

**MIRAMONT RESOURCES CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**APRIL 30, 2020**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

**MIRAMONT RESOURCES CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited)

	<b>April 30, 2020</b>	<b>July 31, 2019</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 2,169,234	\$ 2,348,270
Receivables	2,619	29,145
Prepays and advances	31,740	54,693
	<u>2,203,593</u>	<u>2,432,108</u>
<b>Equipment (Note 4)</b>	16,459	17,935
<b>Exploration and evaluation assets (Note 5)</b>	<u>1,522,678</u>	<u>1,582,016</u>
	<u>\$ 3,742,730</u>	<u>\$ 4,032,059</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Notes 6 and 8)	\$ 38,435	\$ 78,656
	<u>38,435</u>	<u>78,656</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	12,962,704	12,865,352
Reserves (Note 7)	872,420	868,058
Deficit	<u>(10,130,829)</u>	<u>(9,780,007)</u>
	<u>3,704,295</u>	<u>3,953,403</u>
	<u>\$ 3,742,730</u>	<u>\$ 4,032,059</u>

**Nature of operations and going concern (Note 1)****Subsequent event (Note 13)**

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)

	<b>Three months ended April 30, 2020</b>	<b>Three months ended April 30, 2019</b>	<b>Nine months ended April 30, 2020</b>	<b>Nine months ended April 30, 2019</b>
<b>Property expenses</b>				
Exploration and evaluation expenditures (recovery) (Note 5)	\$ 38,696	\$ 894,930	\$ (64,022)	\$ 1,311,570
Write-off of exploration and evaluation assets (Note 5)	59,338	-	59,338	-
	<b>(98,034)</b>	<b>(894,930)</b>	<b>4,684</b>	<b>(1,311,570)</b>
<b>Administrative expenses</b>				
Administrative costs	9,000	9,000	27,000	27,000
Consulting fees	-	19,481	-	19,481
Filing fees	6,999	5,754	21,420	22,125
Management fees (Note 8)	21,000	239,749	63,000	354,247
Marketing and investor relations	-	40,389	23,242	101,668
Office and miscellaneous	12,530	19,078	40,760	37,447
Professional fees (Note 8)	33,023	50,247	111,852	147,701
Share-based payments (Notes 7 and 8)	19,636	203,432	153,725	374,430
Shareholder communication	-	1,878	1,569	5,103
Transfer agent	3,388	10,816	12,698	15,424
Travel	2,955	14,055	2,955	20,023
	<b>(108,531)</b>	<b>(613,879)</b>	<b>(458,221)</b>	<b>(1,124,649)</b>
<b>Operating loss</b>	<b>(206,565)</b>	<b>(1,508,809)</b>	<b>(453,537)</b>	<b>(2,436,219)</b>
Foreign exchange gain (loss)	38,906	(24,891)	30,438	(26,772)
Interest income	4,679	7,077	20,266	28,519
	<b>43,585</b>	<b>(17,814)</b>	<b>50,704</b>	<b>1,747</b>
<b>Loss and comprehensive loss for the period</b>	<b>\$ (162,980)</b>	<b>\$ (1,526,623)</b>	<b>\$ (402,833)</b>	<b>\$ (2,434,472)</b>
<b>Loss per common share – basic and diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.03)</b>	<b>\$ (0.01)</b>	<b>\$ (0.05)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>55,773,234</b>	<b>55,308,411</b>	<b>55,773,234</b>	<b>51,814,109</b>

