

MIRAMONT RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2018

(Expressed in Canadian Dollars)

Report Date – June 15, 2018

The following Management's Discussion & Analysis ("MD&A") provides a review of activities, results of operations and the financial condition of Miramont Resources Corp. (the "Company") for the nine months ended April 30, 2018. This MD&A should be read in conjunction with the Company's condensed interim consolidated financial statements and related notes for the nine months ended April 30, 2018 and the audited financial statements and related notes thereto for the year ended July 31, 2017. All amounts disclosed in this MD&A are in Canadian dollars, unless otherwise noted.

Management's Responsibility

The Company's management is responsible for the preparation and presentation of the financial statements and this MD&A. The financial statements have been prepared in accordance with International Financial Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

Forward-Looking Statements

This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-Looking Statements (cont'd...)

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, which are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risks and Uncertainties" as well as in our public filings available at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Overview

The Company was incorporated on July 15, 2015 under the Business Corporations Act of British Columbia and 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 and on the OTCQB under the trading symbol MRRMF. The Company is quoted on the Frankfurt Stock Exchange under the trading symbol 6MR.

On November 14, 2017, the Company issued 15,048,000 common shares 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.

Overview (cont'd...)

On November 14, 2017, the Company completed a private placement by issuing 20,000,033 units at a price of \$0.30 per unit, 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, valued at \$125,478. Each agents' and finder's 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.

Exploration and Evaluation Assets

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\$3,500,00, (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.

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 Lukkacha Option 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.

MIRAMONT RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in Canadian Dollars)
APRIL 30, 2018

Exploration and Evaluation Assets (cont'd...)

Cerro Hermoso and Lukkacha Projects

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. Expenditures were for geologic mapping, geophysics and geochemistry as well as permitting expenses.

The exploration and evaluation expenditures were incurred as follows:

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

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 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.

MIRAMONT RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in Canadian Dollars)
APRIL 30, 2018

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information for the most recent eight quarters:

Three Months Ended	April 30, 2018	January 31, 2018	October 31, 2017	July 31, 2017
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Exploration and evaluation expenditures	\$ 212,087	\$ 163,380	\$ Nil	\$ Nil
Loss from continuing operations	\$ 483,108	\$ 454,616	\$ 165,576	\$ 111,038
- per share ⁽¹⁾	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Loss and comprehensive loss	\$ 483,108	\$ 454,616	\$ 165,576	\$ 111,038
- per share ⁽¹⁾	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)

Three Months Ended	April 30, 2017	January 31, 2017	October 31, 2016	July 31, 2016
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Exploration and evaluation expenditures	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Loss from continuing operations	\$ 32,222	\$ 49,748	\$ 8,615	\$ 9,244
- per share ⁽¹⁾	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Loss and comprehensive loss	\$ 32,222	\$ 49,748	\$ 8,615	\$ 9,244
- per share ⁽¹⁾	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

^{1.} Fully diluted loss per share was not calculated as the effect was anti-dilutive.

For the quarters ended October 31, 2016 and July 31, 2016, the loss consists of expenditures incurred related to listing on the CSE and searching for a viable project. The costs increased for the quarters ended April 30, 2017 and January 31, 2017, as the listing on the CSE was completed, the option agreement on the Midas Gold Property was signed, and preparation for a work program was started. At the same time, the Company continued to look for additional projects. For the quarter ended July 31, 2017, the share exchange agreement with Puno was signed, additional management was recruited, and the Company began incurring costs as it worked on a financing. For the quarter ended October 31, 2017, costs continued to be incurred related to the Puno acquisition, work was done on the financing, and the Midas Gold Property was written-off. For the quarter ended January 31, 2018, the financing was completed, the acquisition of Puno was completed and exploration expenditures were incurred on the Cerro Hermoso and Lukkacha projects. For the quarter ended April 30, 2018, exploration on the Cerro Hermoso and Lukkacha projects continued to be the focus of the Company's efforts.

Overall Performance and Results of Operations: Quarterly

During the three-month period ended April 30, 2018, the Company incurred a loss and comprehensive loss of \$483,108 compared to a loss and comprehensive loss of \$32,222 for the three-month period ended April 30, 2017.

The loss and comprehensive loss of \$483,108 for the current quarter was comprised of \$212,087 in property expenses, \$285,073 in administrative expenses, and \$14,052 in net other income, compared to \$32,222 for the comparable quarter of last year, which was comprised entirely of administrative expenses.

