

**MIRAMONT RESOURCES CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**APRIL 30, 2018**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

**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)

	<b>April 30, 2018</b>	<b>July 31, 2017</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 4,289,153	\$ 541,471
Receivables	51,361	6,866
Prepays and advances	149,051	3,943
	<u>4,489,565</u>	<u>552,280</u>
<b>Exploration and evaluation assets (Note 5)</b>	<u>5,275,650</u>	<u>40,000</u>
	<u>\$ 9,765,215</u>	<u>\$ 592,280</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Notes 6 and 10)	\$ 104,219	\$ 70,447
	<u>104,219</u>	<u>70,447</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 8)	10,827,931	736,680
Reserves (Note 8)	151,212	-
Deficit	(1,318,147)	(214,847)
	<u>9,660,996</u>	<u>521,833</u>
	<u>\$ 9,765,215</u>	<u>\$ 592,280</u>

Nature of operations and going concern (Note 1)

Subsequent event (Note 15)

Approved by:

/s/ "William Pincus"  
William Pincus, 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 April 30, 2018		Three months ended April 30, 2017		Nine months ended April 30, 2018		Nine months ended April 30, 2017
<b>Property expenses</b>							
Exploration and evaluation expenditures (Note 9)	\$ 212,087	\$	-	\$	375,467	\$	-
Write-off of exploration and evaluation assets (Note 5)	-		-		40,000		-
	(212,087)		-		(415,467)		-
<b>Administrative expenses</b>							
Administrative costs (Note 10)	9,000		1,500		26,500		1,500
Business development (Note 10)	-		-		-		3,750
Consulting fees	6,332		-		32,607		-
Filing fees	5,790		11,563		27,218		20,225
Management fees (Note 10)	57,249		-		171,747		-
Marketing	78,849		-		129,922		-
Office and miscellaneous	52,953		1,528		91,096		2,126
Professional fees (Note 10)	16,117		10,315		110,291		51,368
Property investigation costs	-		-		-		4,300
Share-based payments (Note 8)	25,734		-		25,734		-
Shareholder communication	1,711		920		3,253		920
Transfer agent	6,446		-		24,392		-
Travel	24,892		6,396		58,935		6,396
	(285,073)		(32,222)		(701,695)		(90,585)
<b>Operating loss</b>	(497,160)		(32,222)		(1,117,162)		(90,585)
<b>Other</b>							
Interest income	10,665		-		18,663		-
Foreign exchange gain (loss)	3,387		-		(4,801)		-
	14,052		-		13,862		-
<b>Loss and comprehensive loss for the period</b>	\$ (483,108)	\$	(32,222)	\$	(1,103,300)	\$	(90,585)
<b>Loss per common share – basic and diluted</b>	\$ (0.01)	\$	(0.00)	\$	(0.03)	\$	(0.01)
<b>Weighted average number of common shares outstanding – basic and diluted</b>	50,098,297		14,992,961		36,489,903		11,862,836

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		Share subscriptions received in advance	Share subscriptions receivable	Reserves	Deficit	Total
	Number of shares	Amount					
<b>July 31, 2016</b>	6,300,100	\$ 82,505	\$ 4,025	\$ (37,550)	\$ -	\$ (13,224)	\$ 35,756
Issuance of common shares (Note 8)	8,650,164	644,175	(4,025)	37,550	-	-	677,700
Issuance of common shares for option agreement (Note 8)	100,000	10,000	-	-	-	-	10,000
Loss for the period	-	-	-	-	-	(90,585)	(90,585)
<b>April 30, 2017</b>	15,050,264	\$ 736,680	\$ -	\$ -	\$ -	\$ (103,809)	\$ 632,871
<b>July 31, 2017</b>	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	-	-
Share-based payments (Note 8)	-	-	-	-	25,734	-	25,734
Loss for the period	-	-	-	-	-	(1,103,300)	(1,103,300)
<b>April 30, 2018</b>	50,098,297	\$ 10,827,931	\$ -	\$ -	\$ 151,212	\$ (1,318,147)	\$ 9,660,996

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)

	<b>Nine months ended April 30, 2018</b>	<b>Nine months ended April 30, 2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (1,103,300)	\$ (90,585)
Adjust for items not involving cash:		
Share-based payments	25,734	-
Write-off of exploration and evaluation assets	40,000	-
Change in non-cash working capital items:		
Receivables	(29,018)	(4,478)
Prepays and advances	(145,108)	(5,507)
Accounts payable and accrued liabilities	(31,902)	11,936
Net cash used in operating activities	(1,243,594)	(88,634)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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	3,747,682	559,066
<b>Cash, beginning of period</b>	<b>541,471</b>	<b>44,993</b>
<b>Cash, end of period</b>	<b>\$ 4,289,153</b>	<b>\$ 604,059</b>

**Supplemental cash flow information (Note 11)**

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

**MIRAMONT RESOURCES CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2018

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**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 reporting period through private placements of its common shares in amounts that management believes are sufficient to further operations for the upcoming twelve months.

