

KUYA SILVER CORPORATION
(formerly, Miramont Resources Corp.)

CSE FORM 2A
LISTING STATEMENT

October 1, 2020

1. TABLE OF CONTENTS

1.	TABLE OF CONTENTS.....	1
1.	INTRODUCTION	1
2.	CORPORATE STRUCTURE	5
	2.1 – Corporate Name and Head and Registered Office.....	5
	2.2 – Jurisdiction of Incorporation.....	5
	2.3 – Inter-corporate Relationships.....	6
	2.4 – Fundamental Change	7
3.	GENERAL DEVELOPMENT OF THE BUSINESS.....	7
	3.1 – General Development of the Issuer’s Business	7
	3.2 – Significant Acquisitions and Dispositions	10
	3.3 – Trends, Commitments, Events or Uncertainties	11
4.	NARRATIVE DESCRIPTION OF THE BUSINESS.....	12
	4.1 – Narrative Description of the Issuer’s Business	12
	4.2 – Asset Backed Securities.....	14
	4.3 – Mineral Properties.....	14
5.	SELECTED CONSOLIDATED FINANCIAL INFORMATION	27
6.	MANAGEMENT’S DISCUSSION AND ANALYSIS	30
7.	MARKET FOR SECURITIES	30
	7.1 – Listings.....	30
8.	CONSOLIDATED CAPITALIZATION.....	30
	8.1 – Consolidated Capitalization – Issuer	30
9.	OPTIONS TO PURCHASE SECURITIES.....	31
	9.1 – Stock Option Plan – Issuer.....	31
10.	DESCRIPTION OF THE SECURITIES	32
	10.1 - Description of the Issuer’s Securities	32
	10.2 – 10.6 – Miscellaneous Securities Provisions.....	32
	10.7 – Prior Sales	32
	10.8 – Stock Exchange Price	33
11.	ESCROWED SECURITIES	34
	11.1 – Escrowed Securities	34
12.	PRINCIPAL SHAREHOLDERS	36

12.1 and 12.2 – Principal Shareholders	36
12.3 – Voting Trusts	36
13. DIRECTORS AND OFFICERS	36
13.1 – 13.5, 13.11 – Directors and Officers	36
13.6 – 13.9 Cease Trade Orders, Bankruptcies, Penalties or Sanctions	41
13.10 – Conflicts of Interest.....	42
14. CAPITALIZATION	44
14.1 – Issued Capital.....	44
14.2 – Convertible Securities	48
14.3 – Other Securities reserved for Issuance.....	48
15. EXECUTIVE COMPENSATION.....	48
16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS.....	52
17. RISK FACTORS	52
17.1 – Description of Risk Factors	52
18. PROMOTERS.....	66
19. LEGAL PROCEEDINGS.....	66
19.1-19.2 – Legal Proceedings and Regulatory Actions.....	66
20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	66
21. AUDITORS, TRANSFER AGENTS AND REGISTRARS	67
21.1 – Auditors.....	67
22. MATERIAL CONTRACTS	67
22.1 – Material Contracts of the Issuer	67
22.2 – Special Agreements	67
23. INTEREST OF EXPERTS	67
23.1 – Interest of Experts – Issuer	67
24. OTHER MATERIAL FACTS	67
25. FINANCIAL STATEMENTS	68
SCHEDULE “A” CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION AND ANALYSIS’ OF KUYA.....	69
SCHEDULE “B” CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION AND ANALYSIS’ OF MIRAMONT	70
SCHEDULE “C” PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF MIRAMONT	71

SCHEDULE "D" AUDIT COMMITTEE CHARTER	72
CERTIFICATE OF KUYA SILVER CORPORATION (FORMERLY MIRAMONT RESOURCES CORP.).....	79

1. INTRODUCTION

This Listing Statement is furnished by and on behalf of the management of Kuya Silver Corporation (formerly, Miramont Resources Corp.) (the “**Issuer**”) in order to qualify for listing the securities of the resulting issuer following a fundamental change under the policies of the CSE.

The information contained or referred to in this Listing Statement with respect to Kuya Silver Corp. (“**Kuya**”), the private company that amalgamated with 2757974 Ontario Inc. (“**Subco**”) prior to the fundamental change and their related business has been provided by Kuya management and is the responsibility of such entity. The Issuer has reviewed information and documents provided by Kuya, including audited consolidated financial statements of Kuya. Management and directors of Miramont have relied upon Kuya for the accuracy of the information provided by Kuya.

Forward-Looking Statements

Unless otherwise indicated, use of the term “**Issuer**” refers to Kuya Silver Corporation (formerly named Miramont Resources Corp.). The information provided in this Listing Statement, including information incorporated by reference, may contain “forward-looking statements” in respect of the Issuer.

Cautionary Statement Regarding Forward-Looking Information

Forward-looking statements are based on the beliefs of the Issuer’s management, as well as on assumptions, which management believes to be reasonable based on information currently available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation those risks outlined in Section 17 of this Listing Statement.

The list of risk factors set out in this Listing Statement is not exhaustive of the factors that may affect any forward-looking statements of the Issuer. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this Listing Statement generally and certain economic and business factors, some of which may be beyond the control of the Issuer. In addition, events in the world economy and global financial and credit markets have resulted in high market and commodity volatility and a contraction in debt and equity markets, which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Issuer does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the Issuer’s securityholders should not place undue reliance on forward-looking statements. The Issuer undertake no obligation to update or revise

any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation (see Section 17 – *Risk Factors*).

Units and Currency

All units of measurement in this Listing Statement are metric unless otherwise stated. Some historical records and figures that are disclosed in the Listing Statement are stated in Imperial measurements. Currencies are stated in Canadian dollars unless otherwise stated.

Base metal values are stated in percent (%), parts per billion (ppb), or parts per million (ppm). Historical gold and silver grades are stated in their original unit of “oz Au per ton” (ounces per short ton gold), or, “oz Ag per ton” (ounces per short ton silver), although in some cases metric equivalents are also given for clarity. Recent gold and silver analyses are stated in parts per billion (ppb) and parts per million (ppm) respectively, or g/t Au (grams per metric tonne gold) and g/t Ag (grams per metric tonne silver).

GLOSSARY

The following terms used in this Listing Statement have the meanings set forth below:

“**Aerecura**” means Aerecura Materiales SAC, the 98.33% owned subsidiary of Kuya Silver Corp., formed on July 19, 2017 pursuant to the laws of Peru, with the remaining 1.67% held by David Stein on behalf of Kuya.

“**Agency Agreement**” means the agency agreement dated July 23, 2020 between Kuya, Miramont and Cormark (on behalf of itself and on behalf of the Agents) whereby the Agents, Miramont and Kuya completed a best efforts brokered offering of subscription receipts for gross proceeds of \$11,838,074.

“**Agents**” means the syndicate of agents led by Cormark and including of Canaccord Genuity Corp., PI Financial Corp. and Red Cloud Securities Inc.

“**Amalgamation**” means the amalgamation between Subco and Kuya pursuant to Section 174 of the OBCA and in accordance with the terms of the Amalgamation Agreement, which shall result in the business combination of Miramont and Kuya all as further described in this Listing Statement.

“**Amalgamation Agreement**” means the amalgamation agreement entered into between Miramont, Kuya and Subco dated June 10, 2020 whereby the parties agreed to, among other things, combine their business by way of a three-cornered amalgamation.

“**BCBCA**” means the means the *Business Corporations Act* (British Columbia).

“**Bethania Silver Property**” or “**Bethania Project**” or “**Bethania Silver Project**” means the Bethania silver property of the Issuer located in Peru.

“**Bethania SPA**” means the share purchase agreement entered into on October 9, 2017 whereby Kuya has the option to acquire up to 80% of the shares of S & L Andes Export SAC, a Peruvian company that is the current majority owner of the Bethania Silver Property.

“**Board**” means the board of directors of the Issuer;

“**Common Shares**” means the common shares in the capital of the Issuer.

“**Consolidation**” means a consolidation of the issued and outstanding Miramont Shares on the basis of the Consolidation Ratio;

“**Consolidation Ratio**” means the ratio for the Consolidation, being one (1) post-Consolidation Miramont Share for every ten (10) pre-Consolidation Miramont Shares;

“**Cormark**” means Cormark Securities Inc.

“**CSE**” or “**Exchange**” means the Canadian Securities Exchange.

“**Escrow Agreement**” means the Form 46-201 Escrow Agreement to be entered into and dated on or before the date of listing on the Exchange.

“**Escrowed Funds**” means the gross proceeds deposited in escrow with the Subscription Receipt Agent in connection with the Financings.

“**Exchange Ratio**” means 1.835 common shares of the Issuer to be exchanged for each Kuya Share held by the Kuya Shareholders.

“**Financings**” means collectively: (i) the brokered private placement of 7,174,590 Subscription Receipts at a price of \$1.65 per Subscription Receipt for gross proceeds of \$11,838,074 completed on July 23, 2020; and (ii) the non-brokered private placement of 303,030 Subscription Receipt at a price of \$1.65 per Subscription Receipt for gross proceeds of \$500,000 completed on July 23, 2020, whereby in both cases each Subscription Receipt will be automatically converted into one (1) Kuya Share upon the satisfaction or waiver of certain escrow release conditions. The brokered part of the Financing was conducted by the Agents, led by Cormark as lead agent.

“**Issuer**” means Miramont following the completion of the Transaction to be renamed “Kuya Silver Corporation” incorporated on July 15, 2015 pursuant to the BCBCA.

“**Kuya**” means Kuya Silver Corp., the entity prior to completion of the Transaction incorporated on August 9, 2017 pursuant to the OBCA.

“**Kuya Shares**” means the issued and outstanding common shares in the capital of Kuya prior to the completion of the Transaction.

“**Kuya Shareholders**” means the former shareholders of Kuya prior to the completion of the Transaction.

“**Kuya Silver**” means Kuya Silver Inc., the wholly owned subsidiary of the Issuer formed on October 1, 2020 pursuant to articles of amalgamation under the OBCA.

“**Listing Statement**” means this listing statement and including all information incorporated by reference herein together with all Schedules hereto.

“**Listing Date**” means the date of listing of the common shares of the Issuer.

“**Minero Puno**” means Minero Puno Gold, S.A.C., a company formed on August 4, 2016 pursuant to the laws of Peru, and a wholly owned subsidiary of Puno Gold Corporation.

“**Miramont**” means Miramont Resources Corp., the entity immediately prior to the completion of the Transaction, incorporated on July 15, 2015 under the laws of the BCBCA.

“**Miramont Shares**” means the common shares in the capital of Miramont.

“**Name Change**” means the name change of Miramont to “Kuya Silver Corporation”.

“**Named Executive Officer**” or “**NEO**” has the meaning attributed to those terms at “15. Executive Compensation” and “15.1 Compensation of Executive Officers – A. Named Executive Officers”, respectively;

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Option Plan**” means the stock option plan of the Issuer approved by the shareholders of Miramont on February 6, 2020.

“**Puno Gold Corporation**” means Puno Gold Corporation, a company formed pursuant to the OBCA on July 12, 2016, and a wholly owned subsidiary of the Issuer.

“**Soria Family**” means Alfredo Soria and Erika Soria.

“**Subco**” means 2757974 Ontario Inc., the entity incorporated on May 29, 2020 pursuant to the OBCA.

“**Subscription Receipts**” means the subscription receipts issued pursuant to the Financings at a price of \$1.65 per Subscription Receipt.

“**Subscription Receipt Agent**” means Computershare Trust Company of Canada.

“**Technical Report**” means National Instrument 43-101 technical report entitled “Independent Technical Report on the Bethania Silver Project” dated August 29, 2019 and effective July 31, 2019, prepared for Kuya by Scott Jobin-Bevans, PhD, PMP, P.Geo. of Caracle Creek International Consulting Inc.

“**Transaction**” means the business combination transaction between Kuya and Miramont in accordance with the terms and conditions of the Amalgamation Agreement pursuant to which, among other matters:

- (a) Kuya completed the Financings;
- (b) the Name Change was completed;
- (c) Miramont completed the Consolidation; and
- (d) Subco and Kuya completed the Amalgamation, as a result of which Miramont acquired all of the issued and outstanding securities of Kuya by way of the Amalgamation after giving effect to the Consolidation, and after which Kuya Silver became a direct wholly-owned subsidiary of Miramont, and Miramont was re-named “Kuya Silver Corporation”.

2. CORPORATE STRUCTURE

2.1 – Corporate Name and Head and Registered Office

Miramont was incorporated under the name "Miramont Capital Corp." on July 15, 2015 under the laws of the BCBCA. Miramont's head office is located at 23rd Floor, 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3. Miramont's registered and records office is located at 40440 Thunderbird Ridge B1831, Garibaldi Highlands, British Columbia, V0N 1T0. The name of the Issuer was changed to "Miramont Resources Corp." on November 18, 2016. On October 1, 2020, the name of the Issuer was changed to "Kuya Silver Corporation" in connection with the Amalgamation. In each case the name changes were pursuant to articles of amendment filed pursuant to the BCBCA.

Subco is wholly-owned by Miramont. Miramont Subco was incorporated on May 29, 2020 under the OBCA with its head office and registered office located at 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2. Subco has not carried on any business since incorporation and has no assets and no liabilities. Subco was incorporated solely for the purposes of participating in the Transaction.

Puno Gold Corporation was incorporated under the name "Puno Gold Corporation" on July 12, 2016 under the OBCA and was continued into British Columbia under the BCBCA on December 10, 2018. Puno Gold Corporation's head office and registered and records office is located at 40440 Thunderbird Ridge B1831, Garibaldi Highlands, British Columbia, V0N 1T0. Puno Gold Corporation's assets and liabilities are held through its wholly-owned subsidiary, Minera Puno Gold, S.A.C.

Minera Puno Gold, S.A.C. was incorporated on August 4, 2016 pursuant to the laws of Peru and is a wholly-owned subsidiary of Puno Gold Corporation.

Kuya was incorporated in the Province of Ontario pursuant to the OBCA by filing articles of incorporation effective August 9, 2017. The registered office and principal place of business of Kuya is located in the City of Toronto, Ontario at 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

Aerecura, the subsidiary of Kuya, was formed on July 19, 2017 pursuant to the laws of Peru. The registered and head office address of Aerecura is Avenida 28 de Julio #1044, Lima, Peru.

2.2 – Jurisdiction of Incorporation

Kuya was incorporated pursuant to the OBCA as noted above. In connection with the Transaction Kuya amalgamated with Subco to form Kuya Silver, a wholly owned subsidiary of the Issuer.

Aerecura was incorporated pursuant to the laws of Peru as noted above.

Miramont was incorporated pursuant to the BCBCA as noted above.

Subco was incorporated pursuant to the OBCA as noted above.

Puno Gold Corporation was incorporated pursuant to the OBCA as noted above.

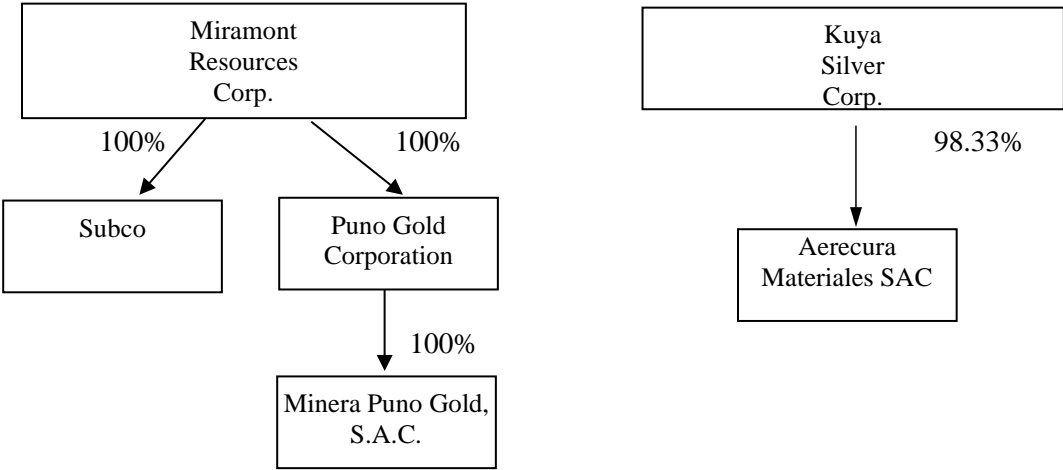
Minero Puno Gold S.A.C. was incorporated pursuant to the laws of Peru as noted above.

2.3 – Inter-corporate Relationships

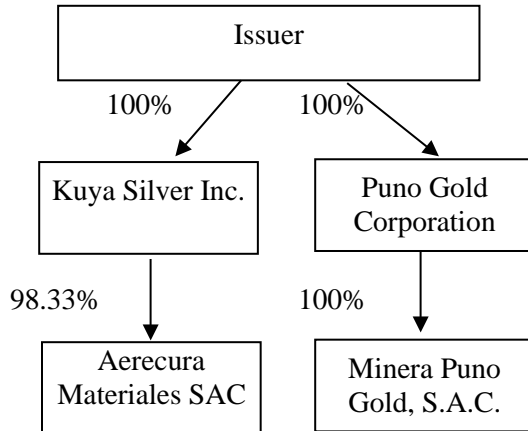
As of the date of this Listing Statement:

- 1) The Issuer owns:
 - a. 100% of Kuya Silver;
 - b. 100% of Puno Gold Corporation;
- 2) Kuya Silver owns 59 common shares or 98.33% of Aerecura. Aerecura is the holder of the Issuer’s mineral property interests in Peru that have been acquired outside of the Bethania SPA;
- 3) Puno Gold Corporation owns 100% of Minera Puno Gold, S.A.C.

Prior to the Transaction



Following the Transaction



2.4 – Fundamental Change

Amalgamation

On October 1, 2020, the Issuer acquired all of the issued and outstanding Kuya Shares by way of a three-cornered amalgamation pursuant to Section 174 of the OBCA and in accordance with the terms of the Amalgamation Agreement. In connection and pursuant to the terms of the Amalgamation Agreement, the Issuer issued 26,763,410 common shares, in exchange for an aggregate of 14,584,969 Kuya Shares, being all of the issued and outstanding common shares in the capital of Kuya. Accordingly, the Kuya Shareholders received 1.835 common shares of the Issuer for each Kuya Share held. Upon completion of the Amalgamation and related transactions necessary to complete the Amalgamation, Kuya amalgamated with Subco to form Kuya Silver Inc., a wholly-owned subsidiary of the Issuer.

A copy of the Amalgamation Agreement is available on SEDAR under the Issuer’s profile, which can be accessed through the internet at www.sedar.com.

2.5 -- Non-Corporate Issuers and Issuers Incorporated Outside of Canada

The Issuer holds certain non-material mineral interests through its Peruvian subsidiaries, Aerecura and Minera Puno, companies duly incorporated and existing under the laws of Peru.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 – General Development of the Issuer’s Business

The Issuer

The Issuer is a metals development company with a focus on silver deposits containing various amounts of lead, zinc, copper and gold by-products. The principal business of the Issuer, following

the acquisition of Kuya, is the acquisition, exploration, development and mining of precious metal deposits in Peru.

The Issuer is currently focused on earning an 80% interest in the Bethania Silver Property (as detailed below) in Peru and subsequently exploring, developing and implementing an expansion project to better optimize production from the Bethania Silver Property. At the present time, the Issuer is focused on completing engineering design for the first-ever concentration plant to be built at site, as well as permitting the plant and other work required for the expansion.

Recent Developments

In February 2020, Kuya raised USD\$557,500 through the issuance of 464,583 Kuya Shares at USD\$1.20 per share.

In June 2020, Kuya entered into an amending agreement with S & L Andes Export SAC (“**Andes**”), the owner of the Bethania Silver Property, whereby the following material changes were made to the Bethania SPA:

- the deadline date to fulfill terms of agreement was extended to April 30, 2021;
- confirmation of US\$3.66 million invested as of April 30, 2020 and agreement to convert \$3.11 million into a 27% interest in Andes and retain a loan to Andes for \$550,000 plus amount invested in the future under the terms of the Bethania SPA. The issuance of shares in Andes to Kuya will occur concurrently with a new shareholders agreement being signed by Kuya and certain shareholders of Andes; and
- Kuya Shares issued to the shareholders of Andes as payment cannot be sold for one year after the date of issuance.

On June 10, 2020 Kuya announced the entering into of the Amalgamation Agreement pursuant to which Miramont, among other things, acquired all of the issued and outstanding shares of Kuya, as noted above. Under the terms of the Transaction, all of the Kuya Shares, including Kuya Shares issued or deemed issued to the Kuya Shareholders in connection with the Financings (as detailed below), were exchanged at a ratio of 1.835 of a Miramont post-Consolidation common share for each Kuya Share. Upon completion of the Transaction, existing Miramont and Kuya shareholders owned approximately 17.2% and 82.8% of the Kuya’s pro forma issued and outstanding shares, respectively, on a non-diluted basis.

On June 10, 2020 Kuya entered into an engagement letter with Cormark with respect to the engagement of the Agents to assist with a best efforts financing of up to \$10,000,000. On July 23, 2020 Kuya, Miramont and Cormark (on behalf of itself and on behalf of the Agents) entered into the Agency Agreement which superseded the engagement letter and increased the offering to up to \$13,000,000.

On July 23, 2020, Kuya entered into the Agency Agreement whereby Kuya completed Financings and issued 7,477,620 subscription receipts at a price per subscription receipt of \$1.65 for aggregate gross proceeds of \$12,338,074 as detailed and noted below.

In late June, Miramont provided notice that it will terminate its interest in its Lukkacha option agreement and, accordingly, the full carrying value of \$1,522,678 (USD\$1,095,609) being the exploration and evaluation assets will be written off and allocated to the cost of the public listing expense.

On August 25, 2020, Miramont announced that Kuya received approval from the Regional Government of Huancavelica for the Estudio de Impacto Ambiental Semi Detallado (in English, the Semi Detailed Environment Impact Study) for the Concesion de Beneficio Planta Bethania (in English, the Bethania processing plant project).

Following the entering of the Amalgamation Agreement, the Issuer completed the Transaction, including the Consolidation, the Name Change and the Financings, all as described in Section 3.2 below.

Three Year History

Financial Year Ended December 31, 2019

In May 2019, Kuya issued 1,284,000 Kuya Shares pursuant to a private placement for USD\$1.00 per share. The proceeds comprised cash of USD\$725,000, settlement of a related party loan for USD\$500,000 and settlement of fees for services amounting to USD\$59,000.

On July 31, 2019, Kuya received a technical report prepared in accordance with NI 43-101, for the Bethania Silver Property, titled “Independent Technical Report on the Bethania Silver Project, Department of Huancavelica, Province of Huancavelica, District of Acobambilla, Peru” with an effective date of July 31, 2019.

In September 2019, Kuya issued 97,500 Kuya Shares at USD\$1.00 per share pursuant to a private placement for cash proceeds of USD\$97,500.

In December 2019, Kuya issued 195,733 Kuya Shares at USD\$1.20 per share pursuant to a private placement for cash proceeds of USD\$234,880.

Over the course of 2019, Kuya’s investments into the Bethania SPA (as defined below) included financial restructuring of Andes, permitting the concentration plant and tailings storage, basic engineering design, geological evaluation and care and maintenance of the mine.

Financial Year Ended December 31, 2018

During 2018, Kuya raised USD\$1,494,000 through the issuance of units priced at USD\$1.00 per unit. Each unit included one Kuya common share and a one quarter of a common share performance warrant, which would be exercised at a nominal cost on completion of the acquisition of 80% of Andes by Kuya in connection with the Bethania Silver Property. Subsequently in 2018,

Kuya raised an additional USD\$238,200 through the issuance of common shares priced at USD \$1.00 per share. Over the course of the year, Kuya's investments into the Bethania SPA included financial restructuring of Andes, permitting the concentration plant and tailings storage, and care and maintenance of the mine.

Financial Year Ended December 31, 2017

In October 2017, Kuya entered into a share purchase agreement with Andes (the "**Bethania SPA**") to acquire up to 80% of the shares of Andes, a private Peruvian company based in Lima, that owns 100% of the Bethania Silver Property (Santa Elena concession) and Chinita I concession (together the "**Asset**" or the "**Bethania Silver Property**").

Kuya agreed to acquire an 80% controlling interest in the Asset from Alfredo Soria and Erika Soria, the owners of Andes, by investing a total of US\$10.0 million; a combination of work and capital/debt commitments to the Asset, cash payments, and Kuya Shares. The current Bethania SPA (amended in June 2020) outlines the following payments to acquire the Asset:

- US\$4.5M investment in the Bethania Silver Property:
 - US\$2.5M toward repayment of debt and liabilities.
 - US\$2M for a work program (*e.g.* drilling, technical studies, mine expansion), mine care and maintenance, G&A, and deal costs.
- US\$3.5M acquisition payment (cash).
- US\$2.0M in Kuya Shares at a deemed price of USD\$1.00 on closing of acquisition of Andes.

The entire investment and payments must be made by April 30, 2021. If Kuya reaches such date before the entire investment amount and payment has been completed or Kuya terminates the Bethania SPA prior to such date, it will receive the proportional ownership of Andes based on a total valuation of US\$12.5 million and enter into a new shareholders' agreement with the Soria Family. Also, in the event that Kuya determines that the entire amount allocated to debt and liabilities repayment is not required, the difference could be re-allocated to the work program at Kuya's discretion such that the total investment amount remains the same. As of April 30, 2020, Kuya and the Soria Family agreed to recognize Kuya's investment of US\$3.66M by converting US\$3.11M into a 27.0% interest in Andes with \$550,000 being retained as a loan from Kuya to Andes pursuant to the terms of the Bethania SPA. From April 30, 2020 to July 31, 2020, Kuya invested an additional US\$198,000 under the terms of the Bethania SPA for a total investment of US\$3.858M as of July 31, 2020.

3.2 – Significant Acquisitions and Dispositions

A. Overview of Transaction

The Transaction

On October 1, 2020, the Issuer acquired all of the issued and outstanding Kuya Shares by way of the Amalgamation with the shareholders of Kuya pursuant to the terms of the Amalgamation Agreement. Pursuant to the Amalgamation Agreement, the Issuer issued 26,763,410 Common

Shares, in exchange for an aggregate of 14,584,969 Kuya Shares, being all of the issued and outstanding share capital of Kuya.

Accordingly, Kuya Shareholders received 1.835 common shares of the Issuer for each Kuya Share held. Upon completion of the Amalgamation, Kuya Silver became a wholly-owned subsidiary of the Issuer.

A copy of the Amalgamation Agreement is available on SEDAR under the Issuer's profile, which can be accessed through the internet at www.sedar.com.

B. Consolidation and Name Change

Prior to the completion of the Transaction, Miramont had 55,773,234 Common Shares issued and outstanding. In connection with the Transaction, on October 1, 2020, the Miramont consolidated its outstanding Common Shares on the basis of the Consolidation Ratio and changed its name to "Kuya Silver Corporation". Immediately following the Consolidation (and prior to the completion of the Transaction, the Issuer had 5,577,322 Common Shares issued and outstanding. Following the completion of the Transactions and on the date of this Listing Statement, the Issuer had 32,340,732 Common Shares issued and outstanding.

C. Concurrent Financing

In connection with the Transaction, Kuya also completed a brokered private placement financing on July 23, 2020, of 7,174,590 Subscription Receipts, at an issue price of \$1.65 per Subscription Receipt, for gross proceeds of \$11,838,074. The Financings was completed by a syndicate of agents led by Cormark Securities Inc. and including of Canaccord Genuity Corp., PI Financial Corp. and Red Cloud Securities Inc. The Agents received cash commissions of \$559,709 based on certain gross proceeds received by Kuya. In connection with the Financings Kuya also closed a non-brokered private placement on July 23, 2020 of 303,030 subscription Receipts at a price of \$1.65 per Subscription Receipt for gross proceeds of \$500,000. For the purposes of this Listing Statement "Financings" shall collectively refer to both the brokered and non-brokered private placements unless otherwise indicated.

The gross proceeds of the Financings, less 25% of certain agent's fees and expenses, were deposited in escrow on the closing date of the Financings. The Escrowed Funds were released from escrow to Kuya immediately prior to closing of the Transactions and each Subscription Receipt was deemed automatically exchanged without any further action by the holder of such Subscription Receipt and for no additional consideration, for one Kuya Share. Such Kuya Share was subsequently exchanged for a common share in the Issuer on the basis of the Exchange Ratio.

3.3 – Trends, Commitments, Events or Uncertainties

There are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Issuer's business, financial condition or results of operations. However, there are significant risks associated with the Issuer's business, as described in Item 17 — Risk Factors.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 – Narrative Description of the Issuer’s Business

Business Objectives and Milestones

Upon completion of the Transaction, the Issuer will continue in the junior mining exploration business with a focus on the Bethania Silver Property.

The Issuer will use its available capital to finance exploration and development on the Bethania Silver Property as further described in the “Summary of Technical Report – Recommendations”. and for general working capital purposes. The Issuer's immediate short-term objectives will be to fulfill the terms of the Bethania SPA to complete the acquisition of 80% of Andes in addition to completing the recommended exploration program on the Bethania Silver Property.

The Issuer's long-term objectives will be to:

- (a) determine if an economic mineral deposit exists on the Bethania Silver Property;
- (b) find one or more economic mineral deposits and bring them to commercial production; and
- (c) deliver a return on capitalization to shareholders.

The Board may, in its discretion, approve asset or corporate acquisitions or investments (including acquisitions outside the mining industry) that do not conform to these guidelines based upon the Board of Directors' discretion, in accordance with prescribed legal requirements.