The increase in loss in the two most recent interim periods was attributable to fees and expenses incurred by the Company from the successful search for new exploration projects as well as increased costs associated with the acquisition and operations of Puno. The comparable period of last year had little activity, as the Company was minimizing expenses as it searched for a project and had just completed its listing on the CSE. The significant expenditures for the current period included:

Property Expenses

- Exploration and evaluation expenditures – The Company is continuing to perform exploratory work on the projects. Funds have primarily been incurred on the Cerro Hermosa gold-copper project to ensure approval of the Environmental Impact Statement (known by the Spanish acronym as “DIA”). Subsequent to April 30, 2018, the Ministry of Energy and Mines approved the DIA for the Cerro Hermoso project.

Administrative Expenses

- Management fees – The fees were incurred for services performed by management to search for additional projects, run and promote the Company, and raise funds.
- Marketing – The Company incurred fees to continue its promotion of its activities as it is now listed on the CSE and exploration has commenced on the projects.
- Office and miscellaneous – Additional fees are now incurred from running operations in Peru.
- Share-based payments – The Company granted stock options to a director.
- Travel – The Company continues to investigate potential projects, visit acquired projects, and attend conferences.

Other

- Interest income – Funds held in a redeemable GIC earn interest.

Overall Performance and Results of Operations: Year-to-Date

During the nine month period ended April 30, 2018, the Company incurred a loss and comprehensive loss of \$1,103,300 compared to a loss and comprehensive loss of \$90,585 for the nine month period ended April 30, 2017.

Overall Performance and Results of Operations: Year-to-Date (cont'd...)

The loss and comprehensive loss of \$1,103,300 was comprised of \$375,467 in property expenses, \$701,695 in administrative expenses, and \$13,862 in net other income, compared to \$90,585 for the nine month period ended April 30, 2017, which was comprised entirely of administrative expenses.

The increase in loss in the most recent nine month period was attributable to fees and expenses incurred by the Company for the successful search for new exploration projects as well as increased costs associated with the acquisition and operations of Puno. The comparable period of last year had little activity, as the Company was minimizing expenses as it searched for a project and was preparing for listing on the CSE. The significant expenditures, not described above, included:

Property Expenses

- Exploration and evaluation expenditures – The Company is continuing to perform exploratory work on the projects. Funds have primarily been incurred on the Cerro Hermosa gold-copper project to ensure approval of the Environmental Impact Statement (known by the Spanish acronym as "DIA"). Subsequent to April 30, 2018, the Ministry of Energy and Mines approved the DIA for the Cerro Hermoso project.

Administrative Expenses

- Administrative costs – As the Company is now listed on the CSE, there are general administrative services required.
- Business development – As the Company now has acquired a project, it has shifted its focus from developing the business to running the exploration programs on the projects.
- Consulting fees – Outside consultants were used to assist with the search for viable projects and for advisory fees.
- Professional fees – These fees include legal costs for new and recently acquired projects the Company is investigating and costs of listing on the OTCQB.
- Property investigation costs – The Company has acquired a project.
- Travel – The Company continues to investigate potential projects, visit acquired projects, and attend conferences

Liquidity and Capital Resources

The Company's cash position was \$4,289,153 as at April 30, 2018 compared to \$541,471 as at July 31, 2017 and \$604,059 as at April 30, 2017. The Company had a working capital surplus of \$4,385,346 as at April 30, 2018 as compared to a working capital surplus of \$481,833 as at July 31, 2017 and \$592,871 at April 30, 2017. The Company's cash position has increased during the current nine-month period, and since inception, as a direct result of additional financings being completed.

MIRAMONT RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
 (Expressed in Canadian Dollars)
 APRIL 30, 2018

Liquidity and Capital Resources (cont'd...)

The cash balance of \$541,471 as at July 31, 2017 was increased during the nine-month period as a result of a financing that raised net proceeds of \$5,702,329 and by \$49,282 for cash acquired on the acquisition of Puno. It was decreased by \$1,243,594 for operating activities and \$760,335 for the repayment of loans assumed on the acquisition of Puno. The net increase in cash of \$3,747,682 brought the working capital surplus at April 30, 2018 to \$4,385,346, from \$481,833 at July 31, 2017.

