MIRAMONT RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 31, 2018

(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.

MIRAMONT RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

		January 31, 2018		July 31, 2017
ASSETS				
Current				
Cash	$	4,700,783	$	541,471
Receivables		88,220		6,866
Prepaids		121,589		3,943
		4,910,592		552,280
Exploration and evaluation assets (Note 5)		5,275,650		40,000
	$	10,186,242	$	592,280
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Notes 6 and 9)	$	67,872	$	70,447
		67,872		70,447
SHAREHOLDERS' EQUITY				
Share capital (Note 8)		10,827,931		736,680
Reserves (Note 8)		125,478		-
Deficit		(835,039)		(214,847)
		10,118,370		521,833
	$	10,186,242	$	592,280

Nature of operations and going concern (Note 1)
Subsequent event (Note 14)

Approved by:

/s/ "Tyson King"
Tyson King, Director

/s/ "Dale Peniuk"
Dale Peniuk, Director

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

MIRAMONT RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended January 31, 2018	Three months ended January 31, 2017	Six months ended January 31, 2018	Six months ended January 31, 2017
Property expenses				
Exploration and evaluation expenditures (Note 5)	$ 163,380	$ -	$ 163,380	$ -
Write-off of exploration and evaluation assets (Note 5)	-	-	40,000	-
	(163,380)	-	(203,380)	-
Administrative expenses				
Administrative costs (Note 9)	9,000	-	17,500	-
Business development (Note 9)	-	-	-	3,750
Consulting fees	26,275	-	26,275	-
Filing fees	19,730	7,592	21,428	8,662
Management fees (Note 9)	57,249	-	114,498	-
Marketing	45,460	-	51,073	-
Office and miscellaneous	27,327	303	38,143	598
Professional fees (Note 9)	75,296	37,553	94,174	41,053
Property investigation costs	-	4,300	-	4,300
Shareholder communication	1,209	-	1,542	-
Transfer agent	9,346	-	17,946	-
Travel	22,596	-	34,043	-
	(293,488)	(49,748)	(416,622)	(58,363)
Operating loss	(456,868)	(49,748)	(620,002)	(58,363)
Other				
Interest income	7,998	-	7,998	-
Foreign exchange	(5,746)	-	(8,188)	-
	2,252	-	(190)	-
Loss and comprehensive loss for the period	$ (454,616)	$ (49,748)	$ (620,192)	$ (58,363)
Loss per common share – basic and diluted	$ (0.01)	$ (0.00)	$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	44,764,901	14,214,032	29,907,582	10,348,808

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

MIRAMONT RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital						
	Number of shares	Amount	Share subscriptions received in advance	Share subscriptions receivable	Reserves	Deficit	Total
July 31, 2016	6,300,100	$ 82,505	$ 4,025	$ (37,550)	$ -	$ (13,224)	$ 35,756
Issuance of common shares	8,650,164	644,175	(4,025)	37,550	-	-	677,700
Loss for the period	-	-	-	-	-	(58,363)	(58,363)
January 31, 2017	14,950,264	$ 726,680	$ -	$ -	$ -	$ (71,587)	$ 655,093
July 31, 2017	15,050,264	$ 736,680	$ -	$ -	$ -	$ (214,847)	$ 521,833
Issuance of common shares (Note 8)	20,000,033	6,000,010	-	-	-	-	6,000,010
Issuance of common shares for acquisition of Puno Gold Corporation (Note 4)	15,048,000	4,514,400	-	-	-	-	4,514,400
Share issue costs	-	(297,681)	-	-	-	-	(297,681)
Issuance of agents' and finders' warrants (Note 8)	-	(125,478)	-	-	125,478	-	-
Loss for the period	-	-	-	-	-	(620,192)	(620,192)
January 31, 2018	50,098,297	$ 10,827,931	$ -	$ -	$ 125,478	$ (835,039)	$ 10,118,370

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

MIRAMONT RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
(Expressed in Canadian Dollars)
(Unaudited)