On October 9, 2017 the Issuer entered into the Bethania SPA with Andes to acquire up to 80% of the shares of Andes, a private Peruvian company based in Lima, that owns 100% of the Bethania Silver Property. The Issuer’s business objectives and timeframes that it expects to accomplish in the forthcoming 12-month period are as follows:

Timeframe	Business Objectives	Estimated Costs
0 to 6 months	Close Andes acquisition (to acquire 80% of Bethania Mine), initial drill program and complete 43-101 report, complete engineering design for plant	\$7,000,000
6 to 8 months	Complete mine engineering design, complete preliminary economic assessment (PEA) of the expansion project, start 2021 exploration program (including drilling program)	\$1,250,000
8 to 12 months	Continue exploration program at mine site and begin initial regional exploration program	\$500,000

Milestones

To pursue the foregoing business objectives, the Issuer will target the milestones and conduct the recommended exploration programs set forth in the Technical Report.

Use of Available Funds

The following funds are available to the Issuer:

Description of Funds	Amount
Estimated working capital of Miramont as of August 31, 2020	\$1,954,140
Estimated working capital deficiency of Kuya as of August 31, 2020	(\$378,118)
Net proceeds from the Financings ⁽¹⁾	\$11,778,365
Less expenses and costs of the Transaction	(\$450,000)
Total available funds:	\$12,904,387

Note:

(1) After the deduction of \$559,709 in Agent's Fees and expenses.

The Issuer will use the funds available to it to further its business objectives. Specifically, the Issuer will use the funds available to it as follows:

Principal Purpose of Funds	Amount
Exploration Program for the Bethania Silver Property	\$575,000
Complete Acquisition of 80% Interest in Andes ⁽¹⁾	\$4,727,775
General and administrative expenses	\$1,200,000
Unallocated working capital ⁽²⁾	\$6,401,612
Total	\$12,904,387

Notes:

(1) The amounts due under the Bethania SPA for the Issuer to complete the acquisition of the Bethania Silver Property are denominated in U.S. dollars, being USD\$4,065,922 (which includes the expenditures to be made on Phase 1 of the exploration program noted above). The Canadian dollar amount shown above is for illustrative purposes only and will vary depending on the prevailing exchange rates of the Canadian dollar to the U.S. dollar at Closing and thereafter. The amount shown assumes an exchange rate equal to USD\$1.00 = CAD\$1.3042, being the Bank of Canada exchange rate on August 31, 2020.

- (2) A portion of this amount may be used to complete mine engineering design, complete preliminary economic assessment (PEA) of the expansion project, start 2021 exploration program (including drilling program initial drill program and complete 43-101 report, complete engineering design for plant and other work on the Bethania Silver Property.

A summary of the estimated annual general and administrative costs for the 12 months immediately following the listing of the Issuer on the Exchange is as follows:

Item	Amount
Professional fees (legal, accounting, tax)	\$110,000
Consulting fees (management and administration)	\$720,000
Corporate and shareholder communications	\$20,000
Rent	\$20,000
Office (supplies, services, travel)	\$20,000
Marketing and promotion	\$150,000
Transfer agent and regulatory fees	\$25,000
Insurance	\$25,000
Director Fees	\$110,000
Total	\$1,200,000

Management's intention is to proceed with the recommended exploration at the Bethania Silver Property. It is possible, however, that some portion of the Issuer's available funds allocated for such work programs will be devoted to other acquisition, development or exploration opportunities identified by the Issuer from time to time. Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to the Issuer. Accordingly, the Issuer may abandon in whole or in part any of its property interests or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by the Issuer, although the Issuer has no present plans in this respect.

4.2 – Asset Backed Securities

Not applicable to the Issuer.

4.3 – Mineral Properties

A. Overview

Bethania Silver Property

In October 2017, Kuya entered into the Bethania SPA to acquire up to 80% of the shares of Andes, a private Peruvian company based in Lima, that owns 100% of the Bethania Silver Property (Santa Elena concession) and Chinita I concession (together the “Asset”).

Kuya agreed to acquire an 80% controlling interest in the Asset from Alfredo Soria and Erika Soria (the “**Soria Family**”), the owners of Andes, by investing a total of US\$10.0 million; a combination of work and capital/debt commitments to the Asset, cash payments, and Kuya Shares. The current Bethania Share Purchase Agreement (amended in June 2020) outlines the following payments to acquire the Asset:

- US\$4.5M investment in the Bethania Silver Property:
 - US\$2.5M toward repayment of debt and liabilities.
 - US\$2M for a work program (drilling, PEA, mine expansion), mine care and maintenance, G&A, and deal costs.
- US\$3.5M deferred acquisition payment (cash).
- US\$2.0M in Kuya Shares at a deemed price of USD\$1.00) on closing of acquisition of Andes.

The entire investment and payments must be made by April 30, 2021. If Kuya reaches such date before the entire investment amount and payment has been completed or Kuya terminates the Bethania SPA prior to such date, it will receive the proportional ownership of Andes based on a total valuation of US\$12.5 million and enter into a new shareholders’ agreement with the Soria Family. Also, in the event that Kuya determines that the entire amount allocated to debt and liabilities repayment is not required, the difference could be re-allocated to the work program at Kuya’s discretion such that the total investment amount remains the same. As of April 30, 2020, Kuya and the Soria Family agreed to recognize Kuya’s investment of US\$3.66M by converting \$3.11M into a 27.0% interest in Andes with \$550,000 being retained as a loan from Kuya to Andes pursuant to the terms of the Bethania SPA.

Technical Report

The Issuer has determined that its only material property is the Bethania Silver Property. Unless otherwise indicated, the following summary is extracted from, and qualified in its entirety with reference to the full text of, the National Instrument 43-101 Technical Report entitled “Independent Technical Report on the Bethania Silver Project” dated August 29, 2019 and effective July 31, 2019, prepared for Kuya by Scott Jobin-Bevans, PhD, PMP, P.Geo. of Caracle Creek International Consulting Inc., which is incorporated by reference herein.

The Technical Report has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) developed by Canadian Securities Administrators, which is accessible to investors online at www.sedar.com. A copy of the Technical Report may be inspected during normal business hours at the offices of the Issuer.

The scientific and technical information contained in this Listing Statement concerning the Bethania Silver Property, including under the heading "*Summary of Technical Report*", below, has been reviewed and approved by Scott Jobin-Bevans, PhD, PMP, P.Geo. of Caracle Creek International Consulting Inc., who is a "qualified person" for purposes of NI 43-101, and is independent of Kuya Silver and the Issuer.

Summary of Technical Report

The Bethania Project is the material property of the Issuer, as summarized below and in the Technical Report.

Property Description, Location and Access

Property Description and Location

The Bethania Silver Project, located in the high Andes of Central Peru and about 70 km (direct) southwest of the city of Huancayo, capital city of neighbouring Junín Department, consists of four concessions situated near the borders of the departments of Huancavelica, Lima and Junín. Collectively, the four concessions are referred to as the Bethania Silver Project (the "Project") and the focus of this Report is the Santa Elena concession (the "Property", "Bethania Property" or "Bethania Mine").

The Santa Elena concession, on which the Bethania Silver Mine is located, is in the northwestern part of Huancavelica Department, Province of Huancavelica, and District of Acobambilla. The Property is about 316 km by road from Peru's capital city of Lima, but it is possible to fly from Lima to Jauja (Jauja is about 50 km or an one hour drive from Huancayo) and then drive southwest to the Property via Huancayo (about 4 hours).

Historically known as Mina Santa Elena, the Bethania Mine operated on and off from 1977 and was put on care and maintenance in 2016. The Bethania Mine and related infrastructure are centred at approximate UTM coordinates 442766mE, 8603236mS (PSAD56, UTM Zone 18 South; EPSG:24878) and at about 4,688 metres above sea level ("mASL").

Access

From Huancayo it is about 120 km to the small village of Bethania, first along a well-maintained paved road to the village of Chongos Alto (~2 hours) and then secondarily along a gravel road that winds its way through the interior to the Property. The drive from the city of Huancayo to the Bethania Mine takes about 3.5 to 4.0 hours and is best accomplished in a 4x4 truck.

Royalties, Agreements and Encumbrances

As of 2018, mine production in Peru is subject to a royalty, payable to the Peruvian government. This royalty is based on a percentage of the sale value of the minerals being exploited, ranging between 1% and 3% (Table 5).

Table 5. Production royalties payable to the government of Peru.

Total Mineral Sales	Royalty Payable
<US\$60M	1.00%
US\$60M to <US\$120M	2.00%
≥US\$120M	3.00%

There are no other production royalties attached to the Bethania Silver Property.

Mineral Titles

The Peruvian state is the owner of natural resources, which include minerals; therefore, the Peruvian state owns mining rights. Exploration use and exploitation of mining rights can be granted to private parties, through the regime of mining concessions. Mining concessions have the nature of immovable goods.

The Bethania Silver Property, registered as Santa Elena (Bethania Mine), is licensed as a mining concession and was originally registered in 1970 to cover artisanal and colonial-era pits and workings known at the time. This concession, covering 45 hectares (1.5 km x 300 m), is owned 100% by Peruvian company Andes (Table 4).

Andes also has registered 100% in their name, the Chinita I concession, located about 5.5 km to the west of the Santa Elena concession (Bethania Mine). The Chinita I concession is 2.0 kilometres by 1.0 kilometres and covers 200 hectares (Figure 3).

Aerecura, a 98.3% owned subsidiary of Kuya Silver, has filed for two additional concessions in the area, Tres Banderas 01 and 02, which are contiguous and together cover some 1500 hectares (Table 4). These two concessions are currently “En Tramite” (translation: in process), but it is expected that they will be converted to “Titulado” (translation: titled) within one year of their respective application dates. Kuya Silver is permitted to undertake exploration work on the two concessions while they are in the process of being granted.

Table 4. Summary of mineral concessions that comprise the Bethania Silver Project.

Mineral Title	Ownership	Type	Authorized	Due Date	Reference	Hectares
Santa Elena	S&L Andes Export S.A.C.	Titulado (Concesion)	June 10, 1970		11020736X01	45
Chinita I	S&L Andes Export S.A.C.	Titulado (Concesion)	March 11, 2010		650006710	200
*Tres Banderas 02	Aerecura Materiales S.A.C.	Tramite	November 12, 2018	-	010427218	1000
*Tres Banderas 01	Aerecura Materiales S.A.C.	Tramite	July 5, 2019	-	010226519	500
*applied						

In Peru, mineral concessions are granted following receipt of a paper application specifying the coordinates of the claim boundaries, based on UTM Zone 18 South (datum WGS 1984) coordinates. All pre-2016 claims were staked using the PSAD 1956 datum but were subsequently converted to the new WGS 1984 coordinate system. All new concessions must use the new grid and must be at least 100 ha in area. Where new claims overlap with older concessions converted to the new system, the older concession has precedence.

Mining concessions are considered immovable assets and are therefore subject to being transferred, optioned, leased and/or granted as collateral (mortgaged) and, in general, may be

subject to any transaction or contract not specifically forbidden by law. Mining concessions may be privately owned and the participation in the ownership of the Peruvian State is not required. Buildings and other permanent structures used in a mining operation are considered real property accessories to the concession on which they are situated.

Note: After the effective date of the Technical Report, Tres Banderas 02 property was converted to “Titulado” (translation: Titled) status on August 14, 2019.

Figure 2. Department-scale location of the Bethania Silver Project in Huancavelica Department, Province of Huancavelica, and District of Acobambilla, Peru, South America

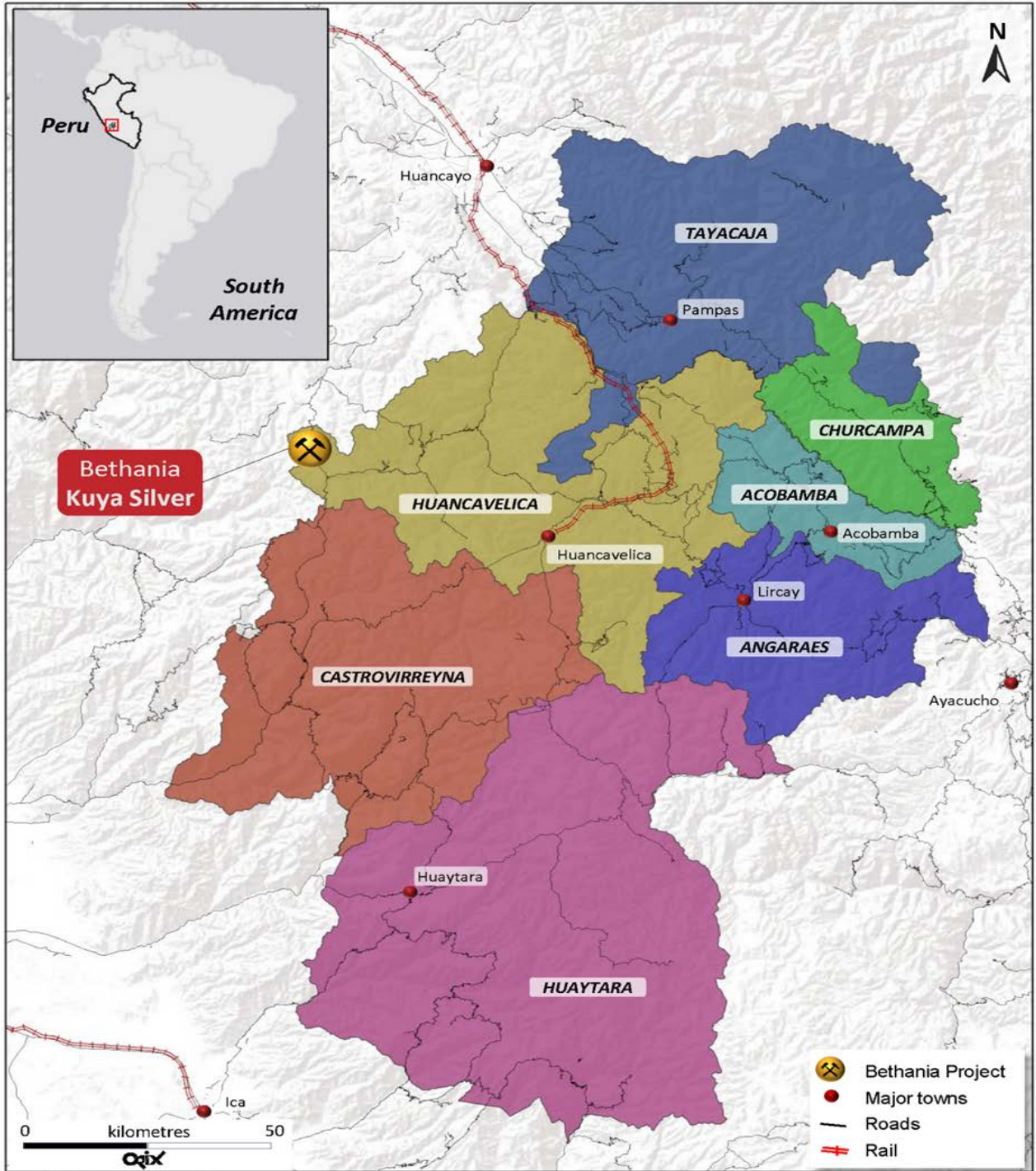
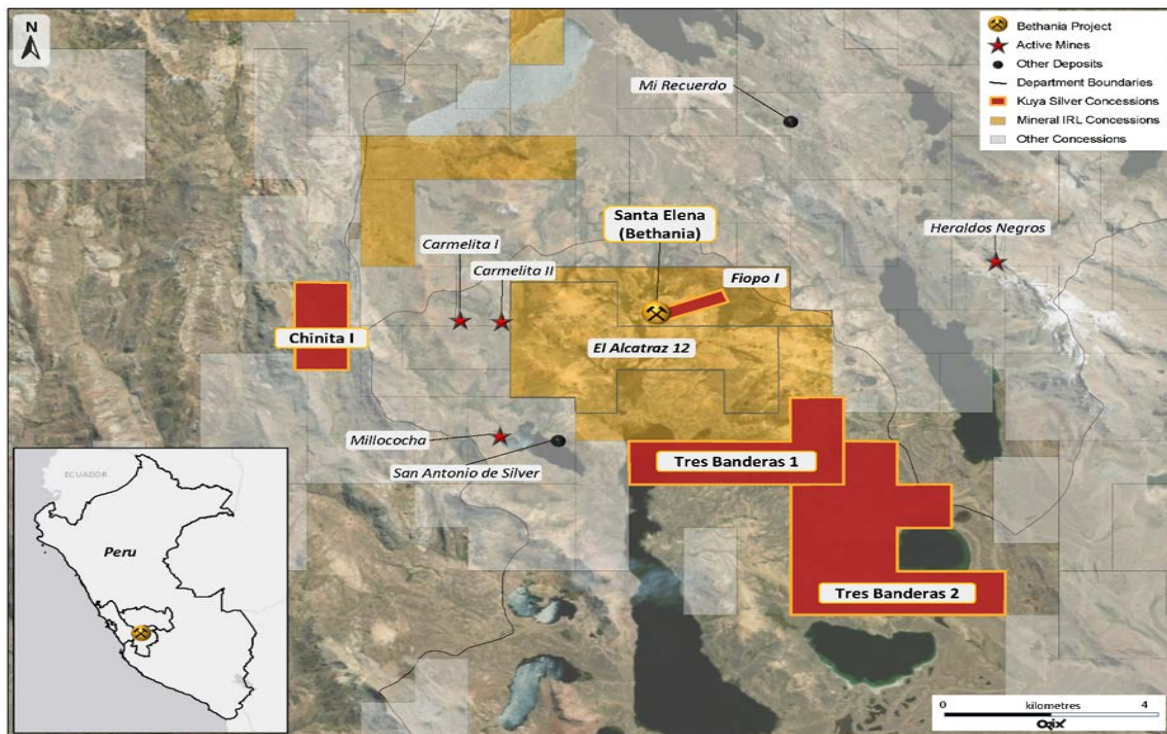


Figure 3. Locations of relevant mining concessions, active mines, and deposits in the region of the Bethania Silver Project (see Table 4).



Two of the four concessions are “Titulado” and are in good standing and Caracle is not aware of any pending litigation or legal issues relating to the Property. Assuming the requisite annual investment is achieved and annual “Derecho de Vigencia” (right of validity) payments are made, concessions are considered irrevocable.

Note: After the effective date of the Technical report, Tres Banderas 02 property was converted to “Titulado” (translation: Titled) status on August 14, 2019.

Surface Rights

Mining concessions constitute a different right from surface land over it. Owners of surface lands are not authorised to perform mining activities, unless they have a valid mining concession title granted by the INGEMMET. Surface rights are not included in mineral rights, and permission must be obtained in writing from owners and a two third majority of community members when surface rights are owned by local communities, before commencing drilling activities.

The surface lands in the area of the Bethania Mine belong to the Community of Poroche. Kuya Silver has a long-term agreement signed with the Poroche which allows them surface access to the 45 hectares of the Santa Elena concession (Bethania Mine). In addition, Kuya Silver recently signed an agreement to allow Kuya Silver to indefinitely access and permit 37 hectares of Poroche lands to be used for the planned processing plant and tailings facility. A further area of land has been secured by Kuya Silver from the Poroche to be used for a future water treatment plant.

Nature of Title

Kuya Silver agreed to acquire an 80% controlling interest in the Asset from Alfredo Soria and Erika Soria (the “**Soria Family**” - owners of Andes) by investing a total of US\$10.0 million; a combination of work and capital/debt commitments to the Asset, cash payments, and shares in Kuya Silver. The current Bethania SPA (amended June 2020) outlines the following transaction:

- US\$4.5M investment in the Bethania Mine project:
 - US\$2.5M toward repayment of debt and liabilities.
 - US\$2M for a work program (drilling, PEA, mine expansion), mine care and maintenance, G&A, and deal costs.
- US\$3.5M deferred acquisition payment (cash).
- US\$2.0M in Kuya shares (share price of \$1.00) on closing of acquisition.

Please see “Mineral Properties – Overview – Bethania Silver Property” for a summary on recent amendments to the Bethania SPA and current ownership interests of Kuya Silver in the Bethania Silver Property.

Permitting and Environmental Liabilities

Andes has secured all the necessary operational permits (mine, explosives, water usage), has an approved Declaracion de Impacto Ambiental (“**DIA**”) which addresses the environmental and social impact of the mine and allows the company to carry out mining operations in the mine area. As a result of an updated interpretation of Ley No. 29338 (Ley de Recursos Hidricos), D.S. No. 001-2010-8g, the Bethania mine has been notified of a requirement to obtain a separate water discharge permit. Andes engaged Ocean & Rivers Consulting SAC (of Peru) to assist in the design of a water treatment system for the mine in order to update the DIA as required. The conceptual design of a new water treatment facility is complete and Andes is in the process of a submission to update its DIA.

With Kuya Silver’s support, Andes began working towards approval of an Estudio de Impacto Ambiental (“**EIA**”) required to construct a plant at site in 2018. As a small mine, Bethania is required to obtain permits from the Direccion Regional de Energia y Minas (“**DREM**”) in Huancavelica Department. In Peru, the local community has an important role in the EIA, and in the case of Bethania, the Poroche community was required to approve the EIA through a series of in-person workshops and approve additional surface usage, before the EIA can be submitted. The community issued their approval for additional surface usage in August, 2019 and approved the EIA at the final community workshop in December 2019. In August 2020, Andes received approval from the Regional Government of Huancavelica for the Estudio de Impacto Ambiental Semi Detallado (or, in English, Semi Detailed Environment Impact Study) for the Concesion de Beneficio Planta Bethania (or, in English, Bethania processing plant) project.

History

According to locals, silver veins in the region and on the Property (e.g., Española Vein) were first exploited by the Spaniards as early as the 1600s, through small-scale mining of the rich silver veins. Modern exploitation of the vein systems (Española and 12 de Mayo veins) started in 1977,

was suspended in the 1980s due to political issues in Peru (i.e., terrorism), and subsequently restarted production in 2008 which continued until 2016.

Property Ownership

Although production at the Bethania Mine began in 1977, the earliest confirmed ownership of the Property (Santa Elena Mine) comes from a 1988 technical report by Minero Bank of Peru, which points to the owner as engineer Heraclio Lopez.

In 1989, the Bethania Silver Property was purchased and transferred to company S&L Andes Export S.A.C., owned by the Soria family (Peru), the current owner of the Bethania Silver Property.

Exploration Surface

The earliest written referral to the Bethania Silver Property is from an August 1988 technical report prepared by the Minero Bank of Peru. This report also refers to a regional study carried out by Minero Bank in 1977 that examined the Bethania – Huarmicocha areas including the Santa Elena Mine. The 1988 report by Minero Bank described exploration in the region as minimal and production from the Santa Elena Mine as small-scale, implicating the lack of a nearby concentration plant as the main reason for it remaining small. Production methods at this time focused on high-grade, selective mining of the veins.

Historical surface exploration on the Bethania Silver Property by Andes (2008-2016) has been limited to geological and structural mapping and rock sampling, trenching and sampling, and the drilling of short “pack sack” drill holes. The general locations and projections of some of these packsack drill holes are shown on mine level plans but results from this drilling are not available. No other surface exploration is known to have been completed on the Bethania Silver Property.

Due Diligence Sampling -2017

In January 2017, David Stein and Christian Aramayo visited the Bethania Mine as part of the Kuya Silver’s due diligence. At this time, two grab samples were collected from the Bethania Silver Property (Table 7): (1) Rock sample from mineralized quartz stockwork which assayed 74.74 g/t Ag and 0.55 g/t Au; and, (2) Sample from ore stockpile which assayed 554.40 g/t Ag, 1.71 g/t Au, 6.60% Pb, 1.13% Zn, and 0.45% Cu. Of significance are the high concentrations of silver and anomalous gold in the quartz stockwork which occurs at various locations on the Bethania Silver Property (surface and underground) in regions between historically targeted vein systems and has never been the target for potentially economic ore.

Table 7. Summary of due diligence surface samples collected by D. Stein in 2017.

Sample	*UTM E	*UTM N	Description	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Cu (%)
00037-1	442982	8603306	Siliceous Stockwork	74.74	0.55	na	na	na
00037-2	442584	8603208	Ore Stockpile near 670m Portal	554.40	1.71	6.60	1.13	0.45

*PSAD56, UTM Zone 18 South; EPSG:24878

Exploration – Underground

Andes provides the most thorough documentation on underground exploration on the Bethania Silver Property. Exploration for vein extensions, vein splays and new veins is a continuous part of the mining plan/program at the Santa Elena (Bethania Mine). For example, ahead of the 2012 mining year, Andes proposed their exploration plan:

During the period of 2012, in the project will be developed an intense exploration program in the back of the denunciation with the purpose of locating more economic veins and in this way to prolong the useful Life of Mine, will develop exploration short, cruises, chimneys and galleries. The work was mainly directed towards the exploration of the main veins (12 de Mayo and Española 1), as well as to the surface exposures of veins (Española 2 and Santa Elena), with some later exploration aimed at the structures identified in the underground mine, such as the Victoria, 12 de Mayo, Branch, Carolina, Rocio, and Betzaida.

Historical Mineral Reserves and Resources

Andes has calculated its own internal mine resources and reserves for internal planning purposes and at times to promote investment in the mine (Milla, 2016a; Milla and Osorio, 2016). These calculations, summarized in Table 1-1, have not been verified by a third party nor independently by a QP and are therefore not considered by company management as being NI 43-101 or JORC Code compliant.

The Author has reviewed the amount and quality of the data used by Andes and their modelling methods and is of the opinion that the mineral resources and reserves, although not independently calculated, are of high quality and reliable for the purposes of operations and planning at the Bethania Mine.

Table 1-1. Summary of historical mineral reserves and resources, Bethania Mine:

Type	Tonnes (t)	Ag (g/t)	Ag (oz/t)	Pb (%)	Zn (%)	Ag (Contained Oz)
Mine Reserves	79,722	540	15.75	4.47	2.81	1,384,842
Resources	355,491	605	17.65	5.44	2.76	6,910,745
Totals:	435,263	573	16.71	4.96	2.78	8,295,587

Historical Stockpile Resources

A historical estimation of three stockpiles located on the Property, are estimated to contain some 25,000 tonnes of material at an approximate grade of 11.5 oz/t Ag, 4.5% Pb, and 1.3% Zn. Details of the size and grades of the three stockpiles are provided in Table 1-2. The Author noted the presence of the three stockpiles on the Property but did not conduct any sampling.

Table 1-2. Summary of historical mineral resources from three stockpiles on the property:

Stockpile	Level (m)	Tonnes	Ag (g/t)	Ag (oz/t)	Pb (%)	Zn (%)	Ag (Contained Oz)
Cancha 1	740	6,084	414.51	12.09	7.10	1.91	81,080
Cancha 2	720	6,052	236.23	6.89	3.17	0.95	45,965
Cancha 3	690	21,527	288.69	8.42	2.38	0.68	199,805
	Total:	25,247	402.51	11.74	4.50	1.27	326,850

Geology and Mineralization

The Bethania Silver Project is located in the Cordillera Central, which contains prolific and prospective base and precious metals belts that are host to numerous styles of mineralization including epithermal Au-Ag, porphyry Cu-Au-Mo, and replacement/skarn Zn-Cu. Peru is the second largest silver producer in the world with approximately 50% of silver production associated with gold production and 50% associated with base metal/polymetallic mines.

Given the lithological, structural, mineralogical and alteration characteristics observed at the Project and specifically in the Bethania Mine vein system, mineralization identified to date can be classified as a polymetallic intermediate sulphidation epithermal (“ISE”), with significant accumulations of silver, lead, zinc, copper, and gold. The Bethania Mine and other deposits, occurrences and mines in the immediate area are interpreted to be located within an ancient volcanic caldera.

Exploration Potential

At the Bethania Mine (Santa Elena concession), much can be gained by drilling along the well-known northeast-trending and lesser explored northwest-trending mineralized structures to determine continuity, from surface and/or from underground. In most cases, this should be a relatively low risk method to increase the resource size, resource confidence and understanding of the mineralization on the Property.

Historically, production has focused on the vein systems at Bethania and to date, no systematic studies have been conducted to identify and characterize the disseminated sulphide mineralization observed in the host rocks (i.e., altered andesite-dacite and stockwork siliceous breccias) located between the vein sets.

Mineral Processing and Metallurgical Testing

Veins at the Bethania Mine have been mined, most recently and at small-scale, on and off between 1977 and 2016. Total silver recovery from January 2013 to August 2016, a combination of what was recovered from the production of lead and zinc concentrates through toll milling, was 741,804.83 ounces of silver. Between 2001 and 2015, there were six metallurgical studies

commissioned by Andes that have been reported on by independent laboratories using material from the Santa Elena Mine (Bethania Mine).

Environmental Studies, Permitting and Social or Community Impact

Please see “Property, Description, Location and Access – Permitting and Environmental Liabilities” above.

