FORM 51-102F4

BUSINESS ACQUISITION REPORT

Item 1 Identity of Company

1.1 Name and Address of Company

Miramont Resources Corp. (“**Miramont**”)
2601 - 1111 Alberni Street
Vancouver, British Columbia
V6E 4V2

1.2 Executive Officer

The following officer is knowledgeable about the acquisition and this business acquisition report:

Leah Hodges
Corporate Secretary
(604) 377.0403

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

On November 14, 2017, Miramont acquired all of the issued and outstanding common shares (the "**Puno Gold Shares**") of Puno Gold Corporation ("**Puno Gold**"), a corporation incorporated under the *Business Corporations Act* (Ontario). The acquisition (the "Acquisition") was completed pursuant to a share exchange agreement dated June 2, 2017. The Company issued an aggregate of 15,048,000 common shares ("**Miramont Shares**") in exchange for the Puno Gold Shares, resulting in Puno Gold becoming a wholly-owned subsidiary of Miramont.

Puno Gold, through its wholly-owned subsidiary Mineral Puno Gold S.A.C., a corporation organized under the laws of Peru, holds options to acquire a 100% interest, subject to certain royalties, in two mineral exploration properties known as the Cerro Hermoso Property and the Lukkacha Property located in Peru. The Cerro Hermoso Property consists of two concessions totaling approximately 988 hectares located in the Puno Department of southeastern Peru, and the Lukkacha Property consists of seven concessions totaling 4,400 hectares located in the Tacna Department of southern Peru.

2.2 Date of Acquisition

November 14, 2017.

2.3 Consideration

Pursuant to the Acquisition, Miramont issued a total of 15,048,000 Miramont Shares to acquire 17,100,000 Puno Gold Shares from the shareholders of Puno Gold, representing a ratio of 0.88 of one Miramont Share for each Puno Gold Share.

2.4.1 Effect on Financial Position

As a result of the Acquisition, Puno Gold became a wholly-owned subsidiary of Miramont.

Miramont does not currently have any plans or proposals for material changes in its business affairs or the affairs of the acquired business which would have a significant effect on the financial performance and financial position of Miramont. Miramont's listing statement, filed on November 22, 2017 in connection with the Transaction, can be found on its SEDAR profile at www.sedar.com.

2.5 Prior Valuations

Not applicable.

2.6 Parties to Transaction

No party to the Acquisition was an informed person (as such term is defined in Section 1.1 of National Instrument 51-102 Continuous Disclosure Obligations), associate or affiliate of Miramont.

2.7 Date of Business Acquisition Report

January 25, 2018

Item 3 Financial Statements and Other Information

The following financial statements have been included with this report:

(a) Schedule "A": the Audited financial statements of Puno Gold as at and for the year ended July 31, 2017; and

(b) Schedule "B": the unaudited financial statements of Puno Gold as at and for the three month period ended October 31, 2017.

Miramont has not obtained the consent of Puno Gold's auditors to include their audit report in this Business Acquisition Report.

Schedule "A"

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

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.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

October 13, 2017 — Licensed Public Accountants

MNP

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

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

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

Approved by the Board *"Leo Karabelas"* Director

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

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

		From Incorporation (July 12, 2016) to July 31, 2017
Expenses		
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**
Net loss and comprehensive loss	**$**	**(894,155)**
Loss per share - basic and diluted	**$**	**(0.07)**
Weighted average number of common shares outstanding		**12,715,885**

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			
	Number	**Amount**	**Deficit**	**Total**
Balance, July 12, 2016	**-**	**$ -**	**$ -**	**$ -**
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)
Balance, July 31, 2017	**17,100,000**	**$ 426,132**	**$ (894,155)**	**$ (468,023)**

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

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

		From Incorporation (July 12, 2016) to July 31, 2017
Cash (used in) provided by:		
Operating activities		
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
		(861,039)
Financing activities		
Net proceeds from issuance of shares		396,132
Proceeds from loans payable		570,000
		966,132
Net change in cash		105,093
Cash, beginning of period		-
Cash, end of period	$	105,093

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

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.

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.

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.

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.

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.

<u>Credit Risk</u>
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.

<u>Liquidity Risk</u>
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.

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.

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.

(Expressed in Canadian Dollars)

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

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

(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.

(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 [(1)]	$	119,469

[(1)] 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)	$	-

(Expressed in Canadian Dollars)

10. Income taxes (Continued)

The following table summarizes the components of deferred tax:

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

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:

		As at July 31, 2017
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.

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”

Puno Gold Corporation

Condensed Interim Consolidated Financial Statements
For the Three Months Ended October 31, 2017

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Puno Gold Corporation
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)
As at

	October 31, 2017	July 31, 2017
Assets		
Current assets		
Cash	$ 64,976	$ 105,093
Receivables	2,078	2,078
	$ 67,054	$ 107,171
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 5,194	$ 5,194
Loans payable (Note 7)	760,334	570,000
	765,528	575,194
Shareholders' Deficiency		
Share capital (Note 9)	426,132	426,132
Deficit	(1,124,606)	(894,155)
	(698,474)	(468,023)
	$ 67,054	$ 107,171

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Notes 6 and 11)
Subsequent Events (Note 12)

Approved by:

"Tyson King" Director *"William Pincus"* Director

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

Puno Gold Corporation
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)
For the Three Months Ended

	October 31, 2017	October 31, 2016
Expenses		
Exploration and evaluation expenditures (Note 6)	$ 223,211	$ 67,426
Professional fees	3,754	4,104
Administrative expenses	3,170	18,409
Travel and accommodation	-	8,019
Loss (gain) on foreign exchange	316	(292)
Loss and comprehensive loss	$ (230,451)	$ (97,666)
Loss per common share - basic and diluted	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	17,100,000	10,600,000