	Six months ended January 31, 2018	Six months ended January 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (620,192)	$ (58,363)
Adjust for item not involving cash:		
Write-off of exploration and evaluation assets	40,000	-
Change in non-cash working capital items:		
Receivables	(65,877)	(1,431)
Prepaids	(117,646)	-
Accounts payable and accrued liabilities	(68,249)	30,604
Net cash used in operating activities	(831,964)	(29,190)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash acquired on acquisition of Puno Gold Corporation (Note 4)	49,282	-
Acquisition of exploration and evaluation assets	-	(30,000)
Net cash used in investing activities	49,282	(30,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	6,000,010	605,150
Share issue costs	(297,681)	
Repayment of loans payable assumed on acquisition of Puno Gold Corporation (Note 7)	(760,335)	-
Proceeds for share subscriptions receivable	-	37,550
Share subscriptions received in advance	-	35,000
Net cash provided by financing activities	4,941,994	677,700
Increase in cash	4,159,312	618,510
Cash, beginning of period	541,471	44,993
Cash, end of period	$ 4,700,783	$ 663,503

Supplemental cash flow information (Note 10)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Miramont Resources Corp. (the "Company") was incorporated on July 15, 2015 under the Business Corporations Act of British Columbia. The Company is a mineral exploration company with a focus on acquiring, exploring and advancing exploration and evaluation assets in Canada and Peru. The Company's head office and principal address is located at 2601 – 1111 Alberni Street, Vancouver, BC, V6E 4V2. The Company's registered and records office is located at 39073 Kingfisher Road, Squamish, BC, V8B 0S9. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol MONT.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The Company's continuation as a going concern is dependent upon the successful results from its business activities, its ability to obtain profitable operations and generate funds, and/or complete financings sufficient to meet current and future obligations. The Company raised additional capital during the period through private placements of its common shares in amounts that management believes are sufficient to further operations for the upcoming year.

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 International Financial Reporting Interpretations Committee ("IFRIC"). 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 financial statements for the year ended July 31, 2017, prepared in accordance with IFRS as issued by the IASB.

Approval of the financial statements

These condensed interim consolidated financial statements were authorized by the Board of Directors of the Company on March 29, 2018.

2. BASIS OF PRESENTATION (cont'd…)

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

These condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

Significant estimates

The preparation of these condensed interim consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Recovery of deferred tax assets - Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

2. BASIS OF PRESENTATION (cont'd…)

Significant estimates (cont'd…)

Accounting for acquisitions - The fair value of assets acquired and liabilities assumed and the resulting goodwill, if any, requires that management make estimates based on the information provided by the acquiree. Changes to the provisional values of assets acquired and liabilities assumed, including the associated deferred income taxes and resulting goodwill, if any, will be retrospectively adjusted when the final measurements are determined (within one year of acquisition date for the acquisition of a business). The determination of fair value as of the acquisition date requires management to make certain estimates about future events, including, but not restricted to, mineral reserves and resources acquired, exploration potential, future operating costs and capital expenditures, future metal prices, long-term foreign exchange rates and discount rates.

Significant judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are, but are not limited to, the following:

Carrying value and the recoverability of exploration and evaluation assets - Management has determined that exploration and evaluation expenditures incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities, and existing permits.

Determination of functional currency - The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of each entity to be the Canadian dollar. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

Business combinations - Determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The transaction with Puno Gold Corporation was determined to constitute an acquisition of assets (Note 4).

3. SIGNIFICANT ACCOUNTING POLICIES

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

New accounting policies adopted

The following standards and amendments to existing standards have been adopted by the Company effective August 1, 2017:

IAS 12, Income Taxes

This standard was amended to clarify the application of IAS 12 for the recognition of a deferred tax asset for certain unrealized losses.

The adoption of this amended standard did not have an impact on the condensed interim consolidated financial statements.

Principles of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its principal subsidiary, Puno Gold Corporation and its principal operating 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.

New standards, interpretations and amendments to existing standards not yet effective

The following standards, amendments to standards and interpretations have been issued and are effective for annual periods beginning on or after January 1, 2018:

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New standards, interpretations and amendments to existing standards not yet effective (cont'd…)

IFRS 9, Financial instruments

This revised standard addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has three measurement categories for financial assets: amortized cost, fair value through other comprehensive income, and fair value through profit or loss. All equity instruments are measured at either fair value through other comprehensive income or fair value through profit or loss. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest, otherwise it is measured at fair value through profit or loss.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes *IAS 11, Construction Contracts*, *IAS 18, Revenue*, *IFRIC 13, Customer Loyalty Programs*, *IFRIC 15, Agreements for the Construction of Real Estate*, *IFRIC 18, Transfers of Assets from Customers*, and *SIC-31, Revenue – Barter Transactions involving Advertising Service*.