Adjacent Properties

With the exception of the Corihuarmi gold heap leach mine to the northwest, properties adjacent to or within a few kilometres of the Santa Elena concession (Bethania Mine) are fragmented among several different owners, none of which are nearly as advanced or have the mining infrastructure of the Bethania Mine (Stein, 2018). The Author, in consultation with Kuya, considers the most important adjacent prospects to be immediately north, south and west of the Property:

- 1) Immediately north of the Bethania Mine on what is referred to as the “Fiopo I” concession, there are several polymetallic showings and what appear to be abandoned artisanal mines. This ground has been held and explored in the past by Mineral IRL Limited (“MIRL”).
- 2) South of the Bethania Mine, on what is referred to as the “El Alcatraz 12” concession, Stein (2018) described linear silicified outcrops similar to what is observed above mineralized veins at the Bethania Mine site - sulphides are weathered away leaving a silica dominant host rock. There are also polymetallic showings noted on regional maps, similar to those on the Fiopo I concession. This concession was previously worked as a joint venture between Minera IRL and Rio Blanco Copper.
- 3) MIRL drill-tested the area south of the Bethania Mine between 2008 and 2010 (mostly on the El Alcatraz 12 concession). No resource was ever reported, but several significant intersections of low-grade gold (~0.5 g/t Au) were reported from surface. The low-grade disseminated gold is reportedly similar to Minera IRL’s Corihuarmi Mine, located approximately 5 km northwest of the Bethania Mine. The gold mineralization may be an indicated of a larger regional porphyry system that was feeding several different styles of precious and base metal mineralization in the area, including mineralization at the Bethania Mine. In July 2010, MIRL reported initial exploration drilling results had indicated a potentially widely disseminated gold and copper system with plenty of space for a large mineralized body or bodies within the system. Six drill holes intersected broad zones of gold copper molybdenum mineralization, characteristic of the targeted porphyry system. The best drill hole results, from RC10-BET10 intersected 276 metres from surface averaging 0.38 g/t Au, 0.09% Cu, and 30 ppm Mo, including (also from surface) 72 metres at 0.66 g/t Au, 0.13% Cu, and 40 ppm molybdenum. Hole RC10-BET07 averaged 0.32 g/t Au, 0.09% Cu, and 32 ppm Mo over the entire 426 metres of the hole and included a zone of 124 metres at 0.39 g/t Au, 0.10% Cu, and 22 ppm molybdenum from 260 metres down hole. Drill hole RC10-BET09 recorded two intersections: 90 metres from surface at 0.46 g/t Au, 0.15% Cu, and 54 ppm Mo plus 64 metres from 216 metres

down hole grading 0.41 g/t Au, 0.11% Cu, and 25 ppm molybdenum. Drill hole RC10-BET11 averaged 0.29 g/t Au, 0.10% Cu, and 30 ppm Mo over 424 metres from surface (MIRL news release July 5, 2019).

- 4) West of the Bethania Mine and immediately east of the Chinita I concession, are three properties owned by the same owner and known as Carmelitas. None of the properties have been permitted to mines, however several “exploration” adits have been opened up and polymetallic mineralization has been recovered. The size and potential of these artisanal mines is not yet known.

Other Relevant Data and Information

Kuya Silver is acquiring up to an 80% controlling interest in the Bethania Silver Project with a plan to modernize and upgrade the mine and expand production. Contingent on financing, initial expansion will take the mine to 350 tonnes per day (“tpd”) in the first year and subject to further exploration results at Bethania, as well as regional exploration results, Kuya may evaluate a second expansion to +500 tpd.

Interpretation and Conclusions

The Property, located in the Cordillera Central of Peru, is host to volcanic-hosted intermediate sulphidation epithermal Ag-Pb-Zn-Cu-Au mineralization. This polymetallic mineralization is primarily hosted by northeast-trending veins and structures which contain bonanza grade silver grades (i.e., >100 g/t Ag) and are hosted by altered andesite and dacite.

Given the extensive northeast-trending vein systems, the possibility of additional resources from the intervening mineralized volcanic host rock, prospectivity of the mineralized hydrothermal quartz stockwork (siliceous bodies), and the potential in the as yet unexplored northwest-trending veins, the Bethania Silver Property (Santa Elena) exhibits significant exploration upside.

Although historical in nature, mineral resources and reserves calculated by Andes and possibly containing 8.3M ounces of silver in 435,000 tonnes, demonstrate the future production potential of the Bethania Mine. Moreover, the stockpiles located on the mining concession could contain some 326,000 ounces of silver in 25,000 tonnes which could provide ready-feed to future production that could be treated in a process plant immediately, while underground development and mining continues.

In addition to exploration, Kuya is in the process of developing a mining plan for near-future implementation, along with the permitting and design of a 350 tpd process plant (flotation) and related water and tailings storage facilities. During the mine planning phase, Kuya may want to evaluate the historical use of cut and fill mining methods against a potential change to the shrinkage stoping method.

Recommendations

It is the Author's opinion that additional exploration expenditures are warranted on the Bethania Silver Project and specifically the Bethania Mine (Santa Elena concession). Future attention should be given to the prospectivity of the additional concessions Kuya has acquired in the region (i.e., Chinita I, Tres Bandera 01/02), but current focus should be on the Santa Elena concession (Bethania Mine).

A program comprising surface investigations (CAD\$100,000) and underground/surface diamond drilling (CAD\$475,000) is proposed for the Bethania Mine/Santa Elena concession (Table 1-3).

Table 1-3. Proposed exploration program for the Bethania Silver Mine, Santa Elena concession.

Surface Investigations		
Item	Description	Objective
3D Modelling/Data Integration	continue with integration and modelling as new information and data is generated	up to date database
Surveys	integrate and correlate historical surveys from surface and underground elevation and spot data	verify accuracy in existing surface and underground data models
Geological Mapping	systematic mapping and sampling; use of a handheld XRF unit to test rocks and soils	develop new target areas for trenching/sampling evaluate potential of volcanic host rocks
Alteration Study	mapping of alteration patterns assisted by a portable infrared mineral analyzer (PIMA) XRD unit	understanding of alteration system
Structural Study	structural mapping (contacts, veins, joints, faults) integrating surface and underground information	aid in future 3D geological modelling, interpretation and targeting
Diamond Drilling		
Item	Description	Objective
Diamond Drilling	8 holes totalling 1,944 metres; collared from surface and/or underground	test multiple veins, explore for new vein systems and test economic potential of the volcanic host rock between vein systems

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 – 5.2 Annual and Quarterly Information

Annual Information for Kuya

The following is a summary of selected financial information for Kuya for the periods indicated, which should be read in conjunction with the unaudited interim consolidated financial statements of Kuya for the six-months ended June 30, 2020 and the audited consolidated financial statements of Kuya for the year ended December 31, 2019 and 2018 (unaudited).

Selected Statement of Financial Position Data

	Six-months ended June 30, 2020 (unaudited) (\$)	December 31, 2019 (audited) (\$)	December 31, 2018 (unaudited) (\$)
Total Revenue	363	1,162	1,456

Net income (loss)	(590,610)	(1,558,355)	(1,911,439)
Total comprehensive income (loss)	(590,610)	(1,558,355)	(1,911,439)
Net income (loss) per share (basic and diluted)	(0.08)	(0.27)	(0.41)
Current assets	72,140	80,078	43,689
Current liabilities	127,207	119,324	460,801
Total assets	72,140	80,078	43,689
Total liabilities	127,207	119,324	460,801

Quarterly Information for Kuya

The below selected quarterly information summarizes selected financial information for the eight most recently completed quarterly financial periods ending at the end of the most recently completed financial year for Kuya.

	Q4 Dec-19 \$	Q3 Sep-19 \$	Q2 Jun-19 \$	Q1 Mar-19 \$	Q4 Dec-18 \$	Q3 Sep-18 \$	Q2 Jun-18 \$	Q1 Mar-18 \$
Revenue	186	348	619	9	188	728	155	385
Net income (loss) from continuing operations	(269,024)	(318,009)	(742,551)	(228,771)	(301,429)	(334,178)	(1,079,143)	(196,339)
Net income (loss) on per share basis	(0.04)	(0.05)	(0.13)	(0.05)	(0.06)	(0.07)	(0.22)	(0.05)

Annual Information for Miramont

The following is a summary of selected financial information for Miramont for the periods indicated, which should be read in conjunction with the unaudited interim consolidated financial statements of Miramont for the nine-months ended April 30, 2020 and the audited consolidated financial statements of Miramont for the year ended July 31, 2019.

Selected Statement of Financial Position Data

	April 30, 2020 (unaudited) (\$)	July 31, 2019 (audited) (\$)
Total Revenue	Nil	Nil
Net income (loss)	(402,833)	(7,444,783)
Total comprehensive income (loss)	(402,833)	(7,444,783)
Net income (loss) per share (basic and diluted)	(0.01)	(0.14)
Current assets	2,203,593	2,432,108
Current liabilities	38,435	78,656
Total assets	3,742,730	4,032,059
Total liabilities	38,435	78,656

Quarterly Information for Miramont

The below selected quarterly information summarizes selected financial information for the eight most recently completed quarterly financial periods for Miramont.

	Q3 Apr-20 \$	Q2 Jan-20 \$	Q1 Oct-19 \$	Q4 July-19 \$	Q3 Apr-19 \$	Q2 Jan-19 \$	Q1 Oct-18 \$	Q4 July-18 \$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss from continuing operations	(162,980)	(8,104)	(231,749)	(5,010,311)	(1,526,623)	(607,839)	(300,010)	(1,017,077)
Net loss in total and on per share basis	(162,980) (0.00)	(8,104) (0.00)	(231,749) (0.00)	(5,010,311) (0.09)	(1,526,623) (0.03)	(607,839) (0.01)	(300,010) (0.01)	(1,017,077) (0.02)

5.3 – Dividends

There will be no restrictions in the Issuer's articles or elsewhere, other than customary general solvency requirements under applicable laws, which would prevent the Issuer from paying dividends following the completion of the Transaction.

It is anticipated that all available funds will be invested to finance the growth of the Issuer's business and accordingly it is not contemplated that any dividends will be paid on the Issuer's Shares in the immediate or foreseeable future. The directors of the Issuer will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Issuer's financial position at the relevant time.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

6.1 – Management's Discussion and Analysis

Please refer to Schedule "A" for Kuya's Management's Discuss and Analysis for the year ended December 31, 2019 and for the six-month interim period ended June 30, 2020.

7. MARKET FOR SECURITIES

7.1 – Listings

The Issuer's Common Shares are or are expected to be listed on the CSE under the symbol "KUYA", subject to the Issuer satisfying the applicable listing conditions of the CSE. Previously, the Miramont Common Shares were listed on the CSE on March 27, 2017 under the symbol "MONT" and was a reporting issuer in British Columbia and Ontario. The common shares of the Issuer were halted on June 10, 2020 at the request of the Issuer in connection with the announcement of the Transaction.

8. CONSOLIDATED CAPITALIZATION

8.1 – Consolidated Capitalization – Issuer

The following table sets forth the capitalization of the Issuer, as of the date of this Listing Statement:

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of the date of this Listing Statement⁽¹⁾
Common Shares	Unlimited ⁽²⁾	32,340,732
Options	Not Applicable	1,222,500
Warrants	Not Applicable	2,388,371

Notes:

- (1) *This figure represents the total issued and outstanding Common Shares as at the date of this Listing Statement on a non-diluted basis.*
- (2) *The Issuer is authorized to issue unlimited common shares, without par value.*

Set out below is a brief description of the changes that have occurred in the capitalization of Miramont, and the effect of these changes, since the date of Miramont's consolidated financial statements as at and for the nine-month period ended April 30, 2020. These changes are as follows:

- On October 1, 2020, Miramont consolidated the outstanding Common Shares on the basis of one (1) post-consolidation Common Share for each ten (10) Common Shares as constituted immediately before the consolidation. Immediately following the Consolidation and prior the completion of the Transaction, Miramont had 5,577,322 Common Shares issued and outstanding.
- On October 1, 2020, the Issuer issued 26,763,410 post-Consolidation Common Shares pursuant to the terms of the Amalgamation Agreement in connection with the closing of the Transaction.

Following the above changes in the capitalization of the Issuer and on the date of this Listing Statement, the Issuer had 32,340,732 Common Shares issued and outstanding, of which: (i) the shareholders of the Issuer immediately prior to the completion of the Transaction held approximately 5,577,322 Common Shares, representing approximately 17.3% of the then issued and outstanding Common Shares; (ii) the purchasers of Subscription Receipts under the Financings held 13,721,432 Common Shares, representing approximately 42.4% of the then issued and outstanding Common Shares; and (iii) the former shareholders of Kuya immediately prior to the completion of the Transaction held approximately 13,041,978 Common Shares, representing approximately 40.3% of the then issued and outstanding Common Shares, in each case, and on an undiluted basis.

9. OPTIONS TO PURCHASE SECURITIES

9.1 – Stock Option Plan – Issuer

The Option Plan was approved by the Board of Directors of the Issuer and adopted by the Issuer's shareholders on February 6, 2020. The purpose of the Option Plan is to assist the Issuer in attracting, retaining and motivating directors, officers, employees, consultants, and advisors (together "service providers") of the Issuer and of its affiliates and to closely align the personal interests of such service providers with the interests of the Issuer and its shareholders. The Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of Shares issued and outstanding from time to time.

The Option Plan is administered by the Board of Directors, which has full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Option Plan to such service providers of the Issuer and its affiliates, if any, as the Board may from time to time determine, subject to Exchange policies. The exercise prices shall be determined by the Board of Directors, but shall, in no event, be less than the closing market price of the Common Shares on the Exchange, less the maximum discount permitted under the Exchange policies, if such is permitted, on the date the options are granted. The Option Plan provides that the number of Common Shares issuable on the exercise of options

granted to all persons together with all of the Issuer's other previously granted options may not exceed 10% of the number of Common Shares issued and outstanding at the time of grant. In addition, the number of Common Shares which may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the number of issued and outstanding Common Shares on a yearly basis. Subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, all options granted under the Option Plan will expire on the date of expiry set by the Board of Directors at the time of grant, which may not be later than ten years from the date that such options are granted. Options granted under the Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

As at the date hereof, the Issuer has 1,222,500 Options outstanding.

10. DESCRIPTION OF THE SECURITIES

10.1 - Description of the Issuer's Securities

The Issuer is authorized to issue an unlimited number of Common Shares without par value. As of the date hereof, 32,340,732 Common Shares are issued and outstanding as fully paid and non-assessable shares. In addition, 2,388,371 Common Shares are reserved for issuance pursuant to the exercise of the common share purchase warrants and stock options of the Issuer. The holders of Common Shares are entitled to dividends, if, as and when declared by the Board of Directors; to one vote per share at meetings of the shareholders of the Issuer; and, upon dissolution, to share equally in such assets of the Issuer as are distributable to the holders of Common Shares.

10.2 – 10.6 – Miscellaneous Securities Provisions

None of the matters set out in Sections 10.2 to 10.6 of CSE - Form 2A are applicable to the Common Shares.

10.7 – Prior Sales

The following securities of the Issuer and Kuya were issued within the last 12 months from the date of this Listing Statement:

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security	Value Received (\$)	Type of Transaction
September 2019	Common Shares of Kuya	97,500	USD\$1.00	USD\$97,500	Private Placement
October 2019	Common Shares of Kuya	129,066	USD\$1.20	USD\$154,879	Private Placement
December 2019	Common Shares of Kuya	66,667	USD\$1.20	USD\$80,000	Private Placement

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security	Value Received (\$)	Type of Transaction
February 2020	Common Shares of Kuya	464,583	USD\$1.20	USD\$557,500	Private Placement
July 23, 2020	Subscription Receipts of Kuya ⁽¹⁾	7,477,620	\$1.65	\$12,338,073	Private Placement
October 1, 2020	Common Shares of Kuya	7,477,620	N/A	No additional consideration	Conversion of Subscription Receipts
October 1, 2020	Common Shares of the Issuer	26,763,410	N/A	No additional consideration	Issuance of consideration shares for completion of Transaction
October 1, 2020	Options of the Issuer	920,000	\$0.90 (Exercise Price)	N/A	Option Issuance

Notes:

(1) Following receipt of conditional approval to list the Common Shares on the CSE and confirmation from Miramont and Kuya that the conditions precedent to listing on the CSE have been satisfied, the Subscription Receipts automatically converted into Kuya Shares and immediately exchanged for common shares of the Issuer pursuant to the Exchange Ratio.

10.8 – Stock Exchange Price

The following table sets out the average high and low trading price and volume of trading of the Issuer's Common Shares on the CSE during the periods indicated.

Period	High (\$)	Low (\$)	Volume
September 2020 ⁽¹⁾	0.1350	0.1350	0
August 2020 ⁽¹⁾	0.1350	0.1350	0
July 2020 ⁽¹⁾	0.1350	0.1350	0
June 2020 ⁽¹⁾	0.1341	0.1330	13,031
May 2020	0.1153	0.1085	100,530
April 2020	0.0726	0.0702	36,645

March 2020	0.0636	0.0614	49,111
February 2020	0.1095	0.1068	44,905
January 2020	0.1227	0.1136	115,631
December 2019	0.0788	0.0738	126,519
November 2019	0.0802	0.0779	98,433
October 2019	0.1016	0.0993	50,626

Note:

(1) The shares of the Issuer were halted on June 10, 2020 at the request of the Issuer in connection with the announcement of the Transaction.

Immediately following closing of the Transaction, the Issuer's Common Shares will list on the CSE under the symbol "KUYA".

11. ESCROWED SECURITIES

11.1 – Escrowed Securities

In accordance with NP 46-201, all common shares of an “emerging issuer” (as such term is defined in NP 46-201) which are owned or controlled by its Principal (as such term is defined below) will be escrowed at the time of the issuer's initial public offering, unless the shares held by the Principal or issuable to the Principal upon conversion of convertible securities held by the Principal, represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the initial public offering. It was determined upon completion of the Transaction, that the Issuer is classified as an emerging issuer.

Pursuant to an agreement to be dated on or before the date of listing (the “**Escrow Agreement**”), the following securities of the Issuer are subject to escrow:

Holder	Designation of class held in escrow	Number and Type of Securities	Percentage of Class ⁽¹⁾
David Stein	8,869,165	Common Shares	27.42%

Notes:

(1) Held or controlled by David Stein. Based on 32,340,732 common shares outstanding.

The escrowed shares will be released according to the following schedule:

On the Listing Date	1/10 of the escrow securities
6 months after the Listing Date	1/6 of the remaining escrow securities
12 months after the Listing Date	1/5 of the remaining escrow securities
18 months after the Listing Date	1/4 of the remaining escrow securities

24 months after the Listing Date	1/3 of the remaining escrow securities
30 months after the Listing Date	1/2 of the remaining escrow securities
36 months after the Listing Date	The remaining escrow securities

Assuming there are no changes to the escrow securities initially deposited and no additional escrow securities are deposited, this will result in a 10% release on the date of listing, with the remaining escrow securities being released in 15% tranches every six months thereafter.

Pursuant to the terms of the Escrow Agreement, the Escrow Shares may be transferred within escrow to an individual who is a director or senior officer of the Issuer or of material operating subsidiary of the Issuer, subject to the approval of the Issuer's board of directors, or to a person or Issuer that before the proposed transfer holds more than 20% of the voting rights attached to the Issuer's outstanding securities, or to a person or Issuer that after the proposed transfer will hold more than 10% of the voting rights attached to the Issuer's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Issuer or any of its material operating subsidiaries. Pursuant to the terms of the Escrow Agreement, upon the bankruptcy of a holder of Escrow Shares, the Escrow Shares may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a holder of Escrow Shares, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative.

For the purposes of NP 46-201 "Principals" includes all persons or companies that, on the completion of the initial public offering, fall into one of the following categories:

- (a) directors and senior officers of the Issuer or a material operating subsidiary of the Issuer, at the time of the initial public offering;
- (b) promoters of the Issuer during the two years preceding the initial public offering;
- (c) those who own and/or control, directly or indirectly, more than 10% of the Issuer's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering and if they also have elected or appointed or have the right to elect or appoint a director or senior officer of the Issuer or of a material operating subsidiary of the Issuer;
- (d) those who own and/or control more than 20% of the Issuer's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering; and
- (e) the spouse(s) and relative(s) that live at the same address as any of the above.

12. PRINCIPAL SHAREHOLDERS

12.1 and 12.2 – Principal Shareholders

Principal Securityholders

To the best of the knowledge of the directors and officers of the Issuer, other than as set out below, there are no persons or companies that beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to the Common Shares.

Name	Number of Common Shares Owned or Controlled	Percentage of Voting Rights
David Stein	8,869,165	27.42%

Notes:

(1) *Based on 32,340,732 common shares outstanding*

12.3 – Voting Trusts

To the knowledge of the Issuer, no voting trust exists such that more than 10% of any class of voting securities of the Issuer are held, or are to be held, subject to any voting trust or other similar agreement.

13. DIRECTORS AND OFFICERS

13.1 – 13.5, 13.11 – Directors and Officers

The Issuer Board is currently comprised of five directors, each of whom has been appointed to hold office until his successor is elected or appointed, or unless he first resigns.

The following table sets forth the name and residence of each director and executive officer of the Issuer, as well as such individual's position with the Issuer, period of service as a director and/or officer (as applicable), and principal occupation(s) within the five preceding years.

Name, Address, Occupation and Security Holdings

Name, province or state and country of residence	Position with the Issuer	Principal Occupation during last 5 years	Served as Director of the Issuer since⁽¹⁾	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present⁽¹⁾	Percentage of Voting Shares Owned or Controlled⁽⁴⁾
David Stein Ontario, Canada	Chief Executive Officer and Director	President and Director, Kuya Silver Corp. and Former President and CEO, Aberdeen International Inc.	October 1, 2020	8,869,165	27.4%
Lesia Burianyk British Columbia, Canada	Chief Financial Officer	Chartered Professional Accountant (CPA, CA) and self-employed consultant	N/A	20,200	0.1%
Leah Hodges British Columbia, Canada	Corporate Secretary	Self-employed consultant	N/A	20,050	0.1%
Tyson King British Columbia, Canada	VP Corporate Development	Senior officer of Miramont Resources Corp.	July 15, 2015 ⁽⁴⁾	238,000	0.7%
Quinton Hennigh Colorado, USA	Director	President and Chairman of Novo Resources Corp	November 14, 2017	151,960	0.5%
Dale Peniuk⁽²⁾ British Columbia, Canada	Director	Chartered Professional Accountant (CPA, CA) and corporate director	March 6, 2018	Nil	Nil%
Andres Recalde⁽²⁾ Ontario, Canada	Director	Director, Mining & Common Good	October 1, 2020	Nil	Nil%
Maura Lendon⁽²⁾ Ontario, Canada	Director	Chief General Counsel and CS, Primero Mining (2012-2018) Founder and Chief General Counsel,	October 1, 2020	Nil	Nil%

Name, province or state and country of residence	Position with the Issuer	Principal Occupation during last 5 years	Served as Director of the Issuer since ⁽¹⁾	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾	Percentage of Voting Shares Owned or Controlled ⁽⁴⁾
		Scalable General Counsel (2019-Present)			

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Issuer, has been furnished by the respective nominees individually.
- (2) Member of the Audit Committee. Dale Peniuk is the Chair of the Audit Committee.
- (3) Based on 32,340,732 common shares issued and outstanding.
- (4) Tyson King resigned as a director of the Issuer on October 1, 2020.

As at the date of this Listing Statement, the directors and executive officers of the Issuers as a group owned beneficially, directly or indirectly, or exercise control or direction over 9,299,375 Common Shares, or 28.8% of the outstanding Common Shares.

Management of the Issuer

The following sets out details with respect to the management of the Issuer:

David Stein – President, Chief Executive Officer and Director, 43 years old

Mr. Stein is the Founder of Kuya and President since 2017. Educated with a technical background in Geology and Engineering, Mr. Stein jumped into the capital markets very early in his career, in 2001, as a mining equities analyst for a prominent Canadian broker-dealer. More recently Mr. Stein was President and CEO of Aberdeen International, where he led various private equity and public company investment mandates. Mr. Stein is a Chartered Financial Analyst (2004) and holds a Bachelor of Applied Science (Geological Engineering) (1998) and Master of Science (Geology)(2001) degrees from Queen’s University. Mr. Stein intends to devote 85% of his time to the Issuer.

Lesia Burianyk – Chief Financial Officer, 45 years old

Ms. Burianyk is the current CFO of Miramont and has over 15 years of industry experience serving as CFO for various TSX-V and CSE listed companies. Ms. Burianyk is a CPA, CA and holds a Bachelor of Business Administration degree (2000) from Simon Fraser University. Ms. Burianyk was previously employed as an audit manager at a Canadian accounting firm where she specialized in the mining industry. Ms. Burianyk intends to devote 20% of her time to the Issuer.

Leah Hodges – Corporate Secretary, 37 years old

Mrs. Hodges was the Corporate Secretary for Miramont (and current Corporate Secretary for the Issuer) and is the principal of Benchmark Governance, providing corporate compliance, administration and governance support to private and public companies in the resource and technology sectors. Mrs. Hodges has over fifteen years of experience serving on, and for, numerous boards of directors of public listed companies. Ms. Hodges intends to devote 20% of her time to the Issuer.

Tyson King – VP Corporate Development, 35 years old

Mr. King is the founder of Miramont and was the President and CEO from 2019 until completion of the Transaction. Mr. King has over 10 years' experience in the management of publicly listed and privately held companies in the resource sector. He has been actively engaged in overseeing the day-to-day operations of several companies where he's held various senior officer positions throughout his career. Mr. King holds a BA in Economics (2006) from the University of Calgary. Mr. King intends to devote 20% of his time to the Issuer.

Quinton Hennigh – Director, 53 years old

Dr. Hennigh is an economic geologist with more than 25 years of exploration experience with major gold mining firms, including Homestake Mining, Newcrest Mining and Newmont Mining. Dr. Hennigh has a B.Sc. in geology from the University of Missouri-Columbia (1990) and has a M.Sc. in geology and a PhD in geology and geochemistry from the Colorado School of Mines (1993 and 1996, respectively). Currently, Dr. Hennigh was the Chairman of Miramont, is the President and Chairman of Novo Resources Corp and serves as a director for Irving Resources Inc., TriStar Gold Inc., Precipitate Gold Corp and NV Gold Corp. Dr. Hennigh intends to devote 10% of his time to the Issuer.

Dale Peniuk – Director, 61 years old

Mr. Peniuk is a Chartered Professional Accountant (CPA, CA) and corporate director. Mr. Peniuk has a B.Comm from the University of British Columbia (1982) and received his Chartered Accountant designation from the Institute of Chartered Accountants of British Columbia (now the Chartered Professional Accountants of British Columbia)(1986). He spent more than 20 years with KPMG LLP and predecessor firms, the last ten years as an Assurance Partner with a focus on mining companies. Mr. Peniuk also serves as a director and Audit Committee Chair of Lundin Mining Corporation, Capstone Mining Corp. and Argonaut Gold Inc. Mr. Peniuk intends to devote 10% of his time to the Issuer.

Andres Recalde – Director, 63 years old

Mr. Recalde is the Director of Mining for Common Good. His expertise is with social performance and building stakeholder confidence for the extractive industries. Mr. Recalde is Peruvian/Canadian and has worked extensively in Latin America as a consultant, advisor and corporate director to mining companies such as Barrick Gold, Pan American Silver and Torex

Gold. Mr. Recalde is also actively involved as Past President of the Peruvian-Canadian Chamber of Commerce. Mr. Recalde holds a Certificate in Corporate Social Responsibility from Harvard University (2012) and a Master of Business Administration with a specialization in International Economic Development from Eastern University in Philadelphia (1996). Mr. Recalde intends to devote 10% of his time to the Issuer.

Maura Lendon – Director, 57 years old

Ms. Lendon, is a seasoned, internationally-experienced general counsel with over 20 years' experience in the mining and telecom industries gained after initially practicing with top Bay Street law firms. Ms. Lendon is the founder and Chief General Counsel of Scalable General Counsel, providing general counsel services to growing companies since 2019, and is currently a director of Eastmain Resources Inc. Previously, she was Chief General Counsel and Corporate Secretary of Primero Mining from 2012 to 2018. Ms. Lendon was Senior Vice President, Corporate Services, Chief Legal Officer and Corporate Secretary of Hudbay Minerals from 2008 to 2011, and prior to that was Chief Counsel, Canada and Chief Privacy Officer (Canada) of AT&T. Ms. Lendon is a graduate of the Institute of Corporate Directors – Rotman School of Management Directors Education Program (2011) and has previously served on other not-for-profit and public boards. She holds a Master of Laws from Osgoode Hall Law School (2000), a Master of Business Administration from the Richard Ivey School of Business (1988) and a Bachelor of Laws from University of Western Ontario (1984). Ms. Lendon intends to devote 10% of her time to the Issuer.

None of the above individuals have entered into non-competition or non-disclosure agreements with the Issuer.

Board Committees of the Issuer

Audit Committee

Currently, the only committee of the Board of Directors of the Issuer is the Audit Committee. The Issuer's Audit Committee Charter is included in Schedule "D" attached hereto.

The Audit Committee consists of Dale Peniuk (Chair), Andres Recalde, and Maura Lendon. The mandate of the Audit Committee is to ensure the Issuer effectively maintains the necessary management systems and controls to allow for timely and accurate reporting of financial information to safeguard shareholder value, to meet all relevant regulatory requirements and to provide recommendations to the board of directors in the areas of management systems and controls.

The Board has adopted a written charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of the Issuer's Audit Committee are to assist the Board in discharging the oversight of:

- the integrity of the Issuer's consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;

- the Issuer’s compliance with legal and regulatory requirements;
- the Issuer’s external auditors’ qualifications and independence;
- the work and performance of the Issuer’s financial management and its external auditors; and
- the Issuer’s system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Board.

The Audit Committee has access to all books, records, facilities, and personnel and may request any information about the Issuer as it may deem appropriate. It also has the authority to retain and compensate special legal, accounting, financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is responsible to review and approve all related-party transactions and prepare reports for the Issuer’s Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

The Issuer is a “venture issuer” for the purposes of NI 52-110. Accordingly, the Issuer is relying upon the exemption in section 6.1 of NI 52-110 providing that the Issuer is exempt from the application of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

Relevant Education and Experience and Independence

The education and experience of each member who is to serve on the Audit Committee during the current financial year that is relevant to the performance of his responsibilities provided in the bios of each of Andres Recalde, Maura Lendon and Dale Peniuk above.