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		Reserves	Deficit	Total
	Number of shares	Amount			
<b>July 31, 2018</b>	50,098,297	\$ 10,827,931	\$ 428,322	\$ (2,335,224)	\$ 8,921,029
Issuance of common shares for cash (Note 7)	4,716,498	1,650,774	-	-	1,650,774
Issuance of common shares from warrant exercise (Note 7)	958,439	436,768	(28,126)	-	408,642
Share issue costs	-	(31,963)	-	-	(31,963)
Issuance of finders' warrants (Note 7)	-	(18,158)	18,158	-	-
Share-based payments (Note 7)	-	-	374,430	-	374,430
Loss for the period	-	-	-	(2,434,472)	(2,434,472)
<b>April 30, 2019</b>	55,773,234	\$ 12,865,352	\$ 792,784	\$ (4,769,696)	\$ 8,888,440
<b>July 31, 2019</b>	55,773,234	\$ 12,865,352	\$ 868,058	\$ (9,780,007)	\$ 3,953,403
Share-based payments (Note 7)	-	-	153,725	-	153,725
Stock options forfeited (Note 7)	-	-	(52,011)	52,011	-
Warrants expired (Note 7)	-	97,352	(97,352)	-	-
Loss for the period	-	-	-	(402,833)	(402,833)
<b>April 30, 2020</b>	55,773,234	\$ 12,962,704	\$ 872,420	\$ (10,130,829)	\$ 3,704,295

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, 2020</b>	<b>Nine months ended April 30, 2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (402,833)	\$ (2,434,472)
Adjust for items not involving cash:		
Depreciation	1,476	1,203
Share-based payments	153,725	374,430
Write-off of exploration and evaluation assets	59,338	-
Change in non-cash working capital items:		
Receivables	26,526	15,558
Prepays and advances	22,953	(10,239)
Accounts payable and accrued liabilities	(40,221)	81,839
Net cash used in operating activities	(179,036)	(1,971,681)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of equipment	-	(11,146)
Payments for exploration and evaluation assets	-	(204,556)
Net cash used in investing activities	-	(215,702)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital	-	2,059,416
Share issue costs	-	(31,963)
Net cash provided by financing activities	-	2,207,453
Change in cash	(179,036)	(159,930)
<b>Cash, beginning of period</b>	<b>2,348,270</b>	<b>3,584,184</b>
<b>Cash, end of period</b>	<b>\$ 2,169,234</b>	<b>\$ 3,424,254</b>

**Supplemental cash flow information (Note 9)**

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, 2020

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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 23<sup>rd</sup> Floor - 1177 West Hastings Street, Vancouver, BC, V6E 2K3. The Company's registered and records office is located at 40440 Thunderbird Ridge, Squamish, BC, V8B 0G1. 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 capital in previous reporting periods through private placements of its common shares and exercise of share purchase warrants, with the result that the current working capital balance is an amount that management estimates is 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. They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and, therefore, should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2019, prepared in accordance with IFRS as issued by the IASB.

**Approval of the consolidated financial statements**

These condensed interim consolidated financial statements were authorized by the Board of Directors of the Company on June 24, 2020.

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

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

**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 and its subsidiaries.

**Principles of consolidation**

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its principal subsidiary, Puno Gold Corporation ("Puno") and its principal operating subsidiary, Minera Puno Gold S.A.C. ("Minera Puno"). 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.

Name of subsidiary	Country of incorporation	Percentage of ownership	Principal activity
Puno Gold Corporation	Canada	100%	Holding company
Minera Puno Gold S.A.C.	Peru	100%	Exploration in Peru

**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.

**MIRAMONT RESOURCES CORP.**

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

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

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**2. BASIS OF PRESENTATION (cont'd...)**

**Significant estimates (cont'd...)**

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:

*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.

**Significant judgments**

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim 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 expenditures incurred on exploration and evaluation assets 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.

**3. SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation as in the Company's consolidated financial statements for the year ended July 31, 2019, except as noted below.

**New accounting policies adopted**

The following standard has been adopted by the Company, using the modified retrospective application method, effective August 1, 2019:

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

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)****New accounting policies adopted (cont'd...)***IFRS 16, Leases*

This standard sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. It eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

There was no impact on the condensed interim consolidated financial statements as a result of adopting this standard as the Company has not entered into any contracts that contain a lease.