The Company is currently evaluating the impact these standards are expected to have on the Company's accounting policies and consolidated financial statements.

The following standards, amendments to standards and interpretations have been issued and are effective for annual periods beginning on or after January 1, 2019:

IFRS 16, Leases

IFRS 16 will replace *IAS 17, Leases*. The new standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts, and to record it on the statement of financial position, except with respect to lease contracts that meet limited exception criteria.

The Company has not yet assessed the potential impact of the application of this standard, nor determined whether it will adopt this standard early.

(Expressed in Canadian Dollars)

4. ACQUISITION OF PUNO GOLD CORPORATION

On November 14, 2017, the Company issued 15,048,000 common shares, at a value of $0.30 per common share, for the acquisition of all of the issued and outstanding shares of Puno Gold Corporation ("Puno"), a privately held Ontario corporation. Minera Puno Gold, S.A.C. ("Minera Puno") is a Peruvian corporation and is a wholly owned subsidiary of Puno. Minera Puno is engaged in the business of mineral exploration and development in Peru and holds options to acquire a 100 percent interest in the Cerro Hermoso and Lukkacha projects (Note 5).

For accounting purposes, the acquisition was treated as an asset acquisition. As such, effective as at the date of closing, the fair value assigned to the identified assets acquired and liabilities assumed are presented below:

Consideration:		
Common shares	**$**	**4,514,400**
Net assets acquired:		
Cash	$	49,282
Accounts receivable		15,477
Accounts payable and accrued liabilities		(65,674)
Loans payable		(760,335)
		(761,250)
Allocation to exploration and evaluation assets		5,275,650
	$	**4,514,400**

5. EXPLORATION AND EVALUATION ASSETS

Property		**As at July 31, 2017**		**Acquisitions**		**Write-off of exploration and evaluation assets**		**As at January 31, 2018**
Cerro Hermoso and Lukkacha	$	-	$	5,275,650	$	-	$	5,275,650
Midas Gold	$	40,000	$	-	$	(40,000)	$	-
Total	$	40,000	$	5,275,650	$	(40,000)	$	5,275,650

5. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Cerro Hermoso Project

On September 23, 2016, Minera Puno entered into an option 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 "Cerro Hermoso Agreement"). The purchase price will be paid as follows:

- (i) US$50,000 payment on September 27, 2016 ("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 royalty (the "Cerro Hermoso NSR") 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. Any Cerro Hermoso NSR payments made before the buy-back may be deducted against the US$5,000,000.

Lukkacha Project

On May 15, 2017, Minera Puno entered into an option agreement to acquire a 100 percent interest in seven mining concessions of Rustica Claudia, (the "Lukkacha Concessions"), 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 the 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 Defense, which will authorize Minera Puno to acquire the Lukkacha Concessions and the rights thereon established in the Agreement hereof since the Lukkacha 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.

5. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Lukkacha Project (cont'd…)

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 royalty in favour of Rustica Claudia (the "Lukkacha NSR") which will take effect upon commencement of commercial production. Pursuant to the terms of the Lukkacha Option 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.

During the three and six months ended January 31, 2018, the Company incurred exploration and evaluation expenditures of $163,380 (2017 - $nil) on the Cerro Hermoso and Lukkacha properties.

Midas Gold Property

On October 19, 2016, the Company entered into an option agreement (the "Agreement") to acquire a 100 percent interest in and to certain mineral claims located in the Riggs and Bruyere Townships of Ontario which are collectively known and described as the Midas Gold Property.

To acquire the Midas Gold Property, the Company must make cash payments totaling $200,000 by December 31, 2018 and issue a total of 1,000,000 common shares by December 31, 2018. The property is subject to a 2% net smelter return royalty with respect to any minerals commercially produced from the Midas Gold Property, of which one-half (i.e. 1%) may be purchased for $1,000,000.

During the three and six months ended January 31, 2018, the Company incurred exploration and evaluation expenditures of $nil (2017 - $nil) on the Midas Gold property.