The Audit Committee is comprised of three “independent” directors as defined in NI 52-110. All the members of the Committee are “financially literate” and have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity that can reasonably expected to be raised by the Company’s financial statements.

13.6 – 13.9 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

At the time of this Listing Statement, none of the directors of the Issuer (or any of their personal holding companies) of the Issuer:

- (a) is, or during the ten years preceding the date of this Listing Statement has been, a director, chief executive officer or chief financial officer of any Issuer, including the Issuer, that:
 - (i) was subject to an order that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event

that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

- (b) is, or during the ten years preceding the date of this Listing Statement has been, a director or executive officer of any Issuer, including the Issuer, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets; or
- (c) has, within the ten years preceding the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

For the purposes of paragraphs (a)(i) and (a)(ii) above, an “order” means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant Issuer access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

None of the directors (or any of their personal holding companies) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body which would likely be considered important to a reasonable security holder of the Issuer in deciding whether to vote for a director.

13.10 – Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Issuer may be subject in connection with the operations of the Issuer. Some of the directors and officers are engaged and will continue to be engaged, directly or indirectly, in other businesses and situations may arise where some of the directors and officers will be in direct competition with the Issuer. No conflicts of interest currently exist between the Issuer and a director or officer of the Issuer.

The directors and officers of the Issuer are required by law to act in the best interests of the Issuer. They have the same obligations to the other companies in respect of which they act as directors and officers. Any decision made by any of such officers or directors involving the Issuer will be made in accordance with their duties and obligations under the applicable laws.

The following table sets out the directors and officers of the Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers.

Director/Officer	Other Reporting Issuer(s)
David Stein	Eastmain Resources Inc. (TSXV) (March 2020 - Present) Panthera Resources PLC (AIM) (December 2017 - Present) Aberdeen International Inc. (October 2009 - February 2017)
Tyson King	Nevado Resources Corp. (NEX) (September 2018 – Present) Smartset Services Inc. (TSXV) (January 2020 – Present) Declan Resources Inc. (CSE) (December 2015 to June 2017)
Quinton Hennigh	Novo Resources Corp. (CSE) (July 2011 – Present) Irving Resources Inc. (CSE) (October 2015 – Present) Precipitate Gold Corp. (TSXV) (October 2011 – Present) NV Gold Corp. (TSXV) (November 2009 – Present) Eskay Mining Corp. (TSXV) (August 2020 – Present) New Found Gold Corp. (TSXV) (August 2020 – Present) Condor Resources Inc. (TSXV) (June 2020 – Present) TriStar Gold Corp. (TSXV) (February 2015 – Present) Timberline Resources Corp. (TSXV) (September 2020 – Present)
Leah Hodges	Brigadier Gold Limited (TSXV) (June 2020 – Present) Nevado Resources Corporation (NEX) (July 2019 – Present) Tower Resources Ltd. (TSXV) (July 2017 – Present) eShippers Management Ltd. (NEX) (February 2008 – Present) Bolt Metals Corp. (CSE) (August 2018 – April 2019) Esstra Industries Inc. (TSXV) (October 2019 – July 2017) Versus Systems Inc. (CSE) (August 2013 – August 2016) Moovly Media Inc. (TSXV) (July 2016 – August 2016) Declan Resources Inc. (CSE) (August 2011 – August 2016) Scientific Metals Corp. (TSXV) (October 2010 – August 2016) CellStop Systems Inc. (NEX) (February 2008 – August 2016)
Dale Peniuk	Argonaut Gold Inc. (TSX) (November 2009 – Present), Capstone Mining Corp. (TSX) (May 2009 - Present) Lundin Mining Corporation (TSX and Nasdaq Stockholm)(November 2006 - Present)
Maura Lendon	Eastmain Resources Inc. (TSXV) (July 2018 - Present) Primero Resources (TSX) (March 2012 - May 2018)
Lesia Burianyak	Tower Resources Ltd. (TSXV) (March 2018 – Present) Nevado Resources Corporation (NEX) (July 2019 – Present) eShippers Management Ltd. (NEX) (September 2013 – July 2015) Suparna Gold Corp. (TSXV) (September 2013 – July 2015) Declan Resources Inc. (CSE) (September 2013 – July 2015)

14. CAPITALIZATION

14.1 – Issued Capital

As at the date of this Listing Statement, the Issuer has the following issued and outstanding securities according to the below table:

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	32,340,732	35,951,603	100%	100%
<hr/>				
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	9,299,375	10,870,625	28.8%	30.2%
<hr/>				
Total Public Float (A-B)	23,041,357	25,080,978	71.2%	69.8%
<hr/>				
<u>Freely-Tradable Float</u>				
Number of outstanding securities, subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	8,869,165	9,487,915	27.4%	26.4%

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Total Tradable Float (A-C)	23,471,567	26,463,688	72.6%	74.6%

Public Securityholders (Registered)

Class of Security		
Size of Holding	Number of holders	Total number of securities⁽¹⁾
1 – 99 securities	86	4,300
100 – 499 securities	20	3,460
500 – 999 securities	3	1,550
1,000 – 1,999 securities	6	6,000
2,000 – 2,999 securities	2	4,000
3,000 – 3,999 securities	1	3,119
4,000 – 4,999 securities	--	--
5,000 or more securities	179	18,450,054
	297	18,472,483

Note:

(1) All shares registered in the name of CDS & Co. and CEDE & CO are treated as “beneficially” owned and excluded from these numbers

Public Securityholders (Beneficial)

Class of Security		
<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	74	3,058
100 – 499 securities	161	37,242
500 – 999 securities	99	64,159
1,000 – 1,999 securities	47	101,821
2,000 – 2,999 securities	111	192,616
3,000 – 3,999 securities	28	92,385
4,000 – 4,999 securities	16	68,186
5,000 or more securities	142	4,009,407
	678	4,568,874
Total Public Securityholders (Registered and Beneficial)	975	23,041,357

Non-Public Securityholders (Registered)

Class of Security		
<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities⁽¹⁾</u>
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil

Class of Security		
<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities⁽¹⁾</u>
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	8	9,299,375

Non-Public Securityholders (Beneficial)

Class of Security		
<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	6	9,299,375

Class of Security		
<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
Total Non-Public Securityholders (Registered and Beneficial)	8	9,299,375

14.2 – Convertible Securities

The Issuer has 2,388,371 Warrants and 1,222,500 Options issued and outstanding, each entitling the holder to purchase one fully-paid and non-assessable Common Share for the exercise price and until the expiry date set out in the following table.

Exercise Price	Number of Outstanding Warrants or Options	Expiry Date
USD\$0.001	1,908,706 common share performance warrants	N/A
\$5.00	479,665 common share purchase warrants	January 31, 2021
\$3.70 to \$4.15	302,500 stock options	October 1, 2021 to February 21, 2024
\$0.90	920,000 stock options ⁽²⁾	5 years from the date of issuance

Notes:

- (1) Issuable to certain holders in connection with the closing of the acquisition of 80% of Andes for no additional consideration to the Issuer.
- (2) To be issued concurrent with closing of the Transaction and listing on the CSE of the Issuer.

14.3 – Other Securities reserved for Issuance

There are no securities of the Issuer reserved for issuance.

15. EXECUTIVE COMPENSATION

Statement of Executive Compensation

The following provides a summary of the Statement of Executive Compensation and also provides information concerning compensation paid to the directors of the Issuer.

For the purposes of this section, the Named Executive Officers are the proposed Chief Executive Officer and Chief Financial Officer of the Issuer and each of the three most highly compensated executive officers of the Issuer for the 12-month period following the Transaction. Based on the

above criteria, the Named Executive Officers for the Issuer are David Stein (Chief Executive Officer), Tyson King (Vice President) and Lesia Burianyk (Chief Financial Officer).

Compensation Discussion and Analysis

When determining compensation policies and individual compensation levels for the Issuer's executive officers, a variety of factors, will be considered including: the overall financial and operating performance of the Issuer, each executive officer's individual performance and contribution towards meeting corporate objectives; each executive officer's level of responsibility and length of service; and industry comparables.

The Issuer's compensation philosophy for its executive officers will follow three underlying principles: to provide compensation packages that encourage and motivate performance; to be competitive with other companies in the industry in which it operates, which are of similar size and scope of operations, so as to attract and retain talented executives; and to align the interests of its executive officers with the long-term interests of the Issuer and its shareholders through stock related programs.

Summary Compensation Table

The following Summary Compensation Table provides a summary of the proposed compensation to be paid by the Issuer to the Named Executive Officers for the last completed financial year and the 12-month period following the closing of the Transaction:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Stock options (\$)	Value of all other compensation (\$)	Total compensation (\$)
David Stein <i>President, CEO and Director</i>	2020 ⁽¹⁾	235,000	To be determined	To be determined	To be determined	To be determined	To be determined
	2019 ⁽²⁾	70,875	Nil	Nil	Nil	Nil	70,875
Tyson King <i>Vice President</i>	2020 ⁽¹⁾	84,000	To be determined	Nil	To be determined	To be determined	To be determined
	2019 ⁽²⁾	69,000	Nil	Nil	Nil	Nil	69,000
Lesia Burianyk <i>CFO</i>	2020 ⁽¹⁾	54,000	To be determined	Nil	To be determined	To be determined	To be determined
	2019 ⁽²⁾	30,000	Nil	Nil	Nil	Nil	30,000

Notes:

- (1) For the 12-month period following completion of the Transaction.
- (2) For the year ended July 31, 2019.

Stock Options

The Issuer currently has 1,222,500 stock options issued to date as noted above and intends to grant stock options to its directors, officers and consultants pursuant to the Option Plan; however, details respecting any such option grants will be at the discretion of the Board.

Pension Plan Benefits

The Issuer does not intend to implement any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Termination of Employment and Change of Control Benefits

Other than as noted below under “*Management Contracts*”, the Issuer does not intend to provide any compensation to any Named Executive Officers as a result of a change of control of the Issuer.

Management Contracts

Compensation of David Stein, President and Chief Executive Officer

The Issuer entered into a consultant agreement with David Stein (the “**Stein Agreement**”) on October 1, 2020, to act as the President and Chief Executive Officer of the Issuer. Pursuant to the Stein Agreement, Mr. Stein will receive an annual salary of \$235,000 and participation in the stock option plan of the Issuer. The Issuer may terminate the Stein Agreement immediately upon an event of default or without cause upon twenty-four months’ written notice. Further, in the event of a change of control of the Issuer and Mr. Stein’s engagement with the Company is subsequently or contemporaneously terminated by the Company within eighteen months (18 months) from the effective date of the change of control or Mr. Stein’s position, role or duties as described in the Stein Agreement are amended so as to deprive Mr. Stein of a material part of the benefit it is entitled to receive pursuant to the Stein Agreement then Mr. Stein may immediately terminate the Stein Agreement, and the Issuer has agreed to pay to Mr. Stein a termination payment equal to twenty-four (24) months’ of consulting fees within seven (7) calendar days of the date of termination of the Stein Agreement.

Compensation of Mr. Tyson King, Vice President Corporate Development

The Issuer entered into a management services agreement on October 1, 2020 with Mr. Tyson King (the “**King Agreement**”), pursuant to which Mr. King provides his services to the Company as Vice President Corporate Development for a minimum term of two (2) years. Pursuant to the King Agreement, Mr. King receives an annual salary of \$84,000 and participation in the stock option plan of the Issuer. The Issuer may terminate the King Agreement: without cause, by delivering a written notice of termination stipulating the date of termination and by paying Mr. King a one-time payment equal to one-twelfth of the annual compensation multiplied by the remaining months for which Mr. King has been unpaid for the initial two-year term. Thereafter,

the Issuer shall be entitled to terminate Mr. King's engagement at any time without cause by paying the sum of (a) Mr. King's then current annual compensation at the date of the notice of termination, plus (b) one-twelfth of Mr. King's then current annual compensation for each full year in which Mr. King had provided the services hereunder.

Compensation of Ms. Lesia Burianyk, Chief Financial Officer

The Issuer entered into a consulting contract with Ms. Lesia Burianyk (the "**Burianyk Agreement**"), pursuant to which Ms. Burianyk provides her services to the Issuer as Chief Financial Officer. Pursuant to the Burianyk Agreement, Ms. Burianyk receives \$4,500 per month and participation in the stock option plan of the Issuer. The Issuer may terminate the Burianyk Agreement: without cause, by delivering a written notice of termination stipulating the date of termination and by paying Ms. Burianyk a one-time payment equal to one-twelfth of the annual compensation multiplied by the remaining months for which Ms. Burianyk has been unpaid for the initial six-month term. Thereafter, the Issuer shall be entitled to terminate Ms. Burianyk's engagement at any time without cause by paying the sum of (a) Ms. Burianyk's then current annual compensation at the date of the notice of termination, plus (b) one-twelfth of Ms. Burianyk's then current annual compensation for each full year in which Ms. Burianyk had provided the services hereunder.

Compensation of Mrs. Leah Hodges, Corporate Secretary

Mrs. Hodges, by way of Benchmark Governance, entered into a consulting agreement on October 1, 2020 with the Issuer (the "**Hodges Agreement**"), pursuant to which Mrs. Hodges provides her services to the Issuer as Corporate Secretary for an initial term of six months. Pursuant to the Hodges Agreement, Mrs. Hodges receives \$3,000 per month and participation in the stock option plan of the Issuer. The Hodges Agreement may be terminated at the election of Mrs. Hodges or the Issuer on thirty (30) days' notice.

Compensation of Directors

The Issuer may pay compensation to its directors in the form of annual fees for attending meetings of the Board of Directors or for acting as chairs of committees of the Board of Directors. Subject to the discretion of the Board of Directors, directors will be entitled to receive stock options in accordance with the terms of the Option Plan and the Exchange requirements, subject to the discretion of the Board of Directors. Directors will be reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Board of Directors, committees of the Board of Directors or meetings of the shareholders of the Issuer. It is also anticipated that the Issuer will obtain customary insurance for the benefit of its directors and enter into indemnification agreements with its directors pursuant to which the Issuer will agree to indemnify its directors to the extent permitted by law.

Gender Diversity in Executive Officer Positions

The Issuer has not adopted a formal policy which specifies targets regarding the representation of women in executive officer positions or on its Board of Directors. While the Issuer believes that diversity, including gender diversity, is an important consideration in determining the makeup of

its executive team, it is only one of a number of factors (which include merit, talent, experience, expertise, leadership capabilities, innovative thinking and strategic agility), that are considered in selecting the best candidates for executive positions. At the present time, the Issuer has one woman on its executive team and one female director.

Equity Compensation Plan Information

The following table sets forth aggregated information as at the date of this Listing Statement with respect to compensation plans of the Issuer under which equity securities of the Issuer are authorized for issuance.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options (#)	Weighted-average Exercise Price of Outstanding Options(\$)	Number of Securities remaining available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders	1,222,500 ⁽¹⁾	1.63	2,011,573
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	1,222,500	1.63	2,011,573

Note:

(1) The Stock Option Plan is a “rolling” stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued shares of the Issuer at the time of the stock option grant.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or officers of the Issuer, nor any of affiliate or associate of the directors or officers of the Issuer is or was indebted to the Issuer at any time since its incorporation.

17. RISK FACTORS

17.1 – Description of Risk Factors

There are a number of risks and uncertainties that may have a material and adverse impact on the future operating and financial performance of the Issuer and could cause the Issuer’s proposed plans, prospects, strategies, events, operating and financial performance and results to differ materially from the estimates described in forward-looking statements and forward-looking information in this Listing Statement related to the Issuer. These include widespread risks associated with any form of business and specific risks associated with the Issuer’s business and its involvement in the early-stage exploration and development industry. An investment in the Common Shares, as well as the Issuer’s prospects, is highly speculative due to the high-risk nature

of its business and the early stage of its exploration and development activities, as well as due to the limited assets and cash resources of the Issuer. Shareholders of the Issuer may lose their entire investment. The risks described below are not the only ones facing the Issuer. Additional risks not currently known to the Issuer, or that the Issuer currently deems immaterial, may also impair the Issuer's proposed plans, prospects, strategies, events, business, operations, financial performance and results. If any of the following risks actually occur, the Issuer's plans, strategies, events, business, financial performance and condition, results and prospects could be adversely affected.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. The Issuer's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of silver, precious and base metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. The financing, exploration, development and mining of any of the Issuer's exploration properties is furthermore subject to a number of macroeconomic, legal and social factors, including the price of silver and other metals, laws and regulations, political conditions, currency fluctuations, the ability to hire and retain qualified people, the inability to obtain suitable adequate machinery, equipment or labour and obtaining necessary services in jurisdictions in which the Issuer operates. Unfavourable changes to these and other factors have the potential to negatively affect the Issuer's business, plans, prospects, strategies, financial performance and condition and results.

The exploration for and development of mineral deposits is a speculative venture involving significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate or even mitigate. While the discovery of a commercially viable ore body may result in an increase in value for shareholders, few mineral properties which are explored are ultimately developed into producing mines. At present, none of the Issuer's properties have a known body of bankable commercial ore and the proposed exploration programs are exploratory. There is no certainty that the expenditures made by the Issuer towards the exploration and evaluation of mineral deposits on its properties will result in discoveries or production of commercial quantities of silver or other minerals.

Substantial expenditures may be required to locate, evaluate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site, and substantial additional financing will be required. It is impossible to ensure that the Issuer will be able to secure the necessary financing needed to pursue the exploration or development activities planned by the Issuer or that its activities will result in an economically viable or profitable commercial mining operation. The decision as to whether a particular property contains a commercial mineral deposit and should or could be brought into production will depend on the results of exploration programs and/or geological and other studies, and the recommendations of duly qualified engineers and geologists. Several significant factors will be considered, including, but not limited to: (i) the particular attributes of the deposit, such as size, grade, metallurgical characteristics, and proximity to infrastructure; (ii) mineral prices, which are highly cyclical; (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land

use, permitting, importing and exporting of minerals and environmental protection; (iv) available working capital and ongoing costs of exploration and development; (v) availability, terms and cost of additional funding; and (vi) local community and landowner opposition to access mineral rights. The exact effect of these factors cannot be accurately predicted, but one or any combination of these factors may result in the Issuer not being able to pursue its business plans or strategy or its shareholders not receiving an adequate return on invested capital.

Dependence on the Property

The Issuer will be solely focused on the exploration and development of the Bethania Silver Property. Unless the Issuer acquires additional property interests, any adverse developments affecting the Bethania Silver Property could have a material adverse effect upon the Issuer and would materially and adversely affect any profitability, financial performance and results of operations of the Issuer. There is no assurance that the Issuer's mineral exploration and development programs at the Bethania Silver Property will result in the definition of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered that Bethania Silver Property will be brought into commercial production. Failure to do so will have a material adverse impact on the Issuer's operations and potential future profitability. The discovery of bodies of commercial mineralization is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most of the above factors are beyond the Issuer's control.

Foreign Operations

The Issuer will be conducting its exploration and development activities in Peru. The Issuer believes that the Government of Peru strongly supports the development of its natural resources by foreign operators. However, there is no assurance that future political and economic conditions in Peru will not result in the government adopting different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the ability of the Issuer to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore and develop those properties in respect of which it has obtained exploration and development rights to date. The possibility that a future government of Peru may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out. Instabilities can exist in relation to both the national government and local government. Certain political events can affect the enforceability of regional head's decrees or writs, especially in the mining and exploration industries which have strong connections with local autonomy and local authorities. Taxation regulations are also flexible and subject to change, which may cause the Issuer to incur additional taxation costs. Operating in emerging markets can also increase the risk that contractual and/or mineral rights may be disregarded or unilaterally altered.

The economy of Peru differs significantly from the economies of Canada, the United States and Western Europe in such respects as structure, level of development, gross national product, growth rate, capital reinvestment, resource allocation, self-sufficiency, rate of inflation and balance of payments position, among others. Growth rates, inflation rates and interest rates of developing nations are expected to be more volatile than those of western industrial countries. The Issuer's operations will be located in Peru and so are subject to risks associated with operating in a foreign jurisdiction, including political, infrastructure, legal and other unique risks. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation, environmental legislation and safety factors. Furthermore, in the event of disputes arising from Issuer's activities in Peru, Issuer may be subject to the jurisdiction of courts outside of Canada or that do not enforce Canadian judgments, which could adversely affect the outcome of the dispute. This could result in heightened risks such as (i) effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. Peruvian business people, government officials and agencies and the judicial system's commitment to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the licenses and agreements for business. There can be no assurance that joint ventures, licenses, license applications or other legal arrangements entered into by the Issuer will not be adversely affected by the actions of government authorities or others and the effectiveness and enforcement of such arrangements in Peru cannot be guaranteed.

Early Stage Status and Nature of Exploration

The terms "Resource(s)" or "Reserve(s)" cannot be used to describe any of the Issuer's exploration properties due to the early stage of exploration at this time. Any reference to potential quantities and/or grade is conceptual in nature, as there has been insufficient exploration to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral resource. Any information, including quantities and/or grade, described in this Listing Statement should not be interpreted as assurances of a potential resource or reserve, or of potential future mine life or of the viability or profitability of future operations.

Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

The economics of exploring and developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, fluctuations in the concentrate sales markets, which may be independent of metals prices, costs of mining and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the

current planned exploration and development programs of the Issuer will result in economically viable or profitable commercial mining operations. The profitability of the Issuer's operations will be, in part, directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral reserves that are sufficient to support commercial mining operations and to construct, complete and install mining and processing facilities on those properties that are actually developed.

No assurance can be given that any particular level of recovery of minerals will be realized or that any potential quantities and/or grade will ever qualify as a resource, or that any such mineral resource will ever qualify as a commercially viable (or mineable) deposit which can be legally and economically exploited. Where expenditures on a property have not led to the discovery of mineral reserves, incurred expenditures will generally not be recoverable.

Additional Capital

The Issuer plans to focus on evaluating its properties and exploring for minerals and will use its working capital to carry out such activities. However, the exploration and development of the Issuer's exploration properties is expected to require substantial additional financing. The ability of the Issuer to arrange such additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business and performance of the Issuer. Failure to obtain additional financing could result in delaying or indefinite postponement of exploration, development or production on any or all of the Issuer's exploration properties or a loss of a property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Issuer. If additional financing is raised by the Issuer through the issuance of securities from treasury, control of the Issuer may change and security holders may suffer potentially significant dilution.

Joint Ventures and Subsidiaries

The Issuer may, in the future, operate some of its activities and properties through joint ventures, subsidiaries, earn-ins or similar arrangements in order to fully exploit the exploration and production potential of its exploration assets. There can be no assurance that the Issuer will be able to identify and successfully negotiate joint venture or similar arrangements with third parties on terms that are favourable to the Issuer, or at all. The Issuer may, in the future, be unable to meet its share of costs incurred under such arrangements and may have its property interests subject to such arrangements reduced as a result or even face termination of such arrangements.

The Issuer is also subject to the typical risks associated with joint ventures and similar arrangements, including disagreement on how to develop, operate or finance the properties and activities and contractual and legal remedies of the Issuer's partners in the event of such disagreements. In addition, any limitation on the transfer of cash or other assets between the Issuer and such entities, or among such entities, could restrict the Issuer's ability to fund its activities efficiently. Any such limitations or the perception that such limitations may exist now or in the future, could have an adverse impact on the Issuer's business, plans, prospects, value and stock price.

No History of Operations

The Issuer is an early-stage exploration and development Issuer and has no history of exploration, development, mining or refining mineral products. As such, the Issuer is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

No History of Earnings

The Issuer has not yet commenced operations in the mineral resource sector and therefore has no history of earnings or of a return on investment in this sector, and there is no assurance that any of its property interests or other assets will be economically viable or will be advanced to generate earnings, operate profitably or provide a return on investment in the future. No operating revenues are anticipated until one of the Issuer's projects comes into production, which may or may not occur. The Issuer will continue to experience losses unless and until it can successfully develop and begin profitable commercial production at one of its properties. There can be no assurance that the Issuer will be able to do so.

No History of Profitability

The Issuer is an early exploration and development stage Issuer with no history of revenues or profitability in the mineral resource sector. There can be no assurance that the activities of the Issuer will be economically viable or profitable in the future. The Issuer will require additional financing to further explore, develop, acquire, and achieve commercial production on its property interests and, if financing is unavailable for any reason, the Issuer may become unable to acquire and retain its property interests and carry out its business plan.

Industry and Economic Factors Affecting the Issuer

The Issuer is a junior resource Issuer focused primarily on the evaluation, exploration and development of mineral properties and potential acquisition of mineral properties in the future. The Issuer's future performance is largely tied to the financial markets related to junior resource companies, which is often cyclical. The Issuer will continuously monitor several economic factors including the uncertainty regarding the price of gold, silver and copper and the availability of equity financing for the purposes of mineral exploration and development. The Issuer's future performance is largely tied to its ability to raise additional financing needed to fund its ongoing exploration and operating activities and to pursue the exploration and the development of its mineral property interests and the overall financial markets. Financial markets in the mining sector are likely to continue to be volatile reflecting ongoing concerns about the global economy, and the general pessimistic outlook in the mining sector. Companies worldwide have been affected negatively by these trends. As a result, the Issuer may have difficulties raising equity financing needed for the purposes of mineral exploration and development, particularly without excessively diluting the interests of its current shareholders. With continued market volatility expected, the Issuer's current strategy is to continue a modest exploration program on its properties using existing cash and funds generated through equity financings if and when available and to seek out

other prospective business opportunities, including entering into option arrangements and/or joint ventures. The Issuer believes that this focused strategy will enable it to pursue its business strategy and plans in the near term. These trends may limit the Issuer's ability to develop and/or further explore its properties, and/or acquire other property interests that could be acquired in the future. Management will monitor economic conditions and estimate their impact on the Issuer's plans, strategies and activities and incorporate these estimates in short-term operating and longer-term strategic decisions.

Reliance on a Limited Number of Properties

The only material property interests of the Issuer are its interests in the Bethania Silver Property. As a result, unless the Issuer acquires additional property interests, any adverse developments affecting any one of these properties would likely have an adverse effect upon the Issuer and would adversely affect the potential mineral resource development, profitability, financial performance and condition and results of the Issuer and its strategies and plans. While the Issuer may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Issuer will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Issuer or at all.

Commodity Prices

The price of the Issuer's securities, its financial condition and results, and its access to the capital required to finance its exploration activities may in the future be adversely affected by declines in the price of precious and base metals and, in particular, the price of silver. Base and precious metal prices fluctuate widely and are affected by numerous factors beyond the Issuer's control such as the sale or purchase of base and precious metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, and international political and economic trends, conditions and events. If these or other factors continue to adversely affect the price of base and precious metals, the market price of the Issuer's securities may decline. A severe decline in the price of a mineral being explored or produced or expected to be explored or produced by the Issuer would have a material adverse effect on the Issuer, and could result in the suspension of exploration or development of properties by the Issuer.

Insurance and Uninsured Risks

The Issuer's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, personal injury or death, environmental damage to the Issuer's exploration properties or the properties of others, delays in the ability to undertake exploration, monetary losses and possible legal liability.

The Issuer does not currently maintain insurance in respect of such risks. Although the Issuer may in the future maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, such insurance even if obtained will not cover all the potential risks associated with a mining Issuer's operations. The Issuer may also be unable to obtain and maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production is not generally available to the Issuer or to other companies in the resource industry on acceptable terms. The Issuer might also be subject to liability for pollution or other hazards which it may not be insured against or which the Issuer may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Issuer to incur significant costs that could have a material adverse effect upon its business, plans, prospects, financial performance and condition and results. The payment of such liabilities could reduce or eliminate the Issuer's available funds or could exceed the funds available to the Issuer to pay such liabilities and result in bankruptcy.

Environmental Risks and Hazards

The mining and mineral processing industries are subject to extensive environmental regulation for the protection of the environment. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. These regulations may adversely affect the Issuer or require it to expend significant funds. There is also a risk that environmental and other laws and regulations may become more onerous, making it costlier for the Issuer to remain in compliance with such laws and regulations.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Issuer's operations. Environmental hazards may exist on the properties on which the Issuer holds interests which are unknown to the Issuer at present and which have been caused by previous or existing owners or operators of the properties or by current or previous surface rights owners.

The Issuer cannot give any assurances that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its business, plans and financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect the Issuer.

Significant liabilities may exist on the lands where its material property is located in the form of historic mine construction and development infrastructure, tailings dam(s), waste dump site, a mill site, a camp site, and other mining related infrastructure, disturbance, and equipment located on the property. The Issuer cannot guarantee that its estimation of the amount of these liabilities is accurate. The cost of addressing existing liabilities may be significantly higher than as currently estimated by the Issuer.

Permitting

The Issuer's current and anticipated future activities will require approvals and permits from

various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, exploration, development, mining, production, taxes, labour standards, health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There is no assurance that delays will not occur in connection with obtaining all such necessary approvals and permits for the existing activities or additional approvals or permits for any possible future changes to operations. Prior to any development on any of its properties, the Issuer must receive permits from appropriate governmental authorities. There can be no assurance that the Issuer will obtain or continue to hold all permits necessary to develop or continue its activities at any particular property. Delays in obtaining or a failure to obtain any licenses or permits or extensions thereto, challenges to the issuance of such licences or permits, whether successful or unsuccessful, changes to the terms of such licences or permits or a failure to comply with the terms of any such licences or permits that the Issuer has obtained, could have a material adverse effect on the Issuer by delaying or preventing or making more expensive exploration and/or development.