Management believes the Company's current cash resources are sufficient to meet its short-term needs. The Company is continuing to explore various potential sources of financing, but there is no certainty that any additional financings will be completed. 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.

Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements or transactions during the current quarter or nine-month period.

Transactions with Related Parties

The following summarizes the Company's related party transactions with its key management personnel:

	Nine months ended April 30, 2018	Nine months ended April 30, 2017
Paid or accrued administrative costs to Benchmark Point Governance Corp., a company controlled by Leah Hodges, Corporate Secretary and a former director and of the Company	\$ 26,500	\$ 1,500
Paid or accrued business development fees to Tyson King, a director and Vice-President of the Company	-	3,750
Paid or accrued management fees to Tyson King, a director and Vice-President of the Company	40,500	-
Paid or accrued management fees to William Pincus, a director and CEO of the Company	109,373	-
Paid or accrued professional fees to Lesia Buriannyk, CFO of the Company	22,500	-
Recorded share-based payments to Dale Peniuk, a director of the Company	25,734	-
	\$ 224,607	\$ 5,250

Transactions with Related Parties (cont'd...)

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.

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

Subsequent Event

The following event occurred subsequent to April 30, 2018 and is not disclosed elsewhere in this MD&A:

- a) 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.

Share Capital Information

Disclosure of Outstanding Share Data

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

Shares Issued and Outstanding

As at the Report Date, there were 50,098,297 common shares issued and outstanding and Nil preferred shares issued and outstanding.

Stock options

As at the Report Date, the Company had 2,620,000 incentive stock options outstanding.

Warrants

As at the Report Date, the Company had 24,907,192 share purchase warrants outstanding.

Critical Accounting Estimates

The preparation of the 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.

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.

Accounting Policies

Adoption of accounting policies

The following significant accounting policies were applied during the nine months ended April 30, 2018:

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.

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.

Accounting Policies (cont'd...)

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.

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.

Financial Instruments

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:

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.

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.

Financial Instruments (cont'd...)

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.

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.

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 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. ^(SEP)

Risks and Uncertainties

The Company is in the mineral exploration and development business and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. The recovery of the Company's investment in exploration and evaluation assets and the attainment of profitable operations are dependent upon the discovery and development of economic ore reserves and the ability to arrange sufficient financing to bring the ore reserves into production.
- b) The most likely sources of future funds for further acquisitions and exploration programs undertaken by the Company are the sale of equity capital and the offering by the Company of an interest in its properties to be earned by another interested party carrying out further exploration or development. If such exploration programs are successful, the development of economic ore bodies and commencement of commercial production may require future equity financings by the Company, which are likely to result in substantial dilution to the holdings of existing shareholders.
- c) The Company's capital resources are largely determined by the strength of the resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.
- d) The prices of metals greatly affect the value of and the potential value of its exploration and evaluation assets. This, in turn, greatly affects its ability to raise equity capital, negotiate option agreements and form joint ventures.
- e) The Company must comply with health, safety, and environmental regulations governing air and water quality and land disturbances and provide for mine reclamation and closure costs. The Company's permission to operate could be withdrawn temporarily where there is evidence of serious breaches of such regulations, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations.
- f) The exploration and development activities of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue exploration and development activities in the future.
- g) Although the Company has taken steps to verify title to the exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such assets may be subject to prior agreements or transfers and title may be affected by such undetected defects.

Risks and Uncertainties (cont'd...)

- h) The Company's exploration and evaluation assets are located in a foreign jurisdiction, Peru. Exploration and development activities in foreign jurisdictions may be adversely affected by political instability and changes to government regulations relating to the mining industry. Recent changes in the government leadership in Peru could impact the Company's operations, including the Supreme Decree application.
- i) The Company's relationship with the communities in which it operates are critical to ensure the future success of its existing operations and the development of its projects. Certain governmental and non-governmental organizations, some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. Adverse publicity generated by such governmental and non-governmental organizations or others related to extractive industries generally, or the Company's operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward-looking statements. The exploration and development activities of the Company are subject to various laws governing exploration, development, and labour standards which may affect the operations of the Company as these laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

Proposed Transactions

Currently there are no pending proposed transactions; however, the Company continues to seek new business and/or investment opportunities and to raise capital.

Additional Information

Additional information relating to the Company, is available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.

Corporate Information

Directors:	Tyson King Gerald Shields William Pincus Quinton Hennigh Dale Peniuk
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