During the six months ended January 31, 2018, management decided to discontinue exploration on the Midas Gold Property and, accordingly, wrote off the carrying value of $40,000.

(Expressed in Canadian Dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		January 31, 2018		July 31, 2017
Accounts payable	$	67,872	$	56,947
Accrued liabilities		-		13,500
	$	67,872	$	70,447

7. LOANS PAYABLE

In connection to the acquisition of Puno (Note 4), the Company assumed non-interest-bearing loans payable which totaled $570,000 and US $150,000, which were fully repaid during the six months ended January 31, 2018.

8. SHARE CAPITAL

Authorized share capital

The Company's authorized capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

Issued share capital

During the six months ended January 31, 2018, the Company issued:

a) 20,000,033 units at a price of $0.30 per unit by way of a brokered and non-brokered private placement, for total proceeds of $6,000,010. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.45 per common share, for a period of two years from the date of issue. The Company paid a total of $297,681 cash in agents' commissions, finder's fees, and legal fees and issued 673,827 agents' and finder's warrants. Each warrant entitles the holder to purchase one common share at a price of $0.30 per common share, for a period of two years from the date of issue. The agents' and finder's warrants were valued at $125,478 calculated using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk free rate of 1.46%, a forfeiture rate of nil, and volatility of 123%; and

b) 15,048,000 common shares for the acquisition of all of the issued and outstanding shares of Puno at a value of $4,514,400 (Note 4).

8. SHARE CAPITAL (cont'd…)

Issued share capital (cont'd…)

During the six months ended January 31, 2017, the Company issued:

a) 4,416,832 common shares at a price of $0.05 per common share for total proceeds of $220,842; and

b) 4,233,332 units at a price of $0.10 per unit for total proceeds of $423,333. Each unit is comprised of one common share and one common share purchase warrant, exercisable at a price of $0.15 per common share until November 16, 2018.

Escrow shares

On November 28, 2016, the Company entered into an escrow agreement pursuant to which 8,599,166 common shares have been placed in escrow and are subject to release in tranches over time in accordance with the policies of the Canadian Securities Administrators. The escrow agreement provides that 10% of the escrowed shares will be released from escrow upon the original CSE listing date and that an additional 15% will be released therefrom every six month interval thereafter, over a period of 36 months. As at January 31, 2018, there are 6,449,375 (July 31, 2017 - 7,739,250; January 31, 2017 - nil) shares held in escrow.

On November 9, 2017, the Company entered into an escrow agreement pursuant to which 149,600 common shares have been placed in escrow and are subject to release in tranches over time in accordance with the policies of the Canadian Securities Administrators. The escrow agreement provides that 10% of the escrowed shares will be released from escrow upon the post Puno transaction listing date and that an additional 15% will be released therefrom every six month interval thereafter, over a period of 36 months. As at January 31, 2018, there are 134,640 (July 31, 2017 - nil; January 31, 2017 - nil) shares held in escrow.

Stock options

The Company has a shareholder-approved rolling stock option plan under which the Board of Directors ("Board") may, from time to time in its discretion, grant options to acquire common shares of the Company to its directors, officers, employees, consultants, and advisors. The number of shares reserved for issuance under the plan may not exceed 10% of the number of issued and outstanding common shares of the Company. The exercise price of each option is determined by the Board but shall not be less than the market price of the Company's shares on the date prior to the date of grant less any discounts permitted by the CSE under its policies. The options may be granted for a maximum term of 10 years and are subject to such vesting provisions as may be determined by the Board.

As at January 31, 2018, the Company had not granted any stock options and no stock options are outstanding as at January 31, 2018 and 2017.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (cont'd…)

Warrants

As at January 31, 2018, the Company had outstanding warrants enabling the holders to acquire further common shares as follows:

Number of warrants		Exercise price	Weighted average remaining life (years)	Expiry date
4,233,332	$	0.15	0.79	November 16, 2018
20,000,033	$	0.45	1.79	November 14, 2019
673,827	$	0.30	1.79	November 14, 2019
24,907,192				

Warrant transactions are summarized as follows:

	Number of warrants		Weighted average exercise price
Balance as at July 31, 2017	4,233,332	$	0.15
Issued	20,673,860		0.45
Balance as at January 31, 2018	24,907,192	$	0.39

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

The Company considers key management personnel to consist of its directors and officers. The following expenses were incurred in transactions with key management personnel:

		Six months ended January 31, 2018		Six months ended January 31, 2017
Administrative costs	$	17,500	$	-
Business development		-		3,750
Management fees		92,624		-
Professional fees		15,000		-
	$	125,124	$	3,750

As at January 31, 2018, included in accounts payable and accrued liabilities was $41,054 (July 31, 2017 - $1,738) owing to officers and directors.