Title to Mining Concessions

The acquisition of the right to explore and/or exploit mineral properties is a detailed and time-consuming process. Although the Issuer has either obtained title opinions or reviewed title for its properties, there is no guarantee that title to such property interests will not be challenged or impugned. The Issuer's mineral properties may be subject to prior registered or unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects and land claims. A successful challenge to the validity of, or the precise area and location of, these claims could result in the Issuer being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties.

Further, in order to maintain the mining concessions, the Issuer must make certain payments under its option agreements or risk forfeiture of the mining concessions and any such expenditure made to such time. In light of the Issuer's cash resources and, in the absence of the Issuer obtaining additional sources of funding, it is possible that the Issuer may not be able to continue to commit the required minimum exploration expenditures required for its properties beyond the near-term.

There is no assurance that applicable governmental bodies will not revoke or significantly alter the conditions of the applicable mining title that are included in the Bethania Silver Property or that such mining title will not be challenged or impugned by third parties. The Bethania Silver Property may be subject to prior unregistered agreements of transfer or indigenous land claims, and title may be affected by undetected defects. Until any such competing interests have been determined, there can be no assurance as to the validity of title of the Bethania Silver Property and any other mining or property interests derived from or in replacement or conversion of or in connection with the claims comprising the Bethania Silver Property or the size of the area to which such claims and interests pertain. There is a risk that local communities or affected groups may take actions to delay, impede or otherwise terminate the contemplated activities of the Issuer. There can be no guarantee that the Issuer will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out significant exploration and development activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Issuer may need to rely on the assistance of local officials or the courts in such jurisdiction, which assistance may not be provided or, if provided, may not be

effective.

Infrastructure

Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, and government or other interference in the maintenance or provision of such infrastructure could adversely affect the Issuer's business, plans, prospects, financial condition and results. Significant liabilities exist on the Project lands in the form of historic mine construction and development infrastructure, waste dump and stockpiles sites, a camp site, and other mining related infrastructure, disturbance, and equipment located on the property. The Issuer cannot guarantee that its estimation of the amount of these liabilities is accurate. The cost of addressing existing liabilities may be significantly higher than as currently estimated by the Issuer.

Competition

The resource and mining exploration industry is intensely competitive in all of its phases. As a result of this competition, some of which is with significantly larger, established mining companies with substantial capabilities and greater financial and technical resources than the Issuer, the Issuer may be unable to continue to explore and develop its existing properties, or to acquire additional mineral properties in the future. The Issuer may also encounter increasing competition from other resource and mining companies, many of which are significantly larger with significantly greater resources, in its efforts to hire experienced mining professionals.

Community Relations

The Issuer's relationships with the communities in which it operates and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Issuer's operations, or the mining industry generally, could have an adverse effect on the Issuer and may impact relationships with the communities in which the Issuer operates and other stakeholders. While the Issuer is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk.

Government Regulation

The mineral exploration activities (as well as the potential for eventual mining, processing and development activities) of the Issuer will be subject to extensive laws and regulations governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, waste disposal, water use, land claims of local people, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters.

Government approvals, approval of the local population and permits are currently, and may in the future be required in connection with the Issuer's proposed activities. To the extent such approvals are required and not obtained, the Issuer may be curtailed or prohibited from continuing its

exploration or development activities or from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of mineral properties or mining operations may be required to compensate those suffering loss or damage by reason of their activities and may have civil or criminal fines or penalties imposed for violations of applicable laws.

The Issuer's mineral exploration and development activities may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase royalties pay

able or the costs related to the Issuer's activities or maintaining its properties. Operations may also be affected in varying degrees by government regulations with respect to restrictions on exploration, development, production, price controls, government-imposed royalties, claim fees, export controls, income taxes, and expropriation of property, environmental legislation and mine safety. The effect of these factors cannot be accurately predicted. Although the Issuer's exploration and development activities are expected to be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Furthermore, any shift in political attitudes, or amendments to current laws and regulations governing activities of exploration, development, mining or milling or more stringent implementation thereof are beyond the control of the Issuer and could have a substantial adverse impact on the Issuer.

Risks of Foreign Operations

The Issuer's material property will be located in Peru. As such, the Issuer will be subject to political, economic and other uncertainties, including, without limitation, expropriation of property without fair compensation, changes in mining policies or the personnel administering them, nationalization, currency fluctuations and devaluations, exchange controls and royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Issuer's operations will be conducted, as well as risks of loss due to civil strife, acts of war and insurrections.

The Issuer's operations may also be adversely affected by the laws and policies of Peru affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with the Issuer's operations in Peru, the Issuer may be subject to the exclusive jurisdiction of Peru courts and may not be successful in subjecting foreign persons to the jurisdiction of the courts of Canada or enforcing Canadian judgments in other jurisdictions. The Issuer may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Issuer's planned business activities in Peru could be substantially affected by factors beyond the Issuer's control, any of which could have a material adverse effect on the Issuer.

Enforcement of Civil Liabilities

The majority of the Issuer's assets will be located outside of North America. As a result, it may be difficult for an investor to enforce a judgment obtained in a Canadian court or a court of another jurisdiction of residence predicated upon the civil liability provisions of provincial securities laws or other laws of Canada or the equivalent laws of other jurisdictions outside Canada against those persons. In the event of a dispute arising in respect of the Issuer's foreign operations, the Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or elsewhere. The Issuer's inability to enforce its contractual rights could have a material adverse effect on its future cash flows, earnings, results of operations and financial condition, as well as its business, assets and prospects.

Influence of Third-Party Stakeholders

Some of the lands in which the Issuer holds an interest, or the exploration equipment and roads or other means of access which the Issuer intends to utilize in carrying out its work programs or general business activities, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims or do not consent to the Issuer carrying on activities on lands subject to their interests or claims, the Issuer's work programs may be delayed or prevented, even if such claims are not meritorious. Such claims or delays may result in significant financial loss and loss of opportunity for the Issuer.

The Issuer may need to enter into negotiations with landowners and other groups in local communities in Peru in order to conduct further exploration and development work on its properties. There is no assurance that future discussions and negotiations will result in agreements with landowners and other local community groups in Peru or if such agreements will be on terms acceptable to the Issuer so that the Issuer may continue to conduct exploration and development activities on these properties.

Acquisitions and Integration

From time to time, the Issuer may examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Issuer may choose to complete may be of a significant size relative to the size of the Issuer, may change the nature or scale of the Issuer's business and activities, and may expose the Issuer to new geographic, political, operating, financial and geological risks. The Issuer's success in its acquisition activities, if any, depends upon its ability to obtain additional sources of financing, identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate any acquired operations successfully with those of the Issuer. Any acquisitions would be accompanied by risks. In the event that the Issuer chooses to raise debt capital to finance any such acquisitions, the Issuer's leverage will be increased. If the Issuer chooses to use equity as consideration for such acquisitions, existing shareholders may suffer significant dilution. There can be no assurance that the Issuer would be successful in obtaining additional sources of financing or in overcoming these risks or any other problems encountered in connection with such acquisitions.

Management of Growth

The Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer to manage growth effectively will require it to continue to implement and improve its operations and financial systems and to expand, train and manage its employee base. The inability of the Issuer to deal with this growth could have a material adverse impact on its business, plans, operations and prospects.

Dilution

Financing the development of a mineral property through to production, should feasibility studies show it is recommended, would be expensive and the Issuer would require additional monies to fund development and exploration programs and potential acquisitions. The Issuer cannot predict the size of future issuances of the Issuer Common Shares or the issuance of debt instruments or other securities convertible into the Issuer Common Shares. Likewise, the Issuer cannot predict the effect, if any, that future issuances and sales of the Issuer's securities will have on the market and market price of the Common Shares. If the Issuer raises additional funds by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. Sales of substantial numbers of the Issuer securities, or the availability of such the Issuer securities for sale, could adversely affect the market, liquidity and any prevailing market prices for the Issuer's securities.

Dividend Policy

No dividends on the Issuer Common Shares have been paid by the Issuer to date. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Issuer's operating results, financial condition and current and anticipated cash needs. At this time, the Issuer has no source of cash flow and anticipates using all available cash resources towards its stated business objectives and retaining all earnings, if any, to finance its business activities.

Key Personnel

The Issuer's development will be dependent on the efforts of key management and potentially other key personnel. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The loss of any of these people, particularly to competitors, could have a material adverse effect on the Issuer's business. Further, with respect to the future development of the Issuer's exploration properties, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is highly competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Issuer's control, including competition for human capital and the high level of technical expertise and experience required to executive this development, will affect the Issuer's ability to identify and retain the specific personnel required.

Due to the relatively small size of the Issuer, the loss of key personnel or the Issuer's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business, activities and future plans. The Issuer does anticipate carrying any "key person" life

insurance in respect of any of its directors, officers or other employees.

Risk of Litigation

The Issuer may become involved in disputes with other parties in the future which may result in litigation or other legal proceedings. The results of legal proceedings cannot be predicted with certainty. If the Issuer is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Issuer to carry out its business plan.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Conflicts of Interest

Certain of the directors and officers of the Issuer also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Issuer will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Issuer and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the BCBCA and other applicable laws.

Markets for Securities

There can be no assurance that an active trading market in the common shares of the Common Shares will be established and sustained. The market price for the Common Shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Issuer's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of Issuer. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector.

Covid-19

The Issuer's activities may be affected by potential medical pandemic issues, such as the novel coronavirus (COVID-19), as a result of the potential related impact to employees, disruption to operations, supply chain delays, travel and trade restrictions, impact on economic activity in affected countries or regions and local government response to such issues. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce in the technology industry and could be a major health-care challenge for the Issuer. There can be no assurance that the Issuer's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result

of these health risks. The issuers operating and capital costs may increase in order to implement necessary precautions as required by local laws or as determined by the Issuer. As well, there can be no assurance that the Issuer will not be impacted by adverse consequences that may be brought about by pandemics on global financial markets which may reduce resources, share prices and financial liquidity that may severely limit the financing capital available in the industry that the Issuer operates in and the mining industry generally.

17.2 – Additional Securityholder Risk

There is no risk that securityholders of the Issuer may become liable to make an additional contribution beyond the price of the security.

17.3 – Other Risks

The risk factors material to the Issuer that a reasonable investor would consider relevant to an investment in the Common Shares are described above and elsewhere in this Listing Statement.

18. PROMOTERS

David Stein has acted as a promoter of the Issuer within the two years preceding the date of this Listing Statement as he took the initiative in founding and organizing the business of the Issuer. The following table sets out the number and percentage of Common Shares beneficially owned or controlled by David Stein as of the date of this Listing Statement:

Name	Common Shares Beneficially Owned or Controlled	Percentage of Class
David Stein	8,869,165	27.42 ⁽¹⁾

Note:

(1) Based on 32,340,732 common shares issued and outstanding.

19. LEGAL PROCEEDINGS

19.1-19.2 – Legal Proceedings and Regulatory Actions

As of the date hereof, the Issuer is not a party to any legal proceedings or regulatory actions and is not currently contemplating any legal proceedings other than as described below. Management of the Issuer is currently not aware of any legal proceedings or regulatory actions contemplated against the Issuer, which are material to its business.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Issuer, other than otherwise disclosed in this Listing Statement, no director or executive officer of the Issuer, or shareholder beneficially owns, or control or direct, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associates or affiliates of such persons, has or has had any material interest, direct or indirect, in any

transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Issuer.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 – Auditors

The Issuer's auditor is Davidson & Company LLP, Chartered Professional Accountants, of 1200 - 609 Granville Street, Vancouver, British Columbia, V7Y 1G6. The Issuer's transfer agent and registrar is Computershare Investor Services Inc. of 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9.

22. MATERIAL CONTRACTS

22.1 – Material Contracts of the Issuer

The Issuer has not entered into any other material contracts within the two years before the date of this Listing Statement, other than contracts entered into in the ordinary course of business, except for the Amalgamation Agreement, Bethania SPA and the Escrow Agreement.

The material contracts described above may be inspected without further charge at the offices of the Issuer, located at 23rd Floor, 1177 West Hastings Street, Vancouver, BC, V6E 2K3, during ordinary business hours for a period of 30 days after the date of this Listing Statement, and are available on SEDAR.

22.2 – Special Agreements

The Issuer is not a party to any co-tenancy, unitholders' or limited partnership agreements.

23. INTEREST OF EXPERTS

23.1 – Interest of Experts – Issuer

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Issuer or of an Associate or Affiliate of the Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Issuer or of an Associate or Affiliate of the Issuer and no such person is a promoter of the Issuer or an Associate or Affiliate of the Issuer.

24. OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein that are necessary to be disclosed in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Common Shares.

25. FINANCIAL STATEMENTS

Financial Statements of Kuya

Enclosed as Schedule "A" is a copy of:

- the audited consolidated financial statements of Kuya for the year ended December 31, 2019 and 2018 (unaudited) and a copy of the Management's Discussion and Analysis related to such financial statements; and
- the unaudited consolidated financial statements of Kuya for the six-month period ended June 30, 2020 and a copy of the Management's Discussion and Analysis related to such financial statements.

Financial Statements of Miramont

Enclosed as Schedule "B" is a copy:

- the audited consolidated financial statements of Miramont for the year ended July 31, 2019 and a copy of the related Management's Discussion and Analysis.
- The unaudited condensed interim consolidated financial statements of Miramont for the nine-month period ended April 30, 2020 and a copy of the related Management's Discussion and Analysis.

Pro Forma Financial Statements

Enclosed as Schedule "C" is a copy of the pro forma consolidated statement of financial position of Miramont as at April 30, 2020.

SCHEDULE "A"
CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION
AND ANALYSIS' OF KUYA



CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Kuya Silver Corp.

Stated in United States Dollars, unless otherwise noted

INDEX

	PAGE
Independent Auditor's report	1-3
Consolidated Statements of Financial Position	4
Consolidated Statements of Loss and Comprehensive Loss	5
Consolidated Statements of Cash Flows	6
Consolidated Statements of Changes in Equity	7
Notes to the Consolidated Financial Statements	8 - 23

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Kuya Silver Corp.

Opinion

We have audited the consolidated financial statements of Kuya Silver Corp., (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the entity incurred a net loss of \$1,558,355 during the year ended December 31, 2019 and has a working capital deficit of \$39,246 at December 31, 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements which describes that Kuya Silver Corp. adopted International Financial Reporting Standards on January 1, 2019 with a transition date of January 1, 2018. These standards were applied retrospectively by management to the comparative information in these financial statements, including the consolidated statements of financial position as at December 31, 2018 and January 1, 2018, and the consolidated statement of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended December 31, 2018 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
August 12, 2020
Toronto, Ontario

KUYA SILVER CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31, 2019 and 2018
Stated in United States Dollars

	Note	31-Dec-19	(Unaudited) 31-Dec-18	(Unaudited) 1-Jan-18
Assets				
<i>Current</i>				
Cash		\$ 80,078	\$ 43,689	\$ 817
Total assets		\$ 80,078	\$ 43,689	\$ 817
Liabilities				
<i>Current</i>				
Accounts payable and accrued liabilities		\$ 48,249	\$ 38,233	\$ 1,643
Due to related party	7	71,075	422,568	476,928
Total liabilities		119,324	460,801	478,571
Shareholders' equity (deficiency)				
Share Capital	5	3,046,544	1,430,164	333
Warrants	6	862,091	542,250	-
Deficit		(3,947,881)	(2,389,526)	(478,087)
Total equity (deficiency)		(39,246)	(417,112)	(477,754)
Total liabilities and equity (deficiency)		\$ 80,078	\$ 43,689	\$ 817

Nature of operations and going concern (Note 1)

Subsequent event (Note 12)

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

Approved by the sole director:

/s/ "David Stein"

Director

KUYA SILVER CORP.**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

	Note	31-Dec-19	(Unaudited) 31-Dec-18
<u>Income</u>			
Interest Income		\$ 1,162	\$ 1,456
<u>Expenses</u>			
Exploration and evaluation	4	1,169,895	1,623,776
Share-based compensation	6	319,841	239,881
General and administrative		69,781	49,238
Total Expenses		1,559,517	1,912,895
Net loss and comprehensive loss for the year		\$ (1,558,355)	\$ (1,911,439)
Loss per share - basic and diluted		\$ (0.27)	\$ (0.41)
Weighted Average Number of Common Shares, basic and diluted		5,875,847	4,649,615

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

KUYA SILVER CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018
Stated in United States Dollars

	Year ended on 31-Dec-19	(Unaudited) Year ended on 31-Dec-18
Cash flows from operating activities		
Net loss for the year	\$ (1,558,355)	\$ (1,911,439)
Adjustment for non-cash items:		
Share-based compensation	319,841	239,881
Increase in accounts payable and accrued liabilities	69,016	36,590
Net cash used in operating activities	(1,169,498)	(1,634,968)
Cash flow from financing activities		
Proceeds from issuance of share capital	1,057,380	1,070,200
Proceeds from related party loan	353,507	607,640
Repayment of related party loan	(205,000)	-
Net cash provided by financing activities	1,205,887	1,677,840
Net change of cash	36,389	42,872
Cash at beginning of the year	43,689	817
Cash at end of the year	\$ 80,078	\$ 43,689

Supplemental information

Shares issued on conversion of due to related party	\$ 500,000	\$ 662,000
Shares issued on settlement of accounts payable	\$ 59,000	\$ -

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

KUYA SILVER CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2019 and 2018
Stated in United States Dollars

	Note	Number of common shares #	Share capital \$	Warrants \$	Deficit \$	Total \$
January 1, 2018 (unaudited)		3,333,333	333	-	(478,087)	(477,754)
Common shares and warrants issued for cash	5 & 6	1,070,200	903,800	166,400	-	1,070,200
Warrants issued to finders	6	-	(3,569)	3,569	-	-
Units issued on settlement of debt	6	662,000	529,600	132,400	-	662,000
Share-based compensation	6	-	-	239,881	-	239,881
Net loss		-	-	-	(1,911,439)	(1,911,439)
December 31, 2018 (unaudited)		5,065,533	1,430,164	542,250	(2,389,526)	(417,112)
Common shares issued for cash	5	1,018,233	1,057,380	-	-	1,057,380
Shares issued for settlement of debt	5	559,000	559,000	-	-	559,000
Share-based compensation				319,841		319,841
Net loss		-	-	-	(1,558,355)	(1,558,355)
December 31, 2019		6,642,766	3,046,544	862,091	(3,947,881)	(39,246)

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

Kuya Silver Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

1. NATURE OF OPERATIONS AND GOING CONCERN

Kuya Silver Corp. (the “Company”) was incorporated under the laws of the Province of Ontario, Canada on August 9, 2017.

The principal address and records office of the Company is located at 217 Queen Street W., Suite 401, Toronto, Ontario, M5V 0R2.

The Company is primarily engaged in the redevelopment and restart of the Bethania Silver Mine in Peru via an option agreement with Peruvian mine owners. To date, the Company has not earned revenues and is considered to be in the exploration stage. Although the Company has taken steps to verify title to mineral properties held by the optionor, these procedures do not guarantee the title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated revenue from operations. During the year ended December 31, 2019, the Company incurred a loss of \$1,558,355 (2018 – \$1,911,439), and as of that date, the Company had a working capital deficit of \$39,246 (2018 – \$417,112). The Company will need to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

In these circumstances, there exist material uncertainties resulting in significant doubt as to the ability of Kuya to continue as a going concern and continue to meet its obligations as they come due. These consolidated financial statements do not include adjustments or disclosures that may result should the Company not be able to continue as a going concern. If the going concern assumption were not appropriate for these financial statements, then adjustments would be required to the carrying value of assets and liabilities, the expenses, the reported comprehensive loss and the statement of financial position classifications used that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments could be material.

2. BASIS OF PRESENTATION

These audited consolidated financial statements include the accounts of the Company and its 98% controlled subsidiary, Aerecura Materiales S.A.C. (“Aerecura Materiales”). Aerecura Materiales is an inactive subsidiary and as such there is no non controlling interest.

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Company and its subsidiary have not previously issued IFRS financial statements and, accordingly, these consolidated statements are subject to IFRS 1 – First Time Adoption of IFRS. The transition date to IFRS was January 1, 2018. The Company did not apply any first-time exemptions.

Kuya Silver Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

On August 7, 2020, the sole director approved these statements.

b. Basis of measurement

The Company's consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that may be measured at fair value.

c. Functional and presentation currency

These consolidated financial statements are presented in United States Dollars. The functional currency of the Company is the United States Dollar. The functional currency of Aerecura Materiales is the United States Dollar.

d. Segmented reporting

The Company is organized into business units based on its mineral properties and has one reportable operating segment, being the acquisition and exploration and evaluation of mineral properties in Peru. With virtually all of the Company's assets being devoted to the acquisition and exploration and evaluation of its mineral properties, the assets of the Company form a single cash generating unit ("CGU").

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

a. Foreign currency

Items included in the consolidated financial statements of the Company and its subsidiary are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The Company translates monetary assets and liabilities at the rate of exchange in effect at the balance sheet date and non-monetary assets and liabilities at historical exchange rates. Income and expenses are translated at average rates when they occur. Gains and losses on translation are recorded in the statement of loss and comprehensive loss.

b. Cash

Cash includes cash at banks. The majority of the Company's cash is held in Canada.

c. Exploration and evaluation expenditures

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

Acquisition costs and exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources and prior to a decision to proceed with mine development are expensed as incurred. Once a project has been established as commercially viable and technically feasible and a decision has been made to proceed with mine development, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to incremental future benefit.

d. Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on the differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax value, using the substantively enacted tax rates expected to apply when these temporary differences are reversed. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be realized. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

Deferred tax liabilities are recognized for all temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

e. Share-based payments

Equity-settled share-based payments to employees (including directors and senior executives) and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value of the share-based payment is measured by reference to the fair value of the equity instrument granted, which in turn is determined using the Black-Scholes option-pricing model on the date of the grant, with management's assumptions for the risk-free rate, dividend yield, the expected volatility of the price of the Company's shares based on comparable companies, and the expected life of the options.

The fair value of the equity-settled share-based payments is expensed over the period in which the performance and/or service conditions are fulfilled, ending on the date in which the grantee becomes fully entitled to the award, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best estimate of the share-based payments expected to vest. Non-market vesting conditions are included in assumptions about the number of share-based payments that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share-based payments expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if share-based payments ultimately exercised are different to that estimated on vesting.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in

Kuya Silver Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

which case they are measured at the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the service.

In certain cases, the Company will issue shares to settle debt. The value of the shares based to settle the debts is measured at the fair value of the shares on the date of issue.

f. Decommissioning liabilities

The Company's mining exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive. The Company has made, and intends to make in the future, expenditures to comply with such laws and regulations or constructive obligations.

Accrued site closure costs are recorded at the time an environmental disturbance occurs, and are measured at the Company's best estimate of the expected value of future cash flows required to reclaim the disturbance upon site closure, discounted to their net present value. The net present value is determined using a pre-tax discount rate that is specific to the liability. The estimated net present value is re-measured on an annual basis or when changes in circumstances occur and/or new material information becomes available. Increases or decreases to the provision arise due to changes in legal or regulatory requirements, the extent of environmental remediation required and cost estimates. The net present value of the estimated costs of these changes is recorded in the period in which the change is identified and quantifiable.

Upon initial recognition of site closure costs, there is a corresponding increase to the carrying amounts of related assets and the cost is amortized as an expense on a unit-of-production basis over the life of the related assets. The value of the provision is progressively increased over the life of the operation as the effect of discounting unwinds, such increase is recognized as finance expense.

As at December 31, 2019, the Company has not incurred and is not committed to any decommissioning obligations in respect of its mineral exploration properties.

g. Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

h. Loss per share

Loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year, including contingently issuable shares which are included when the conditions necessary for issuance have been met. Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and

Kuya Silver Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants.

During the years ended December 31, 2019 and 2018, all the outstanding stock options and warrants were anti-dilutive.

i. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

j. Financial instruments

Under IFRS 9, the Company's accounting policy for financial instruments is as follows:

Financial assets

The Company initially recognizes financial assets on the trade date, which is the date upon which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company classifies all of its non-derivative financial assets as subsequently measured at amortized cost. All financial assets that do not meet the criteria to be recognized as subsequently measured at amortized cost or subsequently measured at fair value through other comprehensive income are classified as fair value through profit or loss ("FVTPL").

Financial liabilities

The Company measures all of its non-derivative financial liabilities as subsequently measured at amortized cost. Non-derivative financial liabilities are recognized initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. Gains and losses on derecognition are generally recorded in profit or loss.

The following is a summary of the classification of financial instruments:

Kuya Silver Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

Financial instruments	Classification
Assets	
Cash	Amortized Cost
Liabilities	
Accounts payable and accrued liabilities	Amortized Cost
Due to related party	Amortized Cost

k. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issuance costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

l. Valuation of equity instruments in private placements

The Company employs a relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. Warrants attached to units are valued using the Black-Scholes option pricing model with reference to the share price at the time of financing. The shares are valued based on the recent share transactions. The proceeds from the issuance units as well as the associated issuance costs are allocated pro-rata between share capital and warrants. When warrants are exercised, the applicable amounts of warrants are transferred to share capital. Any consideration paid on the exercise of the warrants is credited to share capital. For warrants that expire unexercised, the recorded value is transferred to the contributed surplus.

m. Critical accounting judgments and estimation uncertainties

The preparation of the consolidated financial statements in conformity with IFRS requires the Company's management to make critical judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results may differ from those estimates. Estimates and assumptions are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates are accounted for prospectively.

The Company has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position

Kuya Silver Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Critical accounting estimates and judgments relate to the following:

Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects. If the Company does not have title to its mineral properties, there will be adverse consequences to the Company and its business prospects.

Exploration and Evaluation Expenditures

The Company charges all exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources to operations as incurred. Determination of technical feasibility and commercial viability require the use of judgements, estimates and assumptions which may differ under varying conditions.

Share-based Payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the best estimate of reaching non-market performance criteria and most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in notes 5 and 6.

Bifurcation of Unit Proceeds

The Company employs a relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. The amounts used to estimate fair values of warrants issued are based on estimates of future volatility of the Company's share price, expected lives of the warrants, expected dividends to be paid by the Company and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the consolidated financial statements of future periods could be significant.

The assumptions and models used for estimating fair value for warrants are disclosed in note 6.

4. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES

The Company is principally engaged in exploration for precious metals on its properties located in Peru.

In October 2017, the Company entered into the original “Share Purchase Agreement” to acquire up to 80% of the shares of S&L Andes Export S.A.C (“S&L Andes”), which owns 100% of the Bethania Mine (as defined below). S&L Andes is a private Peruvian based company based in Lima that owns 100% of the Bethania Silver Property (Santa Elena concession) and Chinita I concession (collectively referred to as the “Bethania Mine”).

The Share Purchase Agreement was then amended on February 2018, July 2018, February 2019 and June 2020. The financial terms from the original Share Purchase Agreement have not materially changed, however the payment terms were amended to be similar to an “earn-in” agreement, whereby each progressive investment or payment over time earns a larger stake in S&L Andes. To earn the 80% interest, the Company must make payments totalling \$8,000,000 and issue 2,000,000 common shares of the Company to the owners of S&L Andes. The current Share Purchase Agreement (last amended in June 2020) outlines the following payments to acquire the 80% interest:

- US\$4.5M investment in the Bethania Mine:
 - US\$2.5M toward repayment of debt and liabilities.
 - US\$2M for a work program (e.g. drilling, technical studies, mine expansion), mine care and maintenance, G&A, and deal costs.
- US\$3.5M acquisition payment (cash).
- US\$2.0M in Kuya Shares at a deemed price of USD\$1.00 on closing of acquisition of S&L Andes.

The Share Purchase Agreement has been extended on each of the four amendments. According to the current amended agreement, the entire investment and payments must be made by April 30, 2021 (“Closing Date”). If the Company reaches the Closing Date before the entire investment amount and payment has been completed or the Company terminates the agreement prior to the Closing Date, it would receive the proportional ownership of S&L Andes based on a total valuation of \$12.5M.

As of December 31, 2019, the Company has paid a total of \$3,265,363 which has earned the Company a 28.6% interest in S&L Andes, assuming conversion into shares. As of April 30, 2020, Kuya and the vendor agreed to recognize Kuya’s investment of US\$3.66M by converting US\$3.11M into a 27.0% interest in S&L Andes with \$550,000 being retained as a loan from Kuya to S&L Andes, subject to the ratification of a new shareholder’s agreement. Kuya is continuing to work towards obtaining the full 80% in S&L Andes and has not yet converted its investment into shares of S&L Andes.

In addition, as at December 31, 2019, the Company, through its Peruvian subsidiary, applied for a total of 2 mining concessions covering an aggregate area of approximately 1,500 hectares, of which title had been granted to one concession (1000 ha) and the other application remained in process. The mining concessions have been named Tres Banderas.

Kuya Silver Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

Property expenditures for the years ended December 31, 2019 and 2018 are as follows:

Exploration spend by property

	2019	2018
Bethania Mine	\$ 1,168,393	\$ 1,620,526
Tres Banderas	1,502	3,250
	\$ 1,169,895	\$ 1,623,776

5. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends if and when declared, and to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

During the year ended December, 2019, the Company:

In May 2019, the Company issued 59,000 shares with a value of \$1.00 per share in settlement of fees for services amounting to \$59,000.

In May 2019, the Company issued 1,225,000 common shares pursuant to a private placement for \$1 per share. The proceeds comprised cash of \$725,000 and the settlement of a related party loan for \$500,000.

In September 2019, the Company issued 97,500 common shares pursuant to a private placement for cash proceeds of \$97,500.

In December 2019, the Company issued 195,733 common shares pursuant to a private placement for cash proceeds of \$234,880.