**4. EQUIPMENT**

	Field equipment		Total
<b>Cost</b>			
July 31, 2018	\$	8,532	\$ 8,532
Additions		11,146	11,146
July 31, 2019 and April 30, 2020	\$	19,678	\$ 19,678
<b>Accumulated depreciation</b>			
July 31, 2018	\$	142	\$ 142
Depreciation		1,601	1,601
July 31, 2019		1,743	1,743
Depreciation		1,476	1,476
April 30, 2020	\$	3,219	\$ 3,219
<b>Net Book Value</b>			
July 31, 2019	\$	17,935	\$ 17,935
April 30, 2020	\$	16,459	\$ 16,459

Deprecation is included in exploration and evaluation expenditures.

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

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

**5. EXPLORATION AND EVALUATION ASSETS**

Project	Cerro Hermoso	Lukkacha	Total
July 31, 2018	\$ 3,791,367	\$ 1,522,678	\$ 5,314,045
Cash payments	237,350	-	237,350
Write-off of exploration and evaluation assets	(3,969,379)	-	(3,969,379)
July 31, 2019	59,338	1,522,678	1,582,016
Write-off of exploration and evaluation assets	(59,338)	-	(59,338)
April 30, 2020	\$ -	\$ 1,522,678	\$ 1,522,678

**Cerro Hermoso**

On September 23, 2016, subsequently amended September 18, 2018, Minera Puno entered into an option agreement to acquire a 100% interest in 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\$3,526,000. The purchase price was to be paid as follows:

- (i) US\$50,000 on September 27, 2016 (paid);
- (ii) US\$50,000 on or before March 27, 2017 (paid);
- (iii) US\$100,000 on or before September 27, 2017 (paid);
- (iv) US\$70,000 on or before September 27, 2018 (paid);
- (v) US\$156,000 on or before September 27, 2019 (US\$56,000 paid to November 14, 2019);
- (vi) US\$100,000 on or before September 27, 2020; and
- (vii) US\$3,000,000 on or before September 27, 2021.

During the nine months ended April 30, 2020, the Company decided to terminate its interest and wrote off the carrying value of the Cerro Hermoso Concessions as at the Company's July 31, 2019 year-end.

On July 26, 2018, Minera Puno entered into an option agreement to acquire a 100% interest in the Milenios mining concession, contiguous to the Cerro Hermoso Concessions. The Milenios option agreement has a four-year term. The purchase price is to be paid as follows:

- (i) US\$20,000 on July 26, 2018 (paid);
- (ii) US\$25,000 on or before July 26, 2019 (paid);
- (iii) US\$30,000 on or before July 26, 2020;
- (iv) US\$35,000 on or before July 26, 2021; and
- (v) The greater of: US\$200,000 and US\$1 for each ounce of gold contained in a National Instrument 43-101 compliant resource on or before July 26, 2022.

**MIRAMONT RESOURCES CORP.**

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

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

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

**Cerro Hermoso (cont'd...)**

In May 2020, the Company gave notice of its intension to not make the option payment due on July 26, 2020 and wrote off the carrying value of the Milenios concession as at April 30, 2020.

On February 5, 2019, Minera Puno entered into an option agreement to acquire a 100% interest in the An An mining concession, contiguous to the Cerro Hermoso Concessions. The An An option agreement has a four year term. The purchase price was to be paid as follows:

- (i) US\$30,000 on February 5, 2019 (paid);
- (ii) US\$20,000 on or before August 5, 2019;
- (iii) US\$60,000 on or February 5, 2021; and
- (iv) US\$500,000 on or before February 5, 2023.

During the nine months ended April 30, 2020, the Company decided to terminate its interest and wrote off the carrying value of the An An mining concession as at the Company's July 31, 2019 year-end.

During fiscal 2019, the Company recorded a write-off on exploration and evaluation assets of \$3,969,379 related to the Cerro Hermoso and An An concessions.

During the nine months ended April 30, 2020, the Company recorded a write-off on exploration and evaluation assets of \$59,338 related to the Milenios concession.

**Lukkacha**

On May 15, 2017, Minera Puno entered into an option agreement to acquire a 100% interest in certain mining concessions in the District of Chucatamani, Province of Tarata, Tacna Department in Peru, (the "Lukkacha Concessions"), known as the Lukkacha Option Agreement. The Lukkacha Option Agreement has a five year term. The purchase price is to 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.