**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 June 15, 2018.

**MIRAMONT RESOURCES CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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(Unaudited)

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**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.

*Valuation of share-based payments* - The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.



**MIRAMONT RESOURCES CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

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**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).

**MIRAMONT RESOURCES CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**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.

*Share-based payments*

The Company accounts for all grants of options to directors, officers, employees, consultants, and advisors in accordance with the fair value method for accounting for share-based payments. Share-based payment awards are calculated using the Black-Scholes option pricing model. Share-based payments to consultants and advisors, who are not providing similar services as employees, are measured at the grant date by using the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services received cannot be reliably measured and are recorded at the date the goods or services are received.

**MIRAMONT RESOURCES CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**New accounting policies adopted (cont'd...)**

*Share-based payments (cont'd...)*

Compensation expense for share-based payments is recognized immediately for past services and pro-rata for future services over the vesting period of the share-based payment. A corresponding increase in reserves is recorded when share-based payments are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based payments previously recorded in reserves.

**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:

*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.

**MIRAMONT RESOURCES CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2018

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)****New standards, interpretations and amendments to existing standards not yet effective (cont'd...)**

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.

**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% 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	<b>\$ 4,514,400</b>
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**Net assets acquired:**

Cash	\$ 49,282
Accounts receivable	15,477
Accounts payable and accrued liabilities	(65,674)
Loans payable	(760,335)
	<u>(761,250)</u>
Allocation to exploration and evaluation assets	5,275,650
	<b><u>\$ 4,514,400</u></b>

**MIRAMONT RESOURCES CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

(Unaudited)

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**5. EXPLORATION AND EVALUATION ASSETS**

<b>Property</b>	<b>As at July 31, 2017</b>	<b>Acquisitions</b>	<b>Write-off of exploration and evaluation assets</b>	<b>As at April 30, 2018</b>
Cerro Hermoso and Lukkacha	\$ -	\$ 5,275,650	\$ -	\$ 5,275,650
Midas Gold	\$ 40,000	\$ -	\$ (40,000)	\$ -
<b>Total</b>	<b>\$ 40,000</b>	<b>\$ 5,275,650</b>	<b>\$ (40,000)</b>	<b>\$ 5,275,650</b>

**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.

**MIRAMONT RESOURCES CORP.**

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(Expressed in Canadian Dollars)

(Unaudited)

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

**Lukkacha Project**

On May 15, 2017, Minera Puno entered into an option agreement to acquire a 100% 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.

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 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 nine months ended April 30, 2018, the Company incurred exploration and evaluation expenditures of \$212,087 (2017 - \$nil) and \$375,467 (2017 - \$nil), respectively, on the Cerro Hermoso and Lukkacha properties.

**MIRAMONT RESOURCES CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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(Unaudited)

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**5. EXPLORATION AND EVALUATION ASSETS (cont'd...)****Midas Gold Property**

On October 19, 2016, the Company entered into an option agreement (the "Agreement") to acquire a 100% 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 (\$30,000 paid to date) and issue a total of 1,000,000 common shares by December 31, 2018 (100,000 common shares at a value of \$10,000 issued to date). 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 nine months ended April 30, 2018, the Company incurred exploration and evaluation expenditures of \$nil (2017 - \$nil) on the Midas Gold property.

During the nine months ended April 30, 2018, management decided to discontinue exploration on the Midas Gold Property and, accordingly, wrote off the carrying value of \$40,000.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>April 30, 2018</b>	<b>July 31, 2017</b>
Accounts payable	\$ 104,219	\$ 56,947
Accrued liabilities	-	13,500
	<b>\$ 104,219</b>	<b>\$ 70,447</b>

**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 nine months ended April 30, 2018.

**MIRAMONT RESOURCES CORP.**

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(Unaudited)

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**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 nine months ended April 30, 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 interest 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).

During the nine months ended April 30, 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;
- 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; and
- c) 100,000 common shares, valued at \$10,000, pursuant to the Midas Gold option agreement.



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**8. SHARE CAPITAL (cont'd...)****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 April 30, 2018, there are 5,159,500 (July 31, 2017 - 7,739,250; April 30, 2017 - 7,739,250) 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 April 30, 2018, there are 134,640 (July 31, 2017 - nil; April 30, 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.

During the three and nine months ended April 30, 2018, the Company granted 300,000 (2017 - nil) incentive stock options to a director. The options vest 1/3 on grant, 1/3 after one year, and 1/3 after two years. During the three and nine months ended April 30, 2018, the Company expensed \$25,734 (2017 - \$nil), which was recorded in share-based payments.