During the year ended December 31, 2018, the Company:

In March 2018, the Company issued 1,494,000 units pursuant to a private placement for \$1 per unit. The proceeds comprised cash of \$832,000 and the settlement of a related party loan for \$662,000. Each unit consisted of one common share and one quarter-warrant, with each full warrant exercisable at a price of \$0.001 for one common share and are only exercisable on completion of the Company's 80% acquisition of S&L Andes. The fair value of the warrants was estimated at \$298,800 using the relative fair value method.

In September 2018, the Company issued 238,200 common shares pursuant to a private placement for cash proceeds of \$238,200.

Kuya Silver Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

6. WARRANTS

A continuity of outstanding share purchase warrants is as follows:

	Number of warrants	Amount	Weighted Average Exercise Price
Balance, December 31, 2017	-	\$ -	\$ -
Issued on unit issuance (Note 5)	373,500	298,800	0.001
Issued to management	666,667	239,881	0.001
Issued to finders	6,724	3,569	1.00
Balance December 31, 2018	1,046,891	542,250	0.012
Issued to management	-	319,841	0.001
Balance December 31, 2019	1,046,891	\$ 862,091	\$ 0.009

During the year ended December 31, 2018, the Company:

- 1) Issued 373,500 warrants in connection with a private placement. Each warrant entitles the holder to purchase one common share at a price of \$0.001 per share and are only exercisable on completion of the Company's 80% acquisition of S&L Andes. The relative fair value of the warrants was estimated to be \$346,440. The Black-Scholes pricing model assumptions are as follows:

Share price	\$1.00
Expected life	3 Months
Risk-free interest rate	1.84 %
Expected dividend yield	nil %
Expected volatility based on comparable entities	100 %

- 2) Issued 666,667 compensatory warrants to a member of management. Each warrant entitles the holder to purchase one common share at a price of \$0.001 per share and are only exercisable on completion of the Company's 80% acquisition of S&L Andes. The fair value of the warrants was estimated to be \$666,336. The expense for these warrants is amortized over the expected vesting period to April 2021.

Kuya Silver Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

As such, \$319,841 is recognized as expense in 2019 (2018 - \$239,881). The Black-Scholes pricing model assumptions are as follows:

Share price	\$1.00
Expected life	3 Months
Risk-free interest rate	1.84 %
Expected dividend yield	nil %
Expected volatility based on comparable entities	100 %

- 3) Issued 6,724 finders' warrants in connection with a private placement. Each warrant entitles the holder to purchase one common share at a price of \$1.00 per share at any time within 24 months of issuance. The Black-Scholes pricing model assumptions are as follows:

Share price	\$1.00
Expected life	3 Months
Risk-free interest rate	2.14 %
Expected dividend yield	Nil %
Expected volatility based on comparable entities	100 %

At December 31, 2019, the following warrants were outstanding:

Expiry date	Exercise price	Number outstanding
April 1, 2020	\$ 1.00	1,250
September 18, 2020	\$ 1.00	5,474
15 days following the acquisition of the 80% interest S&L Andes	\$ 0.001	1,040,167
		1,046,891

Kuya Silver Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

7. RELATED PARTY DISCLOSURES

	2019	2018
Due to a director/shareholder	\$ 71,075	\$ 422,568

In accordance with the Company's Unanimous Shareholders Agreement, shareholder loans may be subject to an annual interest rate of Prime Rate + 2%, however in 2018 and 2019 the lending shareholder agreed to waive any interest charges for nil consideration. The unsecured loans are due on demand.

During 2019, a director advanced the Company a total of \$353,507 and was repaid \$205,000 in cash with a further \$500,000 settled through the issuance of shares in the May 2019 private placement.

During 2018, a director advanced the Company a total of \$607,640. The director settled an amount of \$662,000 settled through the issuance of units in the March 2018 private placement.

During the years ended December 31, 2019, there was no key management compensation paid. See Note 6 for a description of warrants that were issued to a member of management.

As at December 31, 2019, an amount of \$48,249 (2018 - \$38,233) is recorded in accounts payable and accrued liabilities as reimbursement of Company expenses. These amounts are owed to the director of the Company.

8. INCOME TAXES

a. Income tax expense

The following table reconciles income taxes calculated at combined Canadian federal/provincial tax rates with the income tax recovery in the consolidated financial statements:

	2019	2018
Loss before income taxes	\$ (1,558,355)	\$ (1,911,439)
Statutory tax rate	26.50%	26.50%
Expected income tax recovery	(412,964)	(506,531)
Effect of tax rates in foreign jurisdictions	398	861
Expected recovery at statutory rate	(412,566)	(505,670)
Non-deductible expenses	84,758	63,568
Change in deferred taxes not recognized	327,808	442,102
Net expected deferred income tax recovery	\$ -	\$ -

Kuya Silver Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

b. Deferred taxes

Deferred tax assets have not been recognized in respect of the following items because it is not probable the future taxable profit will be available against which the Company can use the tax benefits there from:

Deferred Tax Assets

	2019	2018
Resource properties	\$ 865,321	\$ 555,697
Amounts related to tax loss and credit carry forwards	31,282	13,098
	896,603	568,795
Deferred taxes not recognized	(896,603)	(568,795)
Net deferred tax assets	\$ -	\$ -
Net deferred liabilities	\$ -	\$ -

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred income tax liabilities result primarily from amounts not deductible for accounting purposes until future periods. Deferred income tax assets result primarily from operating tax loss carry forwards and have been offset against deferred income tax liabilities.

c. Loss carry forwards

The Company has non-capital losses of approximately \$118,044 available for carry forward. Potential income tax benefits of the losses have not been recorded in the financial statements. These losses expire as follows:

2037	\$ 1,643
2038	47,782
2039	68,619
	<hr/>
	\$ 118,044
	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

9. FINANCIAL INSTRUMENTS

Fair Values

The carrying amounts for the Company's financial instruments approximate their fair values because of the short-term nature of these items.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company is not exposed to any significant credit risk as at December 31, 2019. The Company's cash is on deposit with a highly rated banking group in Canada.

Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations as they come due. The Company's approach to managing and mitigating liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due through management's use of financial forecasts and budgets. As at December 31, 2019, the Company has current assets of \$80,078 and current liabilities of \$119,324. All of the Company's current financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms. The Company's working capital deficit is \$39,246 as at December 31, 2019. The Company intends to address its working capital needs through private placements. See Note 1 for discussion on going concern assumption.

Market risk

(i) Interest rate risk

The Company has cash balances and does not have any interest-bearing debt and is not subject to significant interest rate risk.

(ii) Foreign currency risk

The Company incurs significant purchases denominated in currencies other than the presentation currency, the United States dollar, and are subject to foreign currency risk on assets and liabilities denominated in currencies other than the United States dollar. As at December 31, 2019, the Company had cash of CDN\$7,151. The Company does not hedge its foreign currency balances.

10. CAPITAL DISCLOSURES

The Company's objective when managing capital is to raise sufficient funds to execute its exploration plans. At December 31, 2019, the Company's capital consists of shareholders' deficit of \$39,246 (2018 – deficit of \$417,112).

Kuya Silver Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company does not have any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year ended December 31, 2019.

11. ENVIRONMENTAL AND CONSTRUCTIVE OBLIGATIONS

The Company's mining and exploration activities are governed by Peruvian Legislative Decree No. 613. The Company is required to present environmental studies on the impact of its exploration and mining operations to the Ministry of Energy and Mines. The Company may also provide financial assistance to local communities to facilitate relationships.

To date, the Company has not incurred any significant environmental or constructive liabilities.

12. SUBSEQUENT EVENTS

- a) In February 2020, the Company closed a non-brokered private placement of 464,583 common shares at \$1.20 per share for total gross proceeds of \$557,500.
- b) Subsequent to December 31, 2019, the Company, through its Peruvian subsidiary, filed applications for an additional two mining concessions covering an aggregate area of approximately 1,100 hectares.
- c) Since December 31, 2019, the spread of COVID-19 has severely impacted many economies around the globe. In many countries, including Canada and Peru, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Almost all of the Company's personnel work from home and the Company continues to manage its affairs via virtual business platforms.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of the COVID-19 pandemic, nor its impact on the financial position and results of the Company for future periods.

- d) On June 10, 2020, the Company executed a definitive agreement with Miramont Resources Corp. ("Miramont") and 2757974 Ontario Inc. ("275"), whereby all of the issued and outstanding shares of the Company will be exchanged for shares of Miramont on the basis of 1.835 Miramont shares for each one

Kuya Silver Corp.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Stated in United States Dollars

share of Kuya. It is expected that the transaction will be structured as a three-cornered amalgamation in accordance with Section 174 of the *Business Corporations Act* (Ontario) in which the Company will amalgamate with 275, a newly incorporated, wholly owned subsidiary of Miramont, formed solely for the purpose of facilitating the transaction. 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. Following the transaction, the amalgamated company will be a wholly owned subsidiary of Miramont.

As a condition to the completion of the transaction, the Company must complete a private placement financing for minimum gross proceeds of CAD\$1,000,000. The Company announced its intention to complete a brokered private placement of subscription receipts at a price of CAD\$1.65 per subscription receipt to raise gross proceeds of up to CAD\$10,000,000.

- e) On July 23, 2020, Kuya entered into an agency agreement with Cormark Securities Inc. (on behalf of itself and a syndicate of agents) and Miramont (the "Agency Agreement") with respect to the aforementioned private placement financing, and on the same date Kuya completed the brokered private placement financing of 7,174,590 Kuya subscription receipts and a concurrent non-brokered private placement financing of 303,030 Kuya subscription receipts, both at an issue price of \$1.65 per Kuya subscription receipt for aggregate gross proceeds of CAD\$12,338,074. Kuya agreed to pay agents fees of CAD\$559,709 on the brokered private placement resulting in net proceeds, before transaction expenses, of CAD\$11,778,365, such net proceeds being held in escrow by a subscription receipt agent and to be released to Kuya upon satisfaction of certain escrow release conditions pursuant to the terms of the Agency Agreement.

KUYA SILVER CORP.

Management's Discussion and Analysis Year Ended December 31, 2019

The following is management's discussion and analysis ("MD&A") Kuya Silver Corp. ("Kuya" or the "Company"), prepared as of August 7, 2020. This MD&A should be read together with the audited financial statements for the year ended December 31, 2019 and related notes. Financial amounts are expressed in United States dollars unless otherwise specified.

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

The Company's audited financial statements for the year ended December 31, 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with IFRS as issued by the IASB and interpretations of the International Financial Reporting Interpretations Committee.

The Company's Business and Overall Performance

The Company was incorporated on August 9, 2017 pursuant to the *Business Corporations Act* (Ontario). The Company is a private company with a focus on exploring and developing its mineral properties in Peru as detailed below.

Mineral Development Projects

In October 2017, Kuya entered into the Bethania Share Purchase Agreement (the "**Bethania SPA**") to acquire up to 80% of the shares of S&L Andes Export S.A.C. ("**Andes**"), a private Peruvian company based in Lima, that owns 100% of the Bethania Silver Property (Santa Elena concession) and Chinita I concession (together the "**Asset**").

Kuya agreed to acquire an 80% controlling interest in the Asset from Alfredo Soria and Erika Soria (the "**Soria Family**"), the owners of Andes, by investing a total of US\$10.0 million; a combination of work and capital/debt commitments to the Asset, cash payments, and common shares in the capital of Kuya (the "**Kuya Shares**"). The current Bethania SPA (amended most recently in June 2020) outlines the following investments to acquire the Asset:

- US\$4.5M investment in the Bethania Silver Property:
 - US\$2.5M toward repayment of historical debt and liabilities.
 - US\$2M for a work program (including drilling, 43-101 technical reports, mine expansion costs), mine care and maintenance, G&A, and deal costs.
- US\$3.5M acquisition payment to Soria Family (cash).
- US\$2.0M in Kuya Shares at a deemed price of USD\$1.00 on closing of acquisition of the Asset.

The entire investment and payments must be made by April 30, 2021 (the "**Closing Date**"). If Kuya reaches the Closing Date before the entire investment amount and payment has been completed or Kuya terminates the Bethania SPA prior to the Closing Date, it will receive the proportional ownership of Andes based on a total valuation of US\$12.5 million and enter into a new shareholders' agreement with the Soria Family. Also, in the event that Kuya determines that the entire amount allocated to debt and liabilities repayment is not required, the difference could be re-allocated to the work program at Kuya's discretion such that the total investment amount remains the same. As of April 30, 2020, Kuya had invested US\$3.66 million to fulfill

the terms of the Bethania SPA. Kuya and the Soria Family agreed to convert approximately US\$3.1 million investment into a 27.0% interest in Andes with \$550,000 being retained as a loan from Kuya to Andes. Kuya is continuing to work towards obtaining the full 80% in Andes and has not yet converted its investment into shares of S&L Andes.

Subsequent to the year end, on June 10, 2020, Kuya entered into the definitive agreement (the “**Amalgamation Agreement**”) with Miramont Resources Corp. (“**Miramont**”), a publicly traded company on the Canadian Securities Exchange (“**CSE**”) and 2757974 Ontario Inc., whereby all the issued and outstanding common shares of the Company will be exchanged for common shares of Miramont (“**Miramont Shares**”), on the basis of 1.835 Miramont Shares (following a consolidation of the Miramont Shares on a ten for one basis), resulting in a reverse takeover of Miramont by the Company (the “**Transaction**”). At the same time of entering of the Amalgamation Agreement, the parties announced a brokered private placement of subscription receipts to raise gross proceeds of up to CAD\$10,000,000. The Transaction is described in more detail below in the Proposed Transaction section.

Subsequent to the year end, on July 23, 2020, Kuya entered into an agency agreement with Cormark Securities Inc. (on behalf of itself and a syndicate of agents) and Miramont (the “**Agency Agreement**”) with respect to the aforementioned private placement financing, and on the same date Kuya completed the brokered private placement financing of 7,174,590 Kuya subscription receipts and a concurrent non-brokered private placement financing of 303,030 Kuya subscription receipts, both at an issue price of \$1.65 per Kuya subscription receipt for aggregate gross proceeds of CAD\$12,338,074 (the “**Concurrent Financing**”). Kuya agreed to pay agents fees and expenses of CAD\$559,709 on the brokered private placement resulting in net proceeds, before transaction expenses, of CAD\$11,778,365, such net proceeds being held in escrow by a subscription receipt agent and to be released to Kuya upon satisfaction of certain escrow release conditions pursuant to the terms of the Agency Agreement. Based on the closing of the Concurrent Financing and the expected closing of the Transaction, Kuya should be in a strong enough financial position to fulfill the terms of the Bethania SPA and to complete the acquisition of the 80% in the Asset.

Financial

All financial amounts have been determined in accordance with IFRS. All amounts in United States dollars unless otherwise noted.

SELECTED ANNUAL INFORMATION

During the most recent two fiscal years, the Company has not incurred any loss from discontinued operations or extraordinary items, or declared any dividends.

	December 31	
	2019 (\$)	2018 (Unaudited) (\$)
Revenue	1,162	1,456
Income (loss) for the year	(1,558,355)	(1,911,439)
Basic and diluted loss per share	(0.27)	(0.41)
Total assets	80,078	43,689

Long term financial liabilities	0	0
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RESULTS OF OPERATIONS

Year Ended December 31, 2019

The Company incurred a net loss and comprehensive loss of \$1,558,355 for the year ended December 31, 2019 as compared to a net loss and comprehensive loss of \$1,912,895 for the year ended December 31, 2018. The decrease in loss is due to less investment into the Bethania SPA during 2019 as compared to 2018.

Trends in expenses and the composition of expenses during the year ended December 31, 2019 were:

- The Company incurred exploration and evaluation expenses of \$1,169,895 (2018 - \$1,623,776) fulfilling the terms of the Bethania SPA, and this amount was allocated to permitting and engineering design for the expansion project, repayment of historical liabilities, payment to the owners, geological evaluation expenses, care and maintenance of the Bethania mine, and other administrative expenses in Peru and Canada.
- General and administrative expenses of \$69,781 (2018 - \$49,238) included costs to promote the Company both online and at industry events, office and other expenses.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2019, the Company had cash and cash equivalents of \$80,078 (December 31, 2018 - \$43,689) and working capital of -\$39,246 (December 31, 2018 – working capital of -\$417,112).

Some of the factors affecting the Company's liquidity are:

- The Company will have to incur ongoing costs to fulfill the terms of the Bethania SPA.
- Subsequent to year end in February 2020, the Company closed a non-brokered private placement of 464,583 common shares at \$1.20 per share for total gross proceeds of \$557,500.
- Subsequent to the year end, on July 23, 2020, Kuya entered into the Agency Agreement with respect to the aforementioned Concurrent Financing, and on the same date Kuya completed the brokered private placement financing of 7,174,590 Kuya subscription receipts and a concurrent non-brokered private placement financing of 303,030 Kuya subscription receipts, both at an issue price of \$1.65 per Kuya subscription receipt for aggregate gross proceeds of CAD\$12,338,074. Kuya agreed to pay agents fees and expenses of CAD\$559,709 on the brokered private placement resulting in net proceeds, before transaction expenses, of CAD\$11,778,365, such net proceeds being held in escrow by a subscription receipt agent and to be released to Kuya upon satisfaction of certain escrow release conditions pursuant to the terms of the Agency Agreement.

Based on its current operating plan, management estimates that the Company may not have enough cash to support operations for at least 12 months, and may require further financing. Since there is no assurance that the Company will be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or debt to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to raise money on acceptable terms or at all.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

From time to time, the Company has entered into informal loan transactions with a related party (David Stein, President and Director) in order to fund operations in between financing as follows:

	Year ended December 31, 2019 (\$)	Year ended December 31, 2018 (\$)
Due to director/shareholder	\$71,075	\$422,568

Accounts payables and accrued liabilities at December 31, 2019 of \$48,249 are due to a director of the Company (December 31, 2019 - \$38,233).

Risks And Uncertainties

The Company is exposed to many risks in conducting its business, including but not limited to metal price risk as the Company may derive its revenues from the sale of silver, gold, lead, zinc and copper; credit risk in the normal course of business; foreign exchange risk as the Company reports its financial statements in U.S. dollars whereas the Company operates in jurisdictions that conducts its business in other currencies; the inherent risks of uncertainties in estimating mineral reserves and mineral resources; the risks and uncertainties in estimating Mineral Resources and Mineral Reserves; the inherent risks in mining operations; the risk in relation to the Bethania expansion project construction; political risks, environmental risks; and risks related to its relations with employees

Foreign Jurisdiction Risk

The Company currently conducts its operations in Peru. This jurisdiction is potentially subject to a number of political and economic risks, including those described in the following section. The Company is unable to determine the impact of these risks or its future financial position or results of operations and the Company's exploration, development and production activities may be substantially affected by factors outside of the Company's control. These potential factors include but are not limited to royalty and tax increases or claims by governmental bodies, expropriation or nationalization, foreign exchange controls, import and export regulations, cancellation or renegotiation of contracts and environmental and permitting regulations.

All of the Company's current operations are in Peru and as the Company's business is carried on in a developing country, it is exposed to a number of additional risks and uncertainties, including the following: expropriation or nationalization without adequate compensation; changing political and fiscal regimes, and economic and regulatory instability; unanticipated changes to royalty and tax regulations; unreliable and undeveloped infrastructure, labor unrest and labor scarcity; difficulty procuring key equipment and components for equipment; import and export regulation and restrictions; high rates of inflation; extreme fluctuations in foreign exchange rates and the imposition of currency controls; inability to obtain fair dispute resolution or judicial determination because of bias, corruption or abuse of power; difficulties enforcing judgments; difficulties understanding and complying with regulatory and legal framework with respect to ownership and maintenance of mineral properties, mines and mining operations, local opposition to mine development projects, which include the potential for violence, property damage and frivolous or vexatious claims; terrorism and hostage taking; military repression and increased likelihood of international conflicts

or aggression; increased public health concerns. Certain of these risks and uncertainties are prevalent in the jurisdictions where the Company operates.

Liquidity and Financing Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they become due. The Company will require external financing in the short-to-medium term to meet its development goals. There can be no assurance that the Company will be able to attain financing or and if so, pricing conditions may be less favourable than expected. Delays in the completion of financing transactions may directly affect the Company's ability to achieve its goals and may decrease the Company's cash flows. The volatility of the metals market can impact the Company's ability to forecast cash flow from operations and obtain financing when required.

Estimating Mineral Resources and Mineral Reserves

There is a degree of uncertainty attributable to the estimation of Mineral Resources, Mineral Reserves and expected mineral grades. Until mineral deposits are actually mined and processed, Mineral Resources, Mineral Reserves must be considered as estimates only. Any such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices.

Mineral Resources and Mineral Reserves may require revision based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs and reduced recovery rates, may render certain Mineral Reserves uneconomic and may ultimately result in a restatement of Mineral Resources and/or Mineral Reserves. Short-term operating factors relating to the Mineral Resources and Mineral Reserves, such as the need for sequential development of ore bodies, may adversely affect the Company's profitability in any accounting period. Estimates of operating costs are based on assumptions including those relating to inflation and currency exchange, which may prove incorrect. Estimates of mineralization can be imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. In addition, the grade and/or quantity of precious metals ultimately recovered may differ from that indicated by drilling results. There can be no assurance that metals recovered in small scale tests will be duplicated in large scale tests under onsite conditions or in production scale. Amendments to mine plans and production profiles may be required as the amount of Mineral Resources changes or upon receipt of further information during the implementation phase of the project. Extended declines in market prices for silver and other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reduction in estimates of mineralization, or in the Company's ability to develop its properties and extract and sell such minerals, could have a material adverse effect on the Company's results of operations or financial condition.

Mining Operations

The capital costs required by the Company's projects may be significantly higher than anticipated. Capital and operating costs, production and economic returns, and other estimates contained in the Company's current technical reports, may differ significantly from those provided for in future studies and estimates and from management guidance, and there can be no assurance that the Company's actual capital and operating costs will not be higher than currently anticipated. In addition, delays to construction and exploration schedules may negatively impact the net present value and internal rates of return of the Company's mineral properties as set forth in the applicable technical report. Similarly, there can be no assurance that historical rates of production, grades of ore processed, rates of recoveries or mining cash costs will not experience fluctuations or differ significantly from current levels over the course of the mining operations conducted by the Company. In addition, there can be no assurance that the Company will be able to continue to extend the production from its current operations through exploration and drilling programs.

Environmental Uncertainties

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. The Company's operations generate chemical and metals depositions in the form of tailings. The Company's ability to obtain, maintain and renew permits and approvals and to successfully develop and operate mines may be adversely affected by real or perceived impacts associated with the Company's activities or of other mining companies that affect the environment, human health and safety. Environmental hazards may exist on the Company's properties which are unknown to the Company at present and were caused by previous or existing owners or operators of the properties, for which the Company could be held liable. Environmental legislation is evolving in a manner requiring stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed. Such enforcement actions may include the imposition of corrective measures requiring capital expenditure, installation of new equipment or remedial action. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Metal Price and Sales Risk

The Company expects to derive revenue from the sale of silver, gold, lead zinc and copper. The Company's sales are directly dependent on metal prices, and metal prices have historically shown significant volatility that is beyond the Company's control. The Company must also find buyers for its concentrates, and these sales contracts are subject to market condition outside of the Company's control, including treatment charge, refining charge and penalty pricing and other adjustments as well as international transportation costs.

Currency Risk

The functional and reporting currency for all entities within the consolidated group is the US dollar. We are exposed to fluctuations in foreign exchange rates as a portion of our expenses are incurred in Canadian dollars and Peruvian soles. A significant change in the foreign exchange rates between the United States dollar relative to the other currencies could have a material effect on the Company's profit or loss, financial position, or cash flows.

Key Personnel

The Company is dependent on a number of key management and employee personnel. The Company's ability to manage its exploration, development, construction and operating activities, and hence its success, will depend in large part on the ability to retain current personnel and attract and retain new personnel, including management, technical and unskilled employees. The loss of the services of one or more key management personnel, as well as a prolonged labor disruption, could have a material adverse effect on the Company's ability to successfully manage and expand its affairs.

Claims and Legal Proceedings

The Company may be subject to various claims and legal proceedings covering a wide range of matters that arise in the normal course of business. These matters are subject to various uncertainties and it is possible that some of these matters may be resolved with an unfavorable outcome to the Company.

SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends if and when declared, and to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

During the year ended December, 2019, the Company:

- In May 2019, the Company issued 1,284,000 common shares pursuant to a private placement for \$1 per share. The proceeds comprised cash of \$725,000, settlement of a related party loan for \$500,000 and settlement of fees for services amounting to \$59,000.
- In September 2019, the Company issued 97,500 common shares at \$1 per share pursuant to a private placement for cash proceeds of \$97,500.
- In December 2019, the Company issued 195,733 common shares at \$1.20 per share pursuant to a private placement for cash proceeds of \$234,880.

Subsequent to year end in February 2020, the Company closed a non-brokered private placement of 464,583 common shares at \$1.20 per share for total gross proceeds of \$557,500.

Subsequent to year end in July 2020, Kuya completed the brokered private placement financing of 7,174,590 Kuya subscription receipts and a concurrent non-brokered private placement financing of 303,030 Kuya subscription receipts, both at an issue price of \$1.65 per Kuya subscription receipt for aggregate gross proceeds of CAD\$12,338,074. Kuya agreed to pay agents fees and expenses of CAD\$559,709 on the brokered private placement resulting in net proceeds, before transaction expenses, of CAD\$11,778,365, such net proceeds being held in escrow by a subscription receipt agent and to be released to Kuya upon satisfaction of certain escrow release conditions pursuant to the terms of the Agency Agreement.

OUTSTANDING SHARE DATA

As at the date of this MD&A there were:

- A total of 7,107,349 common shares issued and outstanding (6,642,766 common shares issued and outstanding as of December 31, 2019);
- Share purchase warrants authorizing the purchase of 1,040,167 shares at a price of \$0.001 exercisable on the completion of the purchase of the 80% interest in S&L Andes;
- Share purchase warrants authorizing the purchase of 5,474 shares at a price of \$1.00 per share expiring September 18, 2020.

There are currently no stock options issued or outstanding.

PROPOSED TRANSACTION

Subsequent to the year end, Kuya executed the Amalgamation Agreement with Miramont whereby Miramont will acquire all of the issued and outstanding common shares of Kuya in exchange for Miramont Shares on the basis of 1.835 Miramont Shares (following the consolidation of the Miramont Shares on a ten for one basis) for each Kuya common share issued and outstanding. The Transaction will constitute a "Fundamental Change" of Miramont as defined by CSE policies.

Pursuant to the Amalgamation Agreement, Miramont will complete a consolidation of its issued and outstanding common shares (the "**Consolidation**") on the basis of one post-Consolidation common share for every ten (10) outstanding common shares in the capital of Miramont. Following the Consolidation, each of the shareholders of Kuya will receive 1.835 Miramont Shares in exchange for each share held in the capital of Kuya (the "**Exchange Ratio**") and holders of convertible securities in Kuya will receive replacement securities in Miramont adjusted in accordance with the Exchange Ratio. As a condition to the completion of the Transaction, Kuya must complete a private placement financing in the minimum amount of C\$1,000,000, which was completed as further detailed herein. Upon completion of the Transaction Miramont 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 the Transaction will be structured as a three-cornered amalgamation in accordance with Section 174 of the *Business Corporations Act* (Ontario) in which Kuya will amalgamate with 2757974 Ontario Inc., a newly incorporated, wholly-owned subsidiary of Miramont, formed solely for the purpose of facilitating the Transaction. Following the Transaction, the amalgamated company will be a wholly-owned subsidiary of Miramont.

In connection with the Transaction, on July 23, 2020, Kuya entered into the Agency Agreement with respect to the aforementioned Concurrent Financing, and on the same date Kuya completed the brokered private placement financing of 7,174,590 Kuya subscription receipts and a concurrent non-brokered private placement financing of 303,030 Kuya subscription receipts, both at an issue price of \$1.65 per Kuya subscription receipt for aggregate gross proceeds of CAD\$12,338,074. Kuya agreed to pay agents fees and expenses of CAD\$559,709 on the brokered private placement resulting in net proceeds, before transaction expenses, of CAD\$11,778,365, such net proceeds being held in escrow by a subscription receipt agent and to be released to Kuya upon satisfaction of certain escrow release conditions pursuant to the terms of the Agency Agreement.

Each Subscription Receipt will be deemed to be exchanged upon satisfaction of the Release Conditions (as defined below) on or before the day that is 180 days following closing of the Concurrent Financing (the "**Release Deadline**"), without payment of any additional consideration, for one common share of Kuya (each a "**Kuya Share**"). The resulting issuer following completion of the Transaction will use the net proceeds from the Concurrent Financing to fund exploration and engineering costs for the development of the Bethania project, as well as to complete its obligations to acquire an 80% interest in Andes, the entity that holds the Bethania project.

The gross proceeds of the Concurrent Financing have been deposited in escrow on the closing date and shall be released to Kuya upon Kuya having obtained the approval of the CSE and completion of certain other matters, including the completion of all material conditions necessary to complete the Transaction (the "**Release Conditions**") on or before the Release Deadline. If the Release Conditions are not satisfied on or before the Release Deadline, or if prior to such date Kuya advises Cormark Securities Inc. or announces to the public that it does not intend to satisfy the Release Conditions, the escrow agent will return to holders of the Subscription Receipts, an amount equal to the aggregate purchase price for the Subscription Receipts held by such holder, together with a pro rata portion of the interest earned on the escrowed proceeds.



UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2020 and 2019

Kuya Silver Corp.