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

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

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

Minera Puno is responsible, during the validity of the Lukkacha Option Agreement, to make annual payments for the license fees and penalties applicable to the Lukkacha Concessions.

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 the vendor an amount equal to 50% of the deficient amount of exploration expenditures.

In fiscal 2018, a total of \$264,490 of payments were made to the vendor as reimbursement for work incurred by the vendor on Lukkacha. Once the Supreme Decree is obtained, these payments will reduce the exploration expenditures commitment required on Lukkacha.

The Lukkacha Concessions are subject to a 2% net smelter returns royalty (“NSR”) in favour of the vendor which will take effect 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 NSR to 1.5% by making a payment to the vendor of US\$2,000,000. In addition, Minera Puno may further reduce the NSR to 1.0% by making an additional payment to the vendor of US\$3,000,000.

Exploration and evaluation expenditures (recovery) for the nine months ended April 30, 2020 are as follows:

Project	Cerro Hermoso	Lukkacha	Total
Assays	\$ 898	\$ -	\$ 898
Community programs	6,695	-	6,695
Field supplies	6,766	-	6,766
Geological consulting	5,410	-	5,410
Property payments, licences and rights	8,441	-	8,441
Travel	3,188	-	3,188
VAT (recovery)	(185,423)	-	(185,423)
Vehicle rentals and maintenance	4,770	-	4,770
Wages and benefits	85,233	-	85,233
Total	\$ (64,022)	\$ -	\$ (64,022)

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

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

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

Exploration and evaluation expenditures for the nine months ended April 30, 2019 are as follows:

Property	Cerro Hermoso	Lukkacha	Total
Assays	\$ 70,670	\$ -	\$ 70,670
Community programs	7,840	16,114	23,954
Drilling	569,223	-	569,223
Engineering	10,045	-	10,045
Environmental and permitting	315	-	315
Field supplies	38,940	592	39,532
Geological consulting	4,014	-	4,014
Legal	204	-	204
Property payments, licences and rights	38,938	-	38,938
Travel	32,765	5,128	37,893
VAT	266,145	-	266,145
Vehicle rentals and maintenance	38,308	-	38,308
Wages and benefits	212,329	-	212,329
Total	\$ 1,289,736	\$ 21,834	\$ 1,311,570

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	April 30, 2020	July 31, 2019
Accounts payable	\$ 18,435	\$ 48,656
Accrued liabilities	20,000	30,000
	\$ 38,435	\$ 78,656

**7. 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. As at April 30, 2020, the Company had not issued any preferred shares.

**MIRAMONT RESOURCES CORP.**

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

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

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**7. SHARE CAPITAL (cont'd...)**

**Issued share capital**

During the nine months ended April 30, 2020, the Company issued no common shares.

During the nine months ended April 30, 2019, the Company issued:

- a) 4,716,498 units at a price of \$0.35 per unit by way of a non-brokered private placement, for total proceeds of \$1,650,774. 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 \$0.50 per common share, for a period of two years from the date of issue. The Company paid a total of \$31,963 in finders' fees and legal fees and issued 80,156 finders' warrants. Each finders' warrant entitles the holder to purchase one common share at a price of \$0.50 per common share, for a period of two years from the date of issue. The finders' warrants were valued at \$18,158, calculated using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk free interest rate of 1.77%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 120%; and
- b) 958,439 common shares, for proceeds of \$408,642, on the exercise of warrants.

**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, 2020, there are nil (July 31, 2019 - 2,579,750) 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 of November 27, 2017 and that an additional 15% will be released therefrom every six-month interval thereafter, over a period of 36 months. As at April 30, 2020, there are 44,880 (July 31, 2019 - 67,320) shares held in escrow.

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

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

**7. SHARE CAPITAL (cont'd...)****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 nine months ended April 30, 2020, the Company granted no stock options (2019 - 1,145,000). During the nine months ended April 30, 2020, the Company expensed \$153,725 (2019 - \$374,430) in connection with the vesting of options granted in prior periods, which was recorded in share-based payments.

