promoter

/s/ "Gordon King"

Gordon King  
Director

/s/ "Tyson King"

Tyson King  
Director