Stated in United States Dollars, unless otherwise noted

INDEX

	PAGE
Consolidated Statements of Financial Position	2
Consolidated Statements of Loss and Comprehensive Loss	3
Consolidated Statements of Cash Flows	4
Consolidated Statements of Changes in Equity	5
Notes to the Unaudited Interim Condensed Consolidated Financial Statements	6 - 12

KUYA SILVER CORP.

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2020 and December 31, 2019

Stated in United States Dollars

		(Unaudited)	(Audited)
Assets	Note	30-Jun-20	31-Dec-19
<u>Current</u>			
Cash		\$ 72,140	\$ 80,078
Total assets		\$ 72,140	\$ 80,078
Liabilities			
<u>Current</u>			
Accounts payable and accrued liabilities		\$ 56,132	\$ 48,249
Due to related party	7	71,075	71,075
Total liabilities		127,207	119,324
Shareholders' equity (deficiency)			
Share Capital	5	3,604,044	3,046,544
Warrants	6	879,380	862,091
Deficit		(4,538,491)	(3,947,881)
Total equity (deficiency)		(55,067)	(39,246)
Total liabilities and equity (deficiency)		\$ 72,140	\$ 80,078

Nature of operations and going concern (Note 1)

Subsequent events (Note 11)

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

Approved by the sole director:

/s/ "David Stein"

Director

KUYA SILVER CORP.**UNAUDITED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS****For the Three and Six Months Ended June 30, 2020 and 2019****Stated in United States Dollars**

		Three months ended		Six months ended June	
		June 30,		30,	
	Note	2020	2019	2020	2019
<i>Income</i>					
Interest Income		\$ 53	\$ 619	\$ 363	\$ 628
<i>Expenses</i>					
Exploration and evaluation	4	221,450	636,175	503,687	762,356
Share-based compensation		8,644	79,960	17,289	159,921
General and administrative		43,441	27,035	69,997	49,674
Total Expenses		273,535	743,170	590,973	971,951
Net loss and comprehensive loss for the year					
		\$ (273,482)	\$ (742,551)	\$ (590,610)	\$ (971,323)
Loss per share - basic and diluted					
		\$ (0.04)	\$ (0.13)	\$ (0.08)	\$ (0.18)
Weighted Average Number of Common Shares, basic and diluted					
		7,107,349	5,593,400	6,958,477	5,329,466

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

KUYA SILVER CORP.**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the Six Months Ended June 30, 2020 and 2019

Stated in United States Dollars

	June 30, 2020	June 30, 2019
Cash flows from operating activities		
Net loss for the period	\$ (590,610)	\$ (971,323)
Adjustment for non-cash items:		
Share-based compensation	17,289	159,921
Increase in accounts payable and accrued liabilities	7,883	72,646
Net cash used in operating activities	(565,438)	(738,756)
Cash flow from financing activities		
Proceeds from issuance of share capital	557,500	725,000
Proceeds from related party loan	-	353,507
Repayment of related party loan	-	(205,000)
Net cash provided by financing activities	557,500	873,507
Net change of cash	(7,938)	134,751
Cash at beginning of the period	80,078	43,689
Cash at end of the period	\$ 72,140	\$ 178,440
Supplemental information		
Shares issued on conversion of due to related party	\$ -	\$ 500,000
Shares issued on settlement of accounts payable	\$ -	\$ 59,000

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

KUYA SILVER CORP.

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Six Months Ended June 30, 2020 and 2019

Stated in United States Dollars

	Note	Number of common shares #	Share capital \$	Warrants \$	Deficit \$	Total \$
January 1, 2019		5,065,533	1,430,164	542,250	(2,389,526)	(417,112)
Common shares issued for cash		725,000	725,000	-	-	725,000
Shares issued on settlement of debt		559,000	559,000	-	-	559,000
Share-based compensation		-	-	159,921	-	159,921
Net loss		-	-	-	(971,323)	(971,323)
June 30, 2019		6,349,533	2,714,164	702,171	(3,360,849)	55,488
January 1, 2020		6,642,766	3,046,544	862,091	(3,947,881)	(39,246)
Common shares issued for cash	5	464,583	557,500	-	-	557,500
Share-based compensation		-	-	17,289	-	17,289
Net loss		-	-	-	(590,610)	(590,610)
June 30, 2020		7,107,349	3,604,044	879,380	(4,538,491)	(55,067)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Kuya Silver Corp. (the “Company”) was incorporated under the laws of the Province of Ontario, Canada on August 9, 2017. The principal address and records office of the Company is located at 217 Queen Street W., Suite 401, Toronto, Ontario, M5V 0R2.

The Company is primarily engaged in the redevelopment and restart of the Bethania Silver Mine in Peru via an option agreement with Peruvian mine owners. To date, the Company has not earned revenues and is considered to be in the exploration stage. Although the Company has taken steps to verify title to mineral properties held by the optionor, these procedures do not guarantee the title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements.

These interim condensed consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated revenue from operations. During the six months ended June 30, 2020, the Company incurred a loss of \$590,610, and as of that date, the Company had a working capital deficit of \$55,067. The Company will need to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. In these circumstances, there exist material uncertainties resulting in significant doubt as to the ability of Kuya to continue as a going concern and continue to meet its obligations as they come due. These interim condensed consolidated financial statements do not include adjustments or disclosures that may result should the Company not be able to continue as a going concern. If the going concern assumption were not appropriate for these financial statements, then adjustments would be required to the carrying value of assets and liabilities, the expenses, the reported comprehensive loss and the statement of financial position classifications used that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments could be material.

On June 10, 2020, the Company executed a definitive agreement with Miramont Resources Corp. (“Miramont”) and 2757974 Ontario Inc. (“275”), whereby all of the issued and outstanding shares of the Company will be exchanged for shares of Miramont on the basis of 1.835 Miramont shares for each one share of Kuya. It is expected that the transaction will be structured as a three-cornered amalgamation in accordance with Section 174 of the *Business Corporations Act* (Ontario) in which the Company will amalgamate with 275, a newly incorporated, wholly owned subsidiary of Miramont, formed solely for the purpose of facilitating the transaction. 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. Following the transaction, the amalgamated company will be a wholly owned subsidiary of Miramont. As a condition to the completion of the transaction, the Company must complete a private placement financing for minimum gross proceeds of CAD\$1,000,000. The Company intends to complete a brokered private placement of subscription receipts at a price of CAD\$1.65 per subscription receipt to raise gross proceeds of up to CAD\$10,000,000.

The global pandemic outbreak of COVID-19 has had a material adverse effect on the global economy and on the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the ability to raise new capital; on commodity prices and the future outlook for the Company; and on the ability to conduct operations due to lockdown restrictions. Due to timing of the

outbreak, the pandemic has had limited impact on the Company's operations in the period ended June 30, 2020. However, going forward these factors, among others, could have a significant impact on the Company's operational capability, and on its ability to raise further funding to carry out desired work programmes.

2. **BASIS OF PRESENTATION**

These audited interim condensed consolidated financial statements include the accounts of the Company and its 98% controlled subsidiary, Aerecura Materiales S.A.C. ("Aerecura Materiales"). Aerecura Materiales is an inactive subsidiary and as such there is no non controlling interest.

a. Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

On August 7, 2020, the sole director approved these statements.

b. Basis of measurement

The Company's interim condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that may be measured at fair value.

c. Functional and presentation currency

These interim condensed consolidated financial statements are presented in United States Dollars. The functional currency of the Company is the United States Dollar. The functional currency of Aerecura Materiales is the United States Dollar.

d. Segmented reporting

The Company is organized into business units based on its mineral properties and has one reportable operating segment, being the acquisition and exploration and evaluation of mineral properties in Peru. With virtually all of the Company's assets being devoted to the acquisition and exploration and evaluation of its mineral properties, the assets of the Company form a single cash generating unit ("CGU").

3. **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these interim condensed consolidated financial statements are consistent with the policies applied in the audited annual financial statements for the year ended December 31, 2019.

Accordingly, they should be read in conjunction with the audited annual financial statements for the year ended December 31, 2019.

a. Critical accounting judgments and estimation uncertainties

The preparation of the interim condensed consolidated financial statements in conformity with IFRS requires the Company's management to make critical judgments, estimates and assumptions about future events that affect the amounts reported in the interim condensed consolidated financial statements and related notes to the interim condensed consolidated financial statements. Actual results may differ from those estimates. Estimates and assumptions are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates are accounted for prospectively.

The Company has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Critical accounting estimates and judgments relate to the following:

Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects. If the Company does not have title to its mineral properties, there will be adverse consequences to the Company and its business prospects.

Exploration and Evaluation Expenditures

The Company charges all exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources to operations as incurred. Determination of technical feasibility and commercial viability require the use of judgements, estimates and assumptions which may differ under varying conditions.

Share-based Payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the best estimate of reaching non-market performance criteria and most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Bifurcation of Unit Proceeds

The Company employs a relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. The amounts used to estimate fair values of warrants issued are based on estimates of future volatility of the Company's share price, expected lives of the warrants, expected dividends to be paid by the Company and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the interim condensed consolidated financial statements of future periods could be significant.

4. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES

The Company is principally engaged in exploration for precious metals on its properties located in Peru.

In October 2017, the Company entered into the original "Share Purchase Agreement" to acquire up to 80% of the shares of S&L Andes Export S.A.C ("S&L Andes"), which owns 100% of the Bethania Mine (as defined below). S&L Andes is a private Peruvian based company based in Lima that owns 100% of the Bethania Silver Property (Santa Elena concession) and Chinita I concession (collectively referred to as the "Bethania Mine").

The Share Purchase Agreement was then amended February 2018, July 2018, February 2019 and June 2020. The financial terms from the original Share Purchase Agreement have not materially changed, however the payment terms were amended to be similar to an "earn-in" agreement, whereby each progressive investment or payment over time earns a larger stake in S&L Andes. To earn the 80% interest, the Company must make payments totalling \$8,000,000 and issue 2,000,000 common shares of the Company to the owners of S&L Andes. The current Share Purchase Agreement (last amended in June 2020) outlines the following payments to acquire the 80% interest:

- US\$4.5M investment in the Bethania Mine:
 - US\$2.5M toward repayment of debt and liabilities.
 - US\$2M for a work program (e.g. drilling, technical studies, mine expansion), mine care and maintenance, G&A, and deal costs.
- US\$3.5M acquisition payment (cash).
- US\$2.0M in Kuya Shares at a deemed price of USD\$1.00 on closing of acquisition of S&L Andes.

The Share Purchase Agreement has been extended on each of the four amendments. According to the current amended agreement, the entire investment and payments must be made by April 30, 2021 ("Closing Date"). If the Company reaches the Closing Date before the entire investment amount and payment has been completed or the Company terminates the agreement prior to the Closing Date, it would receive the proportional ownership of S&L Andes based on a total valuation of \$12.5M.

As of June 30, 2020, the Company has paid a total of \$3,765,489 which has earned the Company a 28.6% interest in S&L Andes, assuming conversion into shares. As of April 30, 2020, Kuya and the vendor agreed to recognize Kuya's investment of US\$3.66M by converting US\$3.11M into a 27.0% interest in S&L Andes with \$550,000 being retained as a loan from Kuya to S&L Andes, subject to the ratification of a new shareholder's agreement.

In addition, as at June 30, 2019, the Company, through its Peruvian subsidiary, have applied for a total of 4 mining concessions covering an aggregate area of approximately 2,600 hectares, of which title has been granted to one concession (1000 ha), and the other three are in process. The mining concessions have been named Tres Banderas, Tigro and Ena.

Property expenditures for the six months ended June 30, 2020 and 2019 are as follows:

Exploration spend by property

	2020	2019
Bethania Mine	\$ 500,126	\$ 760,854
Other Properties	3,561	1,502
	\$ 503,687	\$ 762,356

5. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends if and when declared, and to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

In February 2020, the Company issued 464,583 common shares pursuant to a private placement for cash proceeds of \$557,500.

6. WARRANTS

At June 30, 2020, the following warrants were outstanding:

Expiry date	Exercise price	Number outstanding
September 18, 2020	\$ 1.00	5,474
April 30, 2021	\$ 0.001	1,040,167
		1,045,641

7. RELATED PARTY DISCLOSURES

	June 2020	Dec 2019
Due to a director/shareholder	\$ 71,075	\$ 71,075

In accordance with the Company's Unanimous Shareholders Agreement, shareholder loans may be subject to an annual interest rate of Prime Rate + 2%, however in 2018 and 2019 the lending shareholder agreed to waive any interest charges for nil consideration. The unsecured loans are due on demand.

During the six months ended June 30, 2020, key management compensation totalled \$37,500 (2019- \$nil).

As at June 30, 2020, an amount of \$56,132 (December 31, 2019 - \$48,249) is recorded in accounts payable and accrued liabilities as reimbursement of Company expenses. These amounts are owed to the director of the Company.

8. FINANCIAL INSTRUMENTS

Fair Values

The carrying amounts for the Company's financial instruments approximate their fair values because of the short-term nature of these items.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company is not exposed to any significant credit risk as at June 30, 2020. The Company's cash is on deposit with a highly rated banking group in Canada.

Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations as they come due. The Company's approach to managing and mitigating liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due through management's use of financial forecasts and budgets. As at June 30, 2020, the Company has current assets of \$72,140 and current liabilities of \$127,207. All of the Company's current financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms. The Company's working capital deficit is \$55,067 as at June 30, 2020. The Company intends to address its working capital needs through private placements. See Note 1 for discussion on going concern assumption.

Market risk

(i) Interest rate risk

The Company has cash balances and does not have any interest-bearing debt and is not subject to significant interest rate risk.

(ii) Foreign currency risk

The Company incurs significant purchases denominated in currencies other than the presentation currency, the United States dollar, and are subject to foreign currency risk on assets and liabilities denominated in currencies other than the United States dollar. As at June 30, 2020, the Company had cash of CDN\$6,635. The Company does not hedge its foreign currency balances.

9. CAPITAL DISCLOSURES

The Company's objective when managing capital is to raise sufficient funds to execute its exploration plans. At June 30, 2020, the Company's capital consists of shareholders' deficit of \$55,067 (December 31, 2019 – deficit of \$39,246).

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company does not have any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the six months ended June 30, 2020.

10. ENVIRONMENTAL AND CONSTRUCTIVE OBLIGATIONS

The Company's mining and exploration activities are governed by Peruvian Legislative Decree No. 613. The Company is required to present environmental studies on the impact of its exploration and mining operations to the Ministry of Energy and Mines. The Company may also provide financial assistance to local communities to facilitate relationships.

To date, the Company has not incurred any significant environmental or constructive liabilities.

11. SUBSEQUENT EVENTS

On July 23, 2020, Kuya entered into an agency agreement with Cormark Securities Inc. (on behalf of itself and a syndicate of agents) and Miramont (the "Agency Agreement") with respect to the aforementioned private placement financing, and on the same date Kuya completed the brokered private placement financing of 7,147,590 Kuya subscription receipts and a concurrent non-brokered private placement financing of 303,030 Kuya subscription receipts, both at an issue price of \$1.65 per Kuya subscription receipt for aggregate gross proceeds of CAD\$12,338,074. Kuya agreed to pay agents fees of CAD\$559,709 on the brokered private placement resulting in net proceeds, before transaction expenses, of CAD\$11,778,365, such net proceeds being held in escrow by a subscription receipt agent and to be released to Kuya upon satisfaction of certain escrow release conditions pursuant to the terms of the Agency Agreement.

KUYA SILVER CORP.

Management's Discussion and Analysis Six Months Ended June 30, 2020

The following is management's discussion and analysis ("MD&A") of Kuya Silver Corp. ("Kuya" or the "Company"), prepared as of August 7, 2020. This MD&A should be read together with the unaudited interim financial statements for the three and six months ended June 30, 2020 and related notes, and the audited financial statements for the year ended December 31, 2019 and related notes. Financial amounts are expressed in United States dollars unless otherwise specified.

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

The Company's unaudited interim financial statements for the three- and six-month periods ended June 30, 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with IFRS as issued by the IASB and interpretations of the International Financial Reporting Interpretations Committee.

The Company's Business and Overall Performance

The Company was incorporated on August 9, 2017 pursuant to the *Business Corporations Act* (Ontario). The Company is a private company with a focus on exploring and developing its mineral properties in Peru as detailed below.

Mineral Development Projects

In October 2017, Kuya entered into the Bethania Share Purchase Agreement (the "**Bethania SPA**") to acquire up to 80% of the shares of S&L Andes Export S.A.C. ("**Andes**"), a private Peruvian company based in Lima, that owns 100% of the Bethania Silver Property (Santa Elena concession) and Chinita I concession (together the "**Asset**").

Kuya agreed to acquire an 80% controlling interest in the Asset from Alfredo Soria and Erika Soria (the "**Soria Family**"), the owners of Andes, by investing a total of US\$10.0 million; a combination of work and capital/debt commitments to the Asset, cash payments, and common shares in the capital of Kuya (the "**Kuya Shares**"). The current Bethania SPA (amended most recently in June 2020) outlines the following investments to acquire the Asset:

- US\$4.5M investment in the Bethania Silver Property:
 - US\$2.5M toward repayment of historical debt and liabilities.
 - US\$2M for a work program (including drilling, 43-101 technical reports, mine expansion costs), mine care and maintenance, G&A, and deal costs.
- US\$3.5M acquisition payment to Soria Family (cash).
- US\$2.0M in Kuya Shares at a deemed price of USD\$1.00 on closing of acquisition of the Asset.

The entire investment and payments must be made by April 30, 2021 (the "**Closing Date**"). If Kuya reaches the Closing Date before the entire investment amount and payment has been completed or Kuya terminates the Bethania SPA prior to the Closing Date, it will receive the proportional ownership of Andes based on a total valuation of US\$12.5 million and enter into a new shareholders' agreement with the Soria Family. Also,

in the event that Kuya determines that the entire amount allocated to debt and liabilities repayment is not required, the difference could be re-allocated to the work program at Kuya’s discretion such that the total investment amount remains the same. As of April 30, 2020, Kuya had invested US\$3.66 million to fulfill the terms of the Bethania SPA. Kuya and the Soria Family agreed to convert approximately US\$3.11 million investment into a 27.0% interest in Andes with \$550,000 being retained as a loan from Kuya to Andes. In May and June 2020 Kuya invested an additional \$104,500 into the Bethania project, for a total investment as of June 30, 2020 of \$3.76 million

On June 10, 2020, Kuya entered into the definitive agreement (the “**Amalgamation Agreement**”) with Miramont Resources Corp. (“**Miramont**”), a publicly traded company on the Canadian Securities Exchange (“**CSE**”) and 2757974 Ontario Inc., whereby all the issued and outstanding common shares of the Company will be exchanged for common shares of Miramont (“**Miramont Shares**”), on the basis of 1.835 Miramont Shares (following a consolidation of the Miramont Shares on a ten for one basis) resulting in a reverse takeover of Miramont by the Company (the “**Transaction**”). At the same time of entering of the Amalgamation Agreement, the parties announced a brokered private placement of subscription receipts to raise gross proceeds of up to CAD\$10,000,000. Based on the closing of the private placement (as detailed below) and expected closing of the Transaction, Kuya should be in a strong enough financial position to fulfill the terms of the Bethania SPA and to complete the acquisition of the 80% in the Asset. The Transaction is described in more detail below in the Proposed Transaction section.

Subsequent to the end of the period ending June 30, 2020, on July 23, 2020, Kuya entered into an agency agreement with Cormark Securities Inc. (on behalf of itself and a syndicate of agents) and Miramont (the “**Agency Agreement**”) with respect to the aforementioned private placement financing, and on the same date Kuya completed the brokered private placement financing of 7,174,590 Kuya subscription receipts and a concurrent non-brokered private placement financing of 303,030 Kuya subscription receipts, both at an issue price of \$1.65 per Kuya subscription receipt for aggregate gross proceeds of CAD\$12,338,074 (the “**Concurrent Financing**”). Kuya agreed to pay agents fees and expenses of CAD\$559,709 on the brokered private placement resulting in net proceeds, before transaction expenses, of CAD\$11,778,365, such net proceeds being held in escrow by a subscription receipt agent and to be released to Kuya upon satisfaction of certain escrow release conditions pursuant to the terms of the Agency Agreement. Based on the closing of the Concurrent Financing and expected closing of the Transaction, Kuya should be in a strong enough financial position to fulfill the terms of the Bethania SPA and to complete the acquisition of the 80% in the Asset.

Financial

All financial amounts have been determined in accordance with IFRS. All amounts in United States dollars unless otherwise noted.

SELECTED ANNUAL INFORMATION

During the most recent two fiscal years, the Company has not incurred any loss from discontinued operations or extraordinary items, or declared any dividends.

	December 31	
	2019 (\$)	2018 (Unaudited) (\$)
Revenue	1,162	1.456
Income (loss) for the year	(1,558,355)	(1,912,895)

Basic and diluted loss per share	(0.27)	(0.41)
Total assets	80,078	43,689
Long term financial liabilities	0	0

RESULTS OF OPERATIONS

Year Ended December 31, 2019

The Company incurred a net loss and comprehensive loss of \$1,558,355 for the year ended December 31, 2019 as compared to a net loss and comprehensive loss of \$1,912,895 for the year ended December 31, 2018. The decrease in loss is due to less investment into the Bethania SPA during 2019 as compared to 2018.

Trends in expenses and the composition of expenses during the year ended December 31, 2019 were:

The Company incurred exploration and evaluation expenses of \$1,169,895 (2018 - \$1,623,776) fulfilling the terms of the Bethania SPA, and this amount was allocated to permitting and engineering design for the expansion project, repayment of historical liabilities, payment to the owners, geological evaluation expenses, care and maintenance of the Bethania mine, and other administrative expenses in Peru and Canada.

General and administrative expenses of \$69,781 (2018 - \$49,238) included costs to promote the Company both online and at industry events, office and other expenses.

SUMMARY OF INTERIM RESULTS

The following is a summary of the Company's financial results for the six-month period ended June 30, 2020.

	Six Months Ending June 30	
	2020 (Unaudited) (\$)	2019 (Unaudited) (\$)
Revenue	363	628
Expenses	590,687	971,9517
Income (loss) for the period	(590,610)	(971,323)
Basic and diluted loss per share	(0.08)	(0.18)

RESULTS OF OPERATIONS - INTERIM

Six months ending June 30, 2020

The Company incurred a net loss and comprehensive loss of \$590,610 for the six-month period ended June 30, 2020 as compared to a net loss and comprehensive loss of \$971,323 for the six-month period ended June 30, 2019. The decrease in loss is due to less investment into the Bethania SPA and reduced share-

based compensation during the six-month period ending June 30, 2020 as compared to the six-month period ending June 30, 2019.

Trends in expenses and the composition of expenses during the period ending June 30, 2020 were:

- During the six-month period ending June 30, 2020, the Company incurred exploration and evaluation expenses of \$503,687 (June 30, 2019 - \$762,356) fulfilling the terms of the Bethania SPA, and this amount was allocated to permitting and engineering design for the expansion project, repayment of historical liabilities, payment to the owners, care and maintenance of the Bethania mine, and other administrative expenses in Peru and Canada.
- General and administrative expenses during the six-month period ending June 30, 2020 of \$69,997 (June 30, 2019 - \$49,674) included new costs to pay executive consulting fees, while this was partially offset by significantly lower corporate promotion costs. Office and other administrative expenses were fairly consistent.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2020, the Company had cash and cash equivalents of \$72,140 (June 30, 2019 - \$152,900) and working capital of -\$55,067 (June 30, 2019 – working capital of \$52,639).

Some of the factors affecting the Company's liquidity are:

- The Company will have to incur ongoing costs to fulfill the terms of the Bethania SPA.
- In February 2020, the Company closed a non-brokered private placement of 464,583 common shares at \$1.20 per share for total gross proceeds of \$557,500.
- Subsequent to the end of the period ending June 30, 2020, on July 23, 2020, Kuya entered into the Agency Agreement and Miramont with respect to the aforementioned Concurrent Financing, and on the same date Kuya completed the brokered private placement financing of 7,174,590 Kuya subscription receipts and a concurrent non-brokered private placement financing of 303,030 Kuya subscription receipts, both at an issue price of \$1.65 per Kuya subscription receipt for aggregate gross proceeds of CAD\$12,338,074. Kuya agreed to pay agents fees and expenses of CAD\$559,709 on the brokered private placement resulting in net proceeds, before transaction expenses, of CAD\$11,778,365, such net proceeds being held in escrow by a subscription receipt agent and to be released to Kuya upon satisfaction of certain escrow release conditions pursuant to the terms of the Agency Agreement.

Based on its current operating plan, management estimates that the Company may not have enough cash to support operations for at least 12 months, and may require further financing. Since there is no assurance that the Company will be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or debt to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to raise money on acceptable terms or at all.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

From time to time, the Company has entered into informal loan transactions with a related party (David Stein, President and Director) in order to fund operations in between financing as follows:

	Period ended June 30, 2020 (\$)	Period ended June 30, 2019 (\$)
Due to director/shareholder	\$71,075	\$71,075

Accounts payables and accrued liabilities at June 30, 2020 of \$56,131 are due to a director of the Company (June 30, 2019 - \$29,186).

During the six-month period ending June 30, 2020, the Company paid \$30,000 for consulting fees to a director (June 30, 2019 - Nil).

Risks And Uncertainties

The Company is exposed to many risks in conducting its business, including but not limited to metal price risk as the Company may derive its revenues from the sale of silver, gold, lead, zinc and copper; credit risk in the normal course of business; foreign exchange risk as the Company reports its financial statements in U.S. dollars whereas the Company operates in jurisdictions that conducts its business in other currencies; the inherent risks of uncertainties in estimating mineral reserves and mineral resources; the risks and uncertainties in estimating Mineral Resources and Mineral Reserves; the inherent risks in mining operations; the risk in relation to the Bethania expansion project construction; political risks, environmental risks; and risks related to its relations with employees

Foreign Jurisdiction Risk

The Company currently conducts its operations in Peru. This jurisdiction is potentially subject to a number of political and economic risks, including those described in the following section. The Company is unable to determine the impact of these risks or its future financial position or results of operations and the Company's exploration, development and production activities may be substantially affected by factors outside of the Company's control. These potential factors include but are not limited to royalty and tax increases or claims by governmental bodies, expropriation or nationalization, foreign exchange controls, import and export regulations, cancellation or renegotiation of contracts and environmental and permitting regulations.

All of the Company's current operations are in Peru and as the Company's business is carried on in a developing country, it is exposed to a number of additional risks and uncertainties, including the following: expropriation or nationalization without adequate compensation; changing political and fiscal regimes, and economic and regulatory instability; unanticipated changes to royalty and tax regulations; unreliable and undeveloped infrastructure, labor unrest and labor scarcity; difficulty procuring key equipment and components for equipment; import and export regulation and restrictions; high rates of inflation; extreme fluctuations in foreign exchange rates and the imposition of currency controls; inability to obtain fair dispute resolution or judicial determination because of bias, corruption or abuse of power; difficulties enforcing judgments; difficulties understanding and complying with regulatory and legal framework with respect to ownership and maintenance of mineral properties, mines and mining operations, local opposition to mine development projects, which include the potential for violence, property damage and frivolous or vexatious claims; terrorism and hostage taking; military repression and increased likelihood of international conflicts or aggression; increased public health concerns. Certain of these risks and uncertainties are prevalent in the jurisdictions where the Company operates.

Liquidity and Financing Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they become due. The Company will require external financing in the short-to-medium term to meet its development goals. There can be no assurance that the Company will be able to attain financing or and if so, pricing conditions may be less favourable than expected. Delays in the completion of financing transactions may directly affect the Company's ability to achieve its goals and may decrease the Company's cash flows. The volatility of the metals market can impact the Company's ability to forecast cash flow from operations and obtain financing when required.

Estimating Mineral Resources and Mineral Reserves

There is a degree of uncertainty attributable to the estimation of Mineral Resources, Mineral Reserves and expected mineral grades. Until mineral deposits are actually mined and processed, Mineral Resources, Mineral Reserves must be considered as estimates only. Any such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices.

Mineral Resources and Mineral Reserves may require revision based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs and reduced recovery rates, may render certain Mineral Reserves uneconomic and may ultimately result in a restatement of Mineral Resources and/or Mineral Reserves. Short-term operating factors relating to the Mineral Resources and Mineral Reserves, such as the need for sequential development of ore bodies, may adversely affect the Company's profitability in any accounting period. Estimates of operating costs are based on assumptions including those relating to inflation and currency exchange, which may prove incorrect. Estimates of mineralization can be imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. In addition, the grade and/or quantity of precious metals ultimately recovered may differ from that indicated by drilling results. There can be no assurance that metals recovered in small scale tests will be duplicated in large scale tests under onsite conditions or in production scale. Amendments to mine plans and production profiles may be required as the amount of Mineral Resources changes or upon receipt of further information during the implementation phase of the project. Extended declines in market prices for silver and other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reduction in estimates of mineralization, or in the Company's ability to develop its properties and extract and sell such minerals, could have a material adverse effect on the Company's results of operations or financial condition.

Mining Operations

The capital costs required by the Company's projects may be significantly higher than anticipated. Capital and operating costs, production and economic returns, and other estimates contained in the Company's current technical reports, may differ significantly from those provided for in future studies and estimates and from management guidance, and there can be no assurance that the Company's actual capital and operating costs will not be higher than currently anticipated. In addition, delays to construction and exploration schedules may negatively impact the net present value and internal rates of return of the Company's mineral properties as set forth in the applicable technical report. Similarly, there can be no assurance that historical rates of production, grades of ore processed, rates of recoveries or mining cash costs will not experience fluctuations or differ significantly from current levels over the course of the mining operations conducted by the Company. In addition, there can be no assurance that the Company will be able to continue to extend the production from its current operations through exploration and drilling programs.