10. SUPPLEMENTAL CASH FLOW INFORMATION

The significant non-cash investing and financing transactions are as follows:

		Six months ended January 31, 2018		Six months ended January 31, 2017
Common shares issued for acquisition of Puno (Note 4)	$	4,514,400	$	-
Warrants issued as agents' and finders' fees		125,478		-
Share subscriptions received in advance allocated to share capital		-		39,025

11. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment being the acquisition and exploration of exploration and evaluation assets located in Canada and Peru. Geographic information is as follows:

(Expressed in Canadian Dollars)

11. SEGMENTED INFORMATION (cont'd…)

	Canada	Peru	Total
As at January 31, 2018			
Exploration and evaluation assets	$ -	$ 5,275,650	$ 5,275,650
Other assets	4,817,400	93,192	4,910,592
Total assets	$ 4,817,400	$ 5,368,842	$ 10,186,242
For the three months ended January 31, 2018			
Loss and comprehensive loss	$ 280,395	$ 174,221	$ 454,616
For the six months ended January 31, 2018			
Loss and comprehensive loss	$ 445,971	$ 174,221	$ 620,192

	Canada	Peru	Total
As at July 31, 2017			
Exploration and evaluation assets	$ 40,000	$ -	$ 40,000
Other assets	552,280	-	552,280
Total assets	$ 592,280	$ -	$ 592,280
For the three months ended January 31, 2017			
Loss and comprehensive loss	$ 49,748	$ -	$ 49,748
For the six months ended January 31, 2017			
Loss and comprehensive loss	$ 58,363	$ -	$ 58,363

12. FINANCIAL INSTRUMENT RISK

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As at January 31, 2018, the Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to its liquid financial assets, being cash and receivables. The Company's bank account is primarily held with a major Canadian bank and this minimizes the risk to the Company. Receivables are due from a government agency.

12. FINANCIAL INSTRUMENT RISK (cont'd…)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is through regular monitoring of cash requirements. When necessary, the Company obtains financing from various investors to ensure all future obligations are fulfilled. The Company does not have any contractual obligations other than the accounts payable and accrued liabilities reported on the statement of financial position. The Company has sufficient cash as at January 31, 2018 to settle its current liabilities as they come due (Note 1).

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes:

Foreign currency exchange risk – this risk relates to any changes in foreign currencies in which the Company transacts. During the six months ended January 31, 2018, the Company was not exposed to any significant foreign currency exchange rate fluctuations.

Interest rate risk – this risk relates to the change in the borrowing rates of the Company. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 1% change in interest rates would result in a nominal difference in interest income for the six months ended January 31, 2018.

Price risk – this risk relates to fluctuations in commodity and equity prices. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

The Company does not currently use financial instruments designed to hedge these market risks.

Fair value hierarchy

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

12. FINANCIAL INSTRUMENT RISK (cont'd…)

Level 2 - Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company has classified its cash as fair value through profit or loss using level 1 inputs and receivables as loans and receivables. The Company's accounts payable and accrued liabilities are classified as other financial liabilities. The fair value of receivables and accounts payable and accrued liabilities approximates their carrying value because of the short-term nature of these instruments.

13. CAPITAL MANAGEMENT

The Company defines capital as its cash on hand and the components of shareholders' equity. The Company's objectives when managing capital are to identify, pursue, and complete the exploration and development of its exploration and evaluation assets, to maintain financial strength, to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness, and to maximize returns for shareholders over the long term. The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Board of Directors. The Company does not have any externally imposed capital requirements. There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the six months ended January 31, 2018.

14. SUBSEQUENT EVENT

Subsequent to January 31, 2018, the Company:

a) granted 300,000 stock options at a price of $0.37 per common share, vesting 1/3 on grant, 1/3 after one year, and 1/3 after two years, for a period of five years, expiring on March 6, 2023.