The weighted average fair value of stock options granted during the nine months ended April 30, 2020 was \$nil (2019 - \$0.343) per option. The fair value was calculated using the Black-Scholes option pricing model assuming a life expectancy of nil years (2019 - five years), a risk free interest rate of nil% (2019 - 1.81%), a forfeiture rate of nil (2019 - nil), and volatility of nil% (2019 - 119%).

During the nine months ended April 30, 2020, 198,334 (2019 - 316,666) incentive stock options were forfeited in accordance with their terms; accordingly, the \$52,011 (2019 - \$nil) of share-based payments associated with the forfeited stock options that had vested was reclassified from reserves to deficit.

Option transactions are summarized as follows:

	<b>Number of options</b>	<b>Weighted average exercise price</b>
Balance as at July 31, 2018	2,620,000	\$ 0.37
Granted	1,145,000	0.42
Forfeited	(316,666)	0.39
Balance as at July 31, 2019	3,448,334	0.39
Forfeited	(198,334)	0.39
Balance as at April 30, 2020	3,250,000	\$ 0.39

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

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

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

As at April 30, 2020, the Company had outstanding options enabling the holder to acquire common shares as follows:

<b>Number of options</b>	<b>Number of exercisable options</b>	<b>Exercise price</b>	<b>Weighted average remaining life (years)</b>	<b>Expiry date</b>
300,000	300,000	\$ 0.37	2.85	March 6, 2023
2,000,000	1,333,333	0.375	3.05	May 17, 2023
950,000	633,333	0.415	3.81	February 21, 2024
<b>3,250,000</b>	<b>2,266,666</b>			

**Share purchase warrants**

During the nine months ended April 30, 2020, 19,715,421 (2019 - 4,233,332) warrants expired in accordance with their terms; accordingly, the \$97,352 (2019 - \$nil) associated with the agents' and finders' warrants that expired was reclassified from reserves to share capital.

Share purchase warrant transactions are summarized as follows:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
Balance as at July 31, 2018	24,907,192	\$ 0.39
Issued	4,796,654	0.50
Exercised	(958,439)	0.43
Expired	(4,233,332)	0.15
Balance as at July 31, 2019	24,512,075	0.46
Expired	(19,715,421)	0.45
Balance as at April 30, 2020	4,796,654	\$ 0.50

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

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

**7. SHARE CAPITAL (cont'd...)****Share purchase warrants (cont'd...)**

As at April 30, 2020, the Company had outstanding share purchase warrants enabling the holders to acquire common shares as follows:

Number of warrants	Exercise price	Weighted average remaining life (years)	Expiry date
4,796,654	\$ 0.50	0.76	January 31, 2021
4,796,654			

**8. 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:

	Nine months ended April 30, 2020	Nine months ended April 30, 2019
Management fees	\$ 63,000	\$ 354,247
Professional fees	22,500	22,500
Share-based payments	118,106	258,301
	\$ 203,606	\$ 635,048

As at April 30, 2020, included in accounts payable and accrued liabilities was \$19,250 (July 31, 2019 - \$10,296) owing to officers and directors.

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

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

**9. SUPPLEMENTAL CASH FLOW INFORMATION**

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

	<b>Nine months ended April 30, 2020</b>	<b>Nine months ended April 30, 2019</b>
Reclassification of reserves to deficit on forfeit of stock options	\$ 52,011	\$ -
Reclassification of reserves to share capital on expiry of warrants	97,352	-
Allocation of reserves to share capital on exercise of warrants	-	28,126
Warrants issued as agents' and finders' fees	-	18,158

**10. 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:

	<b>Canada</b>	<b>Peru</b>	<b>Total</b>
As at April 30, 2020			
Exploration and evaluation assets	\$ -	\$ 1,522,678	\$ 1,522,678
Other assets	2,195,009	25,043	2,220,052
<b>Total assets</b>	<b>\$ 2,195,009</b>	<b>\$ 1,547,721</b>	<b>\$ 3,742,730</b>
For the three months ended April 30, 2020			
Loss and comprehensive loss	\$ (70,881)	\$ (92,099)	\$ (162,980)
For the nine months ended April 30, 2020			
Loss and comprehensive loss	\$ (323,826)	\$ (79,007)	\$ (402,833)