Environmental Uncertainties

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These laws address emissions into the air, discharges into water, management of

waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. The Company's operations generate chemical and metals depositions in the form of tailings. The Company's ability to obtain, maintain and renew permits and approvals and to successfully develop and operate mines may be adversely affected by real or perceived impacts associated with the Company's activities or of other mining companies that affect the environment, human health and safety. Environmental hazards may exist on the Company's properties which are unknown to the Company at present and were caused by previous or existing owners or operators of the properties, for which the Company could be held liable.

Environmental legislation is evolving in a manner requiring stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed. Such enforcement actions may include the imposition of corrective measures requiring capital expenditure, installation of new equipment or remedial action. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Metal Price and Sales Risk

The Company expects to derive revenue from the sale of silver, gold, lead zinc and copper. The Company's sales are directly dependent on metal prices, and metal prices have historically shown significant volatility that is beyond the Company's control. The Company must also find buyers for its concentrates, and these sales contracts are subject to market condition outside of the Company's control, including treatment charge, refining charge and penalty pricing and other adjustments as well as international transportation costs.

Currency Risk

The functional and reporting currency for all entities within the consolidated group is the US dollar. We are exposed to fluctuations in foreign exchange rates as a portion of our expenses are incurred in Canadian dollars and Peruvian soles. A significant change in the foreign exchange rates between the United States dollar relative to the other currencies could have a material effect on the Company's profit or loss, financial position, or cash flows.

Key Personnel

The Company is dependent on a number of key management and employee personnel. The Company's ability to manage its exploration, development, construction and operating activities, and hence its success, will depend in large part on the ability to retain current personnel and attract and retain new personnel, including management, technical and unskilled employees. The loss of the services of one or more key management personnel, as well as a prolonged labor disruption, could have a material adverse effect on the Company's ability to successfully manage and expand its affairs.

Claims and Legal Proceedings

The Company may be subject to various claims and legal proceedings covering a wide range of matters that arise in the normal course of business. These matters are subject to various uncertainties and it is possible that some of these matters may be resolved with an unfavorable outcome to the Company.

SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends if and when declared, and to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

During the six-month period ending June 30, 2020, the Company:

- In February 2020, the Company closed a non-brokered private placement of 464,583 common shares at \$1.20 per share for total gross proceeds of \$557,500.

Subsequent to end of the period ending June 30, 2020, in July 2020, Kuya completed the brokered private placement financing of 7,174,590 Kuya subscription receipts and a concurrent non-brokered private placement financing of 303,030 Kuya subscription receipts, both at an issue price of \$1.65 per Kuya subscription receipt for aggregate gross proceeds of CAD\$12,338,074. Kuya agreed to pay agents fees and expenses of CAD\$559,709 on the brokered private placement resulting in net proceeds, before transaction expenses, of CAD\$11,778,365, such net proceeds being held in escrow by a subscription receipt agent and to be released to Kuya upon satisfaction of certain escrow release conditions pursuant to the terms of the Agency Agreement.

OUTSTANDING SHARE DATA

As at the date of this MD&A there were:

- A total of 7,107,349 common shares issued and outstanding;
- Share purchase warrants authorizing the purchase of 1,040,167 shares at a price of \$0.001 exercisable on the completion of the purchase of the 80% interest in Andes;
- Share purchase warrants authorizing the purchase of 5,474 shares at a price of \$1.00 per share expiring September 18, 2020.

There are currently no stock options issued or outstanding.

PROPOSED TRANSACTION

Subsequent to the year end, Kuya executed the Amalgamation Agreement with Miramont whereby Miramont will acquire all of the issued and outstanding common shares of Kuya in exchange for Miramont Shares on the basis of 1.835 Miramont Shares (following the consolidation of the Miramont Shares on a ten for one basis) for each Kuya common share issued and outstanding. The Transaction will constitute a "Fundamental Change" of Miramont as defined by CSE policies.

Pursuant to the Amalgamation Agreement, Miramont will complete a consolidation of its issued and outstanding common shares (the "**Consolidation**") on the basis of one post-Consolidation common share for every ten (10) outstanding common shares in the capital of Miramont. Following the Consolidation, each of the shareholders of Kuya will receive 1.835 Miramont Shares in exchange for each share held in the capital of Kuya (the "**Exchange Ratio**") and holders of convertible securities in Kuya will receive replacement securities in Miramont adjusted in accordance with the Exchange Ratio. As a condition to the completion of the Transaction, Kuya must complete a private placement financing in the minimum amount of C\$1,000,000, which was completed as further detailed herein. Upon completion of the Transaction, Miramont will change its name to "Kuya Silver Corporation" or such other similar name as the parties may agree to.

It is expected that the Transaction will be structured as a three-cornered amalgamation in accordance with Section 174 of the *Business Corporations Act* (Ontario) in which Kuya will amalgamate with 2757974 Ontario Inc., a newly incorporated, wholly-owned subsidiary of Miramont, formed solely for the purpose of facilitating the Transaction. Following the Transaction, the amalgamated company will be a wholly-owned subsidiary of Miramont.

In connection with the Transaction, on July 23, 2020, Kuya entered into the Agency Agreement with respect to the aforementioned Concurrent Financing, and on the same date Kuya completed the brokered private placement financing of 7,174,590 Kuya subscription receipts and a concurrent non-brokered private placement financing of 303,030 Kuya subscription receipts, both at an issue price of \$1.65 per Kuya subscription receipt for aggregate gross proceeds of CAD\$12,338,074. Kuya agreed to pay agents fees and expenses of CAD\$559,709 on the brokered private placement resulting in net proceeds, before transaction expenses, of CAD\$11,778,365, such net proceeds being held in escrow by a subscription receipt agent and to be released to Kuya upon satisfaction of certain escrow release conditions pursuant to the terms of the Agency Agreement.

Each Subscription Receipt will be deemed to be exchanged upon satisfaction of the Release Conditions (as defined below) on or before the day that is 180 days following closing of the Concurrent Financing (the "**Release Deadline**"), without payment of any additional consideration, for one common share of Kuya (each a "**Kuya Share**"). The resulting issuer following completion of the Transaction will use the net proceeds from the Concurrent Financing to fund exploration and engineering costs for the development of the Bethania project, as well as to complete its obligations to acquire an 80% interest in Andes, the entity that holds the Bethania project.

The gross proceeds of the Concurrent Financing have been deposited has been deposited in escrow on the closing date and shall be released to Kuya upon Kuya having obtained the approval of the CSE and completion of certain other matters, including the completion of all material conditions necessary to complete the Transaction (the "**Release Conditions**") on or before the Release Deadline. If the Release Conditions are not satisfied on or before the Release Deadline, or if prior to such date Kuya advises Cormark Securities Inc. or announces to the public that it does not intend to satisfy the Release Conditions, the escrow agent will return to holders of the Subscription Receipts, an amount equal to the aggregate purchase price for the Subscription Receipts held by such holder, together with a pro rata portion of the interest earned on the escrowed proceeds.

SCHEDULE "B"
CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT
DISCUSSION AND ANALYSIS' OF MIRAMONT

MIRAMONT RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JULY 31, 2019

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Miramont Resources Corp.

Opinion

We have audited the accompanying consolidated financial statements of Miramont Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Guy Thomas.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

November 28, 2019

MIRAMONT RESOURCES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at July 31,

	2019	2018
ASSETS		
Current		
Cash	\$ 2,348,270	\$ 3,584,184
Receivables	29,145	31,020
Prepays and advances	54,693	87,885
	<u>2,432,108</u>	<u>3,703,089</u>
Equipment (Note 5)	17,935	8,390
Exploration and evaluation assets (Note 6)	1,582,016	5,314,045
	<u>\$ 4,032,059</u>	<u>\$ 9,025,524</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 7 and 10)	\$ 78,656	\$ 104,495
	<u>78,656</u>	<u>104,495</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	12,865,352	10,827,931
Reserves (Note 8)	868,058	428,322
Deficit	(9,780,007)	(2,335,224)
	<u>3,953,403</u>	<u>8,921,029</u>
	<u>\$ 4,032,059</u>	<u>\$ 9,025,524</u>

Nature of operations and going concern (Note 1)

Subsequent events (Notes 6 and 8)

Approved by:

/s/ "Tyson King"
Tyson King, Director

/s/ "Dale Peniuk"
Dale Peniuk, Director

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

MIRAMONT RESOURCES CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the year ended July 31,

	2019	2018
Property expenses		
Exploration and evaluation expenditures (Note 6)	\$ 2,083,460	\$ 865,105
Write-off of exploration and evaluation assets (Note 6)	3,969,379	40,000
	(6,052,839)	(905,105)
Administrative expenses		
Administrative costs (Note 10)	36,000	35,500
Consulting fees	19,481	32,607
Filing fees	28,145	33,132
Management fees (Note 10)	375,247	228,996
Marketing and investor relations	145,625	234,595
Office and miscellaneous	40,641	57,084
Professional fees (Note 10)	226,449	232,285
Rent	9,202	-
Share-based payments (Notes 8 and 10)	449,704	302,844
Shareholder communication	6,313	4,482
Transfer agent	17,740	26,243
Travel	25,132	62,402
	(1,379,679)	(1,250,170)
Operating loss	(7,432,518)	(2,155,275)
Foreign exchange (loss) gain	(52,569)	5,593
Interest income	40,304	29,305
	(12,265)	34,898
Loss and comprehensive loss for the year	\$ (7,444,783)	\$ (2,120,377)
Loss per common share – basic and diluted	\$ (0.14)	\$ (0.05)
Weighted average number of common shares outstanding – basic and diluted	52,812,025	39,919,964

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

MIRAMONT RESOURCES CORP.**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

	Share Capital		Reserves	Deficit	Total
	Number of shares	Amount			
July 31, 2017	15,050,264	\$ 736,680	\$ -	\$ (214,847)	\$ 521,833
Issuance of common shares for cash (Note 8)	20,000,033	6,000,010	-	-	6,000,010
Issuance of common shares for acquisition of Puno Gold Corporation (Notes 4 and 8)	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)	-	-	302,844	-	302,844
Loss for the year	-	-	-	(2,120,377)	(2,120,377)
July 31, 2018	50,098,297	10,827,931	428,322	(2,335,224)	8,921,029
Issuance of common shares for cash (Note 8)	4,716,498	1,650,774	-	-	1,650,774
Issuance of common shares from warrant exercise (Note 8)	958,439	436,768	(28,126)	-	408,642
Share issue costs	-	(31,963)	-	-	(31,963)
Issuance of finders' warrants (Note 8)	-	(18,158)	18,158	-	-
Share-based payments (Note 8)	-	-	449,704	-	449,704
Loss for the year	-	-	-	(7,444,783)	(7,444,783)
July 31, 2019	55,773,234	\$ 12,865,352	\$ 868,058	\$ (9,780,007)	\$ 3,953,403

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

MIRAMONT RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOW
(Expressed in Canadian Dollars)
For the year ended July 31,

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (7,444,783)	\$ (2,120,377)
Adjust for items not involving cash:		
Depreciation	1,601	142
Share-based payments	449,704	302,844
Write-off of exploration and evaluation assets	3,969,379	40,000
Change in non-cash working capital items:		
Receivables	1,875	(8,677)
Prepays and advances	33,192	(83,942)
Accounts payable and accrued liabilities	(25,839)	(31,626)
Net cash used in operating activities	(3,014,871)	(1,901,636)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation assets	(237,350)	(26,544)
Acquisition of equipment	(11,146)	(8,532)
Cash acquired on acquisition of Puno Gold Corporation (Note 4)	-	37,431
Net cash provided by (used in) investing activities	(248,496)	2,355
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	2,059,416	6,000,010
Share issue costs	(31,963)	(297,681)
Repayment of loans payable assumed on acquisition of Puno Gold Corporation (Note 4)	-	(760,335)
Net cash provided by financing activities	2,027,453	4,941,994
Change in cash	(1,235,914)	3,042,713
Cash, beginning of year	3,584,184	541,471
Cash, end of year	\$ 2,348,270	\$ 3,584,184

Supplemental cash flow information (Note 11)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Miramont Resources Corp. (the “Company”) was incorporated on July 15, 2015 under the Business Corporations Act of British Columbia. The Company is a mineral exploration company with a focus on acquiring, exploring and advancing exploration and evaluation assets in Canada and Peru. The Company’s head office and principal address is located at 23rd Floor - 1177 West Hastings Street, Vancouver, BC, V6E 2K3. The Company’s registered and records office is located at 2974 Strangway Place, Squamish, BC, V8B 0P8. The Company is listed on the Canadian Securities Exchange (“CSE”) under the symbol MONT.

These 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 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 the current and 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Approval of the consolidated financial statements

These consolidated financial statements were authorized by the Board of Directors of the Company on November 28, 2019.

Basis of presentation

These 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 as explained in the significant accounting policies set out in Note 3. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

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

Functional and presentation currency

These 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 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.

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 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:

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.

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

Significant estimates (cont'd...)

Accounting for acquisitions - The determination of fair value as of the acquisition date requires management to make certain estimates about future events, including, but not restricted to, fair value of assets including mineral reserves and resources acquired, exploration potential, future operating costs and capital expenditures, future metal prices, long-term foreign exchange rates and discount rates as well as the determination of fair value of consideration provided.

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 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: amortized cost; fair value through other comprehensive income (“FVOCI”); or fair value through profit or loss (“FVTPL”). The classification of financial assets depends on the purpose for which the financial assets were acquired and is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets are measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Financial assets are classified as current assets or non-current assets based on their maturity date.

The Company’s financial assets consist of cash and receivables and are classified as amortized cost.

Financial liabilities

Financial liabilities are designated as either: fair value through profit or loss; or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

The Company’s financial liabilities which consist of accounts payable and accrued liabilities are classified as amortized cost.

Impairment of financial assets

An expected credit loss (“ECL”) impairment model applies to financial assets classified and measured at amortized cost and contract assets and debt investments classified and measured at FVOCI, but not to investments in equity instruments. The ECL model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

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

Equipment

Equipment is stated at cost less accumulated depreciation. Depreciation is provided for using the straight-line method as follows:

Field equipment	10 years
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Exploration and evaluation assets

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Exploration and evaluation costs are recognized in profit or loss. Costs incurred before the Company has obtained the legal rights to explore an area of interest are recognized in profit or loss. All costs related to the acquisition of exploration and evaluation assets are capitalized on an individual prospect basis. Amounts received for the sale of exploration and evaluation assets, for option payments and for exploration advances are treated as reductions of the cost of the property, with payments in excess of capitalized costs recognized in profit or loss. Costs for a producing property will be amortized on a unit-of-production method based on the estimated life of the ore reserves. The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that property options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation asset costs or recoveries when the payments are made or received. When the option payments received exceed the carrying value of the related exploration and evaluation asset then the excess is recognized in profit or loss in the period the option receipt is recognized. Option receipts in the form of marketable securities are recorded at the quoted market price on the day the securities are received.

Rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the rehabilitation of exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with rehabilitation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized rehabilitation costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs).

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

Rehabilitation provisions (cont'd...)

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss. The Company had no measurable rehabilitation obligations for the years presented.

Impairment

At the end of each reporting period, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share capital

Common shares - Common shares are classified as shareholders' equity. Incremental costs, net of tax effects, directly attributable to the issue of common shares are recognized as deductions from shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

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

Share capital (cont'd...)

Preferred shares – Preferred shares are classified as shareholders' equity if they are non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends declared thereon are recognized as distributions within equity upon approval by the Company's shareholders.

Preferred shares are classified as a financial liability if they are redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognized as interest expense in profit or loss.

When warrants expire unexercised, the value previously recorded in reserves is transferred to share capital.

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. When options expire unexercised or are forfeited, deficit is credited by the related portion of share-based payments previously recorded in reserves.

Income (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings (loss) per share are calculated by dividing the loss attributable to common shares of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. There was no dilutive effect for the years presented.

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

Income taxes

Deferred tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the statement of financial position date. Non-monetary items are translated into Canadian dollars at the exchange rate in effect on the respective transaction dates. Revenues and expenses are translated at average rates for the period, except for depreciation, which is translated on the same basis as the related asset. Exchange gains or losses arising on foreign currency translation are reflected in profit or loss for the year.

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

New accounting policies adopted

The following standards and amendments to existing standards have been adopted by the Company effective August 1, 2018:

IFRS 9, Financial Instruments

This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. Prior periods were not restated and there was no material impact to the Company's consolidated financial statements as a result of transitioning to IFRS 9. IFRS 9 introduced a revised model for classification and measurement, and while this has resulted in financial instrument classification changes, there were no quantitative impacts from adoption. Cash has changed classification from FVTPL to amortized cost. The carrying value is equal to its fair value given the short-term nature of the asset, therefore, there is no change in the carrying value as a result of the change in classification. There are no transitional impacts regarding financial liabilities in regards to classification and measurement.

The adoption of the ECL impairment model had a negligible impact on the carrying amounts of the Company's financial assets given the nature of the items and that receivables are substantially all current and there is a minimal level of default.

IFRS 15, Revenue from Contracts with Customers

The Company retrospectively adopted *IFRS 15, Revenue from Contracts with Customers*. IFRS 15 establishes principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Company currently has no revenue. There was no impact on the consolidated financial statements as a result of adopting this standard.

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, 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 adopted the standard effective August 1, 2019. A review of the existence of lease contracts was completed prior to adoption. The expected effect is increased disclosure.

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 and its wholly-owned Peruvian subsidiary, Minera Puno Gold, S.A.C. ("Minera Puno"). Minera Puno is engaged in the business of mineral exploration and evaluation in Peru and holds options to acquire a 100% interest in the Cerro Hermoso and Lukkacha projects (Note 6).

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	<u><u>\$ 4,514,400</u></u>
---------------	----------------------------

Net assets acquired:

Cash	\$ 37,431
Receivables	15,477
Accounts payable and accrued liabilities	(65,674)
Loans payable	<u>(760,335)</u>
	(773,101)
Allocation to exploration and evaluation assets (Note 6)	<u>5,287,501</u>
	<u><u>\$ 4,514,400</u></u>

During the year ended July 31, 2018, the loans payable were repaid in full.

MIRAMONT RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
YEAR ENDED JULY 31, 2019

5. EQUIPMENT

	Field equipment		Total
Cost			
July 31, 2017	\$	-	\$ -
Additions		8,532	8,532
July 31, 2018		8,532	8,532
Additions		11,146	11,146
July 31, 2019	\$	19,678	\$ 19,678
Accumulated depreciation			
July 31, 2017	\$	-	\$ -
Depreciation		142	142
July 31, 2018		142	142
Depreciation		1,601	1,601
July 31, 2019	\$	1,743	\$ 1,743
Net Book Value			
July 31, 2018	\$	8,390	\$ 8,390
July 31, 2019	\$	17,935	\$ 17,935

Depreciation is included in exploration and evaluation expenditures.

MIRAMONT RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
YEAR ENDED JULY 31, 2019

6. EXPLORATION AND EVALUATION ASSETS

Project	Cerro Hermoso	Lukkacha	Midas Gold	Total
July 31, 2017	\$ -	\$ -	\$ 40,000	\$ 40,000
Cash payments	26,544	-	-	26,544
Share issuances (Note 4)	3,764,823	1,522,678	-	5,287,501
Write-off of exploration and evaluation assets	-	-	(40,000)	(40,000)
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

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 July 31, 2019);
- (vi) US\$100,000 on or before September 27, 2020; and
- (vii) US\$3,000,000 on or before September 27, 2021.

Subsequent to July 31, 2019, the Company decided to terminate its interest and wrote off the carrying value of the Cerro Hermoso Concessions.

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.

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Cerro Hermoso (cont'd...)

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.

Subsequent to July 31, 2019, the Company decided to terminate its interest and wrote off the carrying value of the An An mining concession.

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.

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.

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

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Lukkacha (cont'd...)

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% 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.

Midas Gold

On October 19, 2016, the Company entered into an option 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.

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

MIRAMONT RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
YEAR ENDED JULY 31, 2019

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Exploration and evaluation expenditures for the year ended July 31, 2019 are as follows:

Project	Cerro		Lukkacha	Total
	Hermoso			
Assays	\$ 108,667	\$ -	\$ -	108,667
Community programs	11,969	16,114		28,083
Drilling	984,720	-		984,720
Engineering	10,045	-		10,045
Environmental and permitting	315	95,534		95,849
Field supplies	86,907	799		87,706
Geological consulting	17,152	-		17,152
Legal	204	-		204
Property payments, licences and rights	47,522	23,135		70,657
Travel	46,273	6,111		52,384
VAT	256,313	-		256,313
Vehicle rentals and maintenance	52,001	182		52,183
Wages and benefits	319,497	-		319,497
Total	\$ 1,941,585	\$ 141,875	\$ -	2,083,460

Exploration and evaluation expenditures for the year ended July 31, 2018 are as follows:

Project	Cerro		Lukkacha	Total
	Hermoso			
Assays	\$ 9,829	\$ -	\$ -	9,829
Community programs	13,683	-		13,683
Core shack	1,004	-		1,004
Environmental and permitting	14,683	6,351		21,034
Field supplies	38,578	570		39,148
Geological consulting	171,298	-		171,298
Legal	110	-		110
Property payments, licences and rights	48,785	308,921		357,706
Travel	32,931	1,427		34,358
VAT	67,799	-		67,799
Vehicle rentals and maintenance	28,602	437		29,039
Wages and benefits	120,097	-		120,097
Total	\$ 547,399	\$ 317,706	\$ -	865,105

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Accounts payable	\$ 48,656	\$ 55,412
Accrued liabilities	30,000	49,083
	\$ 78,656	\$ 104,495

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. As at July 31, 2019, the Company had not issued any preferred shares.

Issued share capital

During the year ended July 31, 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.

During the year ended July 31, 2018, the Company issued:

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

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

Issued share capital (cont'd...)

- 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).

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 July 31, 2019, there are 2,579,750 (2018 - 5,159,500) 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 July 31, 2019, there are 67,320 (2018 - 112,200) 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 year ended July 31, 2019, the Company granted 1,145,000 (2018 - 2,620,000) stock options. The options vest 1/3 on grant, 1/3 after one year, and 1/3 after two years. During the year ended July 31, 2019, the Company expensed \$449,704 (2018 - \$302,844) in connection with the options granted, which was recorded in share-based payments expense.

The weighted average fair value of stock options granted during the year ended July 31, 2019 was \$0.343 (2018 - \$0.259) per option. The fair value was calculated using the Black-Scholes option pricing model assuming a life expectancy of five years (2018 - five years), a risk free interest rate of 1.81% (2018 - 2.30%), a forfeiture rate of nil (2018 - nil), and volatility of 119% (2018 - 89%).

MIRAMONT RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
YEAR ENDED JULY 31, 2019

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

Stock options (cont'd...)

Option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at July 31, 2017	-	\$ -
Granted	2,620,000	0.37
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

As at July 31, 2019, the Company had outstanding options enabling the holder to acquire common shares as follows:

Number of options	Number of exercisable options	Exercise price	Weighted average remaining life (years)	Expiry date
300,000	200,000	\$ 0.37	3.60	March 6, 2023
2,120,000	1,446,667	0.375	3.80	May 17, 2023*
1,028,334	381,667	0.415	4.56	February 21, 2024*
3,448,334	2,028,334			

* 100,000 and 58,334 options, respectively, were forfeited subsequent to year end

MIRAMONT RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
YEAR ENDED JULY 31, 2019

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

Share purchase warrants

Share purchase warrant transactions are summarized as follows:

	Number of warrants		Weighted average exercise price
Balance as at July 31, 2017	4,233,332	\$	0.15
Issued	20,673,860		0.45
Balance as at 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

As at July 31, 2019, 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
19,192,633	\$ 0.45	0.29	November 14, 2019*
522,788	0.30	0.29	November 14, 2019*
4,796,654	0.50	1.51	January 31, 2021
24,512,075			

* expired subsequent to year end

MIRAMONT RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
YEAR ENDED JULY 31, 2019

9. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	2019	2018
Loss before income taxes	\$ (7,444,783)	\$ (2,120,377)
Expected income tax recovery	\$ (2,010,000)	\$ (567,000)
Change in statutory, foreign tax, foreign exchange rates and other	(13,000)	(35,000)
Permanent differences	127,000	82,000
Share issue costs	(9,000)	(80,000)
Adjustment to prior years provision versus statutory tax returns	2,000	-
Impact of acquisition of Puno Gold	-	(735,000)
Change in unrecognized deferred tax assets	1,903,000	1,335,000
Income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's unrecognized deferred income tax assets and liabilities are as follows:

	2019	2018
Exploration and evaluation assets	\$ 2,553,000	\$ 896,000
Equipment	1,000	3,000
Share issue costs	60,000	69,000
Non-capital losses	680,000	423,000
	3,294,000	1,391,000
Unrecognized deferred tax assets	(3,294,000)	(1,391,000)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2019	Expiry date range
Exploration and evaluation assets	\$ 8,991,000	N/A
Equipment	2,000	N/A
Share issue costs	222,000	2020 to 2023
Non-capital losses	2,488,000	2035 to 2039

Tax attributes are subject to review and potential adjustments by tax authorities.

MIRAMONT RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
YEAR ENDED JULY 31, 2019

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:

	2019	2018
Administrative costs	\$ -	\$ 10,000
Management fees	375,247	207,122
Professional fees	30,000	30,000
Share-based payments	308,577	226,194
	\$ 713,824	\$ 473,316

As at July 31, 2019, included in accounts payable and accrued liabilities was \$10,296 (2018 - \$25,857) owing to officers and directors.

11. SUPPLEMENTAL CASH FLOW INFORMATION

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

	2019	2018
Allocation of reserves on exercise of warrants	\$ 28,126	\$ -
Common shares issued for acquisition of Puno (Note 4)	-	4,514,400
Warrants issued as agents' and finders' fees	18,158	125,478

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 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 year ended July 31, 2019			
Loss and comprehensive loss	\$ 1,203,404	\$ 6,241,379	\$ 7,444,783

MIRAMONT RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
YEAR ENDED JULY 31, 2019

12. SEGMENTED INFORMATION (cont'd...)

	Canada	Peru	Total
As at July 31, 2018			
Exploration and evaluation assets	\$ -	\$ 5,314,045	\$ 5,314,045
Other assets	3,588,546	122,933	3,711,479
Total assets	\$ 3,588,546	\$ 5,436,978	\$ 9,025,524
For the year ended July 31, 2018			
Loss and comprehensive loss	\$ 1,084,906	\$ 1,035,471	\$ 2,120,377

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 July 31, 2019, 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 July 31, 2019 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).

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 \$35,000.

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

Market risk (cont'd...)

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 year ended July 31, 2019.

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 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, receivables and accounts payable and accrued liabilities as amortized cost. The fair value of cash is 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.

14. 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 year ended July 31, 2019.

MIRAMONT RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JULY 31, 2019

(Expressed in Canadian Dollars)

Report Date – November 28, 2019

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 year ended July 31, 2019. This MD&A should be read in conjunction with the Company's audited annual consolidated financial statements and related notes thereto for the years ended July 31, 2019 and 2018. All amounts disclosed in this MD&A are expressed 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 and as included in Part 1 of the CPA Canada Handbook – Accounting and the interpretations of the International Financial Reporting Interpretations Committee. 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 such as receipt of permits and planned drilling 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, Peru 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 23rd Floor - 1177 West Hastings Street, Vancouver, BC, V6E 2K3. The Company's registered and records office is located at 2974 Strangway Place, Squamish, BC, V8B 0P8. 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 also 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, as at July 31, 2019, holds options to acquire a 100% interest in the Cerro Hermoso and Lukkacha projects.

Also on November 14, 2017, the Company completed a private placement of 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, finders' fees and legal fees and issued 673,827 agents' and finders' warrants, valued at \$125,478. Each agents' and finders' 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.

Overview (cont'd...)

On January 31, 2019, the Company completed a private placement of 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.

Exploration and Evaluation Assets

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, Lucia Josefina and Haariana II, 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 is 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 July 31, 2019);
- (vi) US\$100,000 on or before September 27, 2020; and
- (vii) US\$3,000,000 on or before September 27, 2021.

The Cerro Hermoso Concessions are subject to a 1% Net Smelter Return royalty ("NSR") which will take effect when Minera Puno has received cumulative minimum payments of US\$1,000,000 from the sale of minerals from the Cerro Hermoso Concessions. The NSR is subject to a buy-back right pursuant to which Minera Puno may purchase the full NSR for a total payment of US\$5,000,000. Any NSR payments made before the buy-back may be deducted against the US\$5,000,000.

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.

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

Cerro Hermoso (cont'd...)

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 Agreement has a four year term. The purchase price is 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.

On May 15, 2018, the Company announced it had received approval of its environmental impact statement (known by the Spanish acronym DIA). Subsequent to receiving approval for the DIA, the Company applied for permits to commence drilling. The Company planned to drill between 3,500 and 5,000 meters, as was recommended in the NI 43-101 technical report dated effective May 31, 2017. On December 4, 2018, the Company announced that it had received approval of its final drill permit.

The Company commenced Phase 1 drilling at Cerro Hermoso in January 2019. A total of 3,679 metres was drilled in nine diamond drill holes with the program being completed in April 2019 (refer to the Company's press release dated April 12, 2019 for the results). A Phase 2 drill program commenced in May 2019 to follow-up on mineralization encountered in Phase 1. The Phase 2 program was paused in June 2019 to allow the Company to apply for adjustments to the current drill permit through the Informe Técnico Sustentatorio ("ITS"). The ITS would have provided an amendment to the Company's existing drill permit with the request to drill additional holes on