The weighted average fair value of stock options granted during the three and nine months ended April 30, 2018 was \$0.233 (2017 - \$nil) per option. The fair value was calculated using the Black-Scholes option pricing model assuming a life expectancy of five years, a risk free interest rate of 2.04%, a forfeiture rate of nil, and volatility of 90%

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**8. SHARE CAPITAL (cont'd...)****Stock options (cont'd...)**

As at April 30, 2018, the Company had outstanding options enabling the holder to acquire further common shares as follows:

Number of options	Number of exercisable options	Exercise price	Weighted average remaining life (years)	Expiry date
300,000	100,000	\$ 0.37	4.85	March 6, 2023
300,000	100,000			

Option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at July 31, 2016 and 2017	-	\$ -
Granted	300,000	0.37
Balance as at April 30, 2018	300,000	\$ 0.37

**Warrants**

As at April 30, 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	0.55	November 16, 2018
20,000,033	\$ 0.45	1.54	November 14, 2019
673,827	\$ 0.30	1.54	November 14, 2019
24,907,192			

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**8. SHARE CAPITAL (cont'd...)****Warrants (cont'd...)**

Warrant transactions are summarized as follows:

	Number of warrants		Weighted average exercise price
Balance as at July 31, 2016	-	\$	-
Issued	4,233,332		0.15
Balance as at July 31, 2017	4,233,332	\$	0.15
Issued	20,673,860		0.45
Balance as at April 30, 2018	24,907,192	\$	0.39

**9. EXPLORATION AND EVALUATION EXPENDITURES**

Property	Cerro Hermoso and Lukkacha		Total
Assays	\$ 9,768	\$	9,768
Community programs	3,321		3,321
Geological consulting	165,854		165,854
Core shack	666		666
Environmental and permitting	3,157		3,157
Field supplies	7,094		7,094
Legal	99		99
Property licenses and rights	16,726		16,726
Wages and benefits	78,573		78,573
Travel	25,968		25,968
VAT	43,685		43,685
Vehicles	20,556		20,556
Nine months ended April 30, 2018	\$ 375,467	\$	375,467

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**10. 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:

	<b>Nine months ended April 30, 2018</b>	<b>Nine months ended April 30, 2017</b>
Administrative costs	\$ 26,500	\$ 1,500
Business development	-	3,750
Management fees	149,873	-
Professional fees	22,500	-
Share-based payments	25,734	-
	<b>\$ 224,607</b>	<b>\$ 5,250</b>

As at April 30, 2018, included in accounts payable and accrued liabilities was \$27,482 (July 31, 2017 - \$14,629) owing to officers and directors.

**11. SUPPLEMENTAL CASH FLOW INFORMATION**

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

	<b>Nine months ended April 30, 2018</b>	<b>Nine months ended April 30, 2017</b>
Common shares issued for acquisition of Puno (Note 4)	\$ 4,514,400	\$ -
Common shares issued for exploration and evaluation assets	-	10,000
Warrants issued as agents' and finders' fees	125,478	-
Share subscriptions received in advance allocated to share capital	-	39,025

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**12. 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:

	Canada	Peru	Total
As at April 30, 2018			
Exploration and evaluation assets	\$ -	\$ 5,275,650	\$ 5,275,650
Other assets	4,081,108	408,457	4,489,565
Total assets	\$ 4,081,108	\$ 5,684,107	\$ 9,765,215

For the three months ended April 30, 2018

Loss and comprehensive loss	\$ 195,210	\$ 287,898	\$ 483,108
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For the nine months ended April 30, 2018

Loss and comprehensive loss	\$ 641,181	\$ 462,119	\$ 1,103,300
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	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 April 30, 2017

Loss and comprehensive loss	\$ 32,222	\$ -	\$ 32,222
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For the nine months ended April 30, 2017

Loss and comprehensive loss	\$ 90,585	\$ -	\$ 90,585
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**13. 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 April 30, 2018, the Company's risk exposure and the impact on the Company's financial instruments are summarized below:

**MIRAMONT RESOURCES CORP.**

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**13. FINANCIAL INSTRUMENT RISK (cont'd...)****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 primarily due from a government agency.

**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 April 30, 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. A 10% change in foreign exchange rates would result in a nominal difference for the nine months ended April 30, 2018.

*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 nine months ended April 30, 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.

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**13. FINANCIAL INSTRUMENT RISK (cont'd...)****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.

*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.

**14. 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 nine months ended April 30, 2018.

**MIRAMONT RESOURCES CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**15. SUBSEQUENT EVENT**

Subsequent to April 30, 2018, the Company granted 2,320,000 stock options at a price of \$0.375 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 May 17, 2023.