**MIRAMONT RESOURCES CORP.**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

**10. SEGMENTED INFORMATION (cont'd...)**

	Canada	Peru	Total
As at July 31, 2019			
Exploration and evaluation assets	\$ -	\$ 1,582,016	\$ 1,582,016
Other assets	2,369,811	80,232	2,450,043
Total assets	\$ 2,369,811	\$ 1,662,248	\$ 4,032,059
For the three months ended April 30, 2019			
Loss and comprehensive loss	\$ (496,787)	\$ (1,029,836)	\$ (1,526,623)
For the nine months ended April 30, 2019			
Loss and comprehensive loss	\$ (891,808)	\$ (1,542,664)	\$ (2,434,472)

**11. 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, 2020, 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 primary bank accounts are held with a major Canadian bank and funds are transferred to the subsidiary's foreign bank accounts as required to cover current expenditures; this minimizes the risk to the Company. Receivables are primarily due from a bank and 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 has sufficient cash as at April 30, 2020 to settle its current liabilities as they come due and management estimates funds are sufficient to further operations for the upcoming twelve months (Note 1).

**MIRAMONT RESOURCES CORP.**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

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

**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. The effect of a 10% change in the foreign exchange rate on cash held in US dollar accounts would be approximately \$61,000 for the nine months ended April 30, 2020.

*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% increase or decrease in the interest rates would result in a nominal difference in interest income for the nine months ended April 30, 2020.

*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.

*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 marketplace.

*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, receivables and accounts payable and accrued liabilities as amortized cost. The fair value of cash was determined using level 1. The fair value of receivables and accounts payable and accrued liabilities approximates their carrying values because of the short-term nature of these instruments.

**MIRAMONT RESOURCES CORP.**

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

(Expressed in Canadian Dollars)

(Unaudited)

APRIL 30, 2020

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**12. CAPITAL MANAGEMENT**

The Company defines capital as cash, debt, 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, 2020.

**13. SUBSEQUENT EVENT**

Subsequent to April 30, 2020, the Company executed a definitive agreement (the "Definitive Agreement") with Kuya Silver Corp. ("Kuya"), whereby the Company will acquire all of the issued and outstanding shares of Kuya in exchange for shares of the Company (the "Transaction"). Kuya is a privately held Canadian-based silver focused mining company earning into an 80% interest in the Bethania Silver Mine located in central Peru.

Pursuant to the Definitive Agreement, the Company will complete a consolidation of its issued and outstanding common shares (the "Consolidation") on the basis of one post-Consolidation common share (the "Shares") for every 10 outstanding common shares in the capital of the Company. Following the Consolidation, each of the shareholders of Kuya will receive 1.835 Shares in exchange for each share held in the capital of Kuya and holders of convertible securities in Kuya will receive replacement securities in the Company adjusted in accordance with the Exchange Ratio. As a condition to the completion of the Transaction, Kuya must complete a private placement financing (the "Concurrent Financing"). The Concurrent Financing is expected to consist of a brokered private placement of subscription receipts at a price of \$1.65 ("Subscription Receipts") per Subscription Receipt to raise gross proceeds of up to \$10,000,000. Upon completion of the Transaction the Company will change its name to "Kuya Silver Corporation" or such other similar name as the parties may agree to (the "Name Change"). It is expected that upon closing of the Transaction, the current shareholders of the Company will hold approximately 30% of the outstanding shares and the Kuya shareholders will hold approximately 70% of the outstanding Shares (not including the issuance of Shares pursuant to the Concurrent Financing). Accordingly, it is expected that the Transaction will be accounted for as a reverse takeover of the Company by Kuya and following closing of the Transaction, the consolidated financial statements of the combined company will be those of Kuya, the accounting acquiree.

Completion of the Transaction is subject to a number of closing conditions, including the completion of the Consolidation, completion of the Name Change, completion of the Concurrent Financing, and applicable shareholder and regulatory approvals.