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

Puno Gold Corporation
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital				
	Number	**Amount**	**Share subscriptions receivable**	**Deficit**	**Total**
Balance, July 31, 2016	10,600,000	$ 106,000	$ (16,000)	$ (30,128)	$ 59,872
Share subscriptions receivable	-	-	16,000	-	16,000
Loss for the period	-	-	-	(97,666)	(97,666)
Balance, October 31, 2016	10,600,000	$ 106,000	$ -	$ (127,794)	$ (21,794)
Balance, July 31, 2017	17,100,000	$ 426,132	$ -	$ (894,155)	$ (468,023)
Loss for the period	-	-	-	(230,451)	(230,451)
Balance, October 31, 2017	17,100,000	$ 426,132	$ -	$ (1,124,606)	$ (698,474)

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

Puno Gold Corporation
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)
For the Three Months Ended

	October 31, 2017	October 31, 2016
Cash (used in) provided by:		
Operating activities		
Loss for the period	$ (230,451)	$ (97,666)
Changes in current assets and liabilities:		
Receivables	-	2,881
Accounts payable and accrued liabilities	-	21,809
	(230,451)	(72,976)
Financing activities		
Proceeds from share subscriptions receivable	-	16,000
Proceeds loans payable	190,334	26,854
	190,334	42,854
Net change in cash	(40,117)	(30,122)
Cash, beginning of period	105,093	53,732
Cash, end of period	$ 64,976	$ 23,610

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

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 $230,451 for the three months ended October 31, 2017 and has an accumulated deficit of $1,124,606 as at October 31, 2017. In addition, the Company had working capital deficiency of $698,474 at October 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. Basis of Presentation

Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations committee ("IFRIC"s). They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and, therefore, should be read in conjunction with the Company’s audited consolidated financial statements for the year ended July 31, 2017, prepared in accordance with IFRS as issued by the IASB.

These condensed interim consolidated financial statements were authorized by the Board of Directors of the Company on January 25, 2018.

2. Basis of Presentation (Continued)

Basis of Presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information and certain financial assets that are measured at fair value.

Functional and presentation currency

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.

Basis of Consolidation

These condensed interim 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 deconsolidated from the date on which control ceases. All inter-company transactions and balances have been eliminated upon consolidation.

3. Significant Accounting Policies

These condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation as in the Company's consolidated financial statements for the year ended July 31, 2017.

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.

3. Significant Accounting Policies (Continued)

Future Accounting Pronouncements (Continued)

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.

4. 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 October 31, 2017 totaled $698,474. 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 three months ended October 31, 2017.

5. 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 October 31, 2017, the Company had a cash balance of $64,976 to settle current liabilities of $765,528. 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.

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.

5. Property and Financial Risk Factors (Continued)

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.

6. Exploration and Expenditure

Cerro Hermoso Agreement

On September 23, 2016, Minera Puno Gold S.A.C., entered into an agreement to acquire the two 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 (paid);
(iv) US$100,000 payment two years from the effective date;
(v) US$100,000 payment three years from the effective date; and
(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.

6. 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; and
(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.

7. 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 prorate 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.

7. Loans Payable (Continued)

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 assessed 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.

(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 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 assessed 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.

(iii) On September 14, 2017, the Company received US$150,000 (the "Principal Sum") from Stichting Depository Plethora Precious Metals Fund (the "Lender"), a major shareholder, 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) November 15, 2017, and (ii) completion of the Transaction.

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

8. Segment Reporting

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

9. Share Capital

Authorized: Unlimited number of common shares.

Issued share capital: During the three months ended October 31, 2017 and 2016, there was no share capital activity.

10. 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.

(Expressed in Canadian Dollars)

10. Related Party Transactions and Balances (Continued)

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.

During the three months ended October 31, 2017 and 2016, there was no remuneration of key management personnel of the Company.

Major shareholders

To the knowledge of the directors and senior officers of the Company as at October 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	7,600,000	44.44 %
Hall Stewart	2,000,000	11.70 %
Ronaldo de Oliveira	2,000,000	11.70 %
Estate of Peter Drobeck [(1)]	2,500,000	14.62 %

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

The remaining 17.54% 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.

11. Commitments and Contingencies

Mineral properties
See Note 6 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.

12. Subsequent Events

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”).

On November 14, 2017, Miramont acquired all of the issued and outstanding shares (the “Puno Shares”) of the Company in exchange for common shares of Miramont (“Common Shares”). The acquisition (the "Acquisition") was completed pursuant to the Share Exchange Agreement with Miramont issuing an aggregate of 15,048,000 common shares in exchange for the Puno Shares, resulting in the Company becoming a wholly-owned subsidiary of Miramont. In connection with the Acquisition, Miramont completed a private placement offering of units ("Units"), consisting of both a brokered portion, led by Red Cloud Klondike Strike Inc. and including Sprott Capital Partners, and a non-brokered portion. The Units were sold at a price of $0.30 per Unit, for aggregate gross proceeds of $6,000,010 (the "Offering"). Each Unit is comprised of one Common Share of Miramont and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional Common Share at a price of $0.45 until November 14, 2019. Miramont paid a total of $207,038 cash in agents’ commissions and finder’s fees and issued 673,827 agents’ and finder's warrants. Each such warrant entitles the holder to purchase one Common Share at a price of $0.30 until November 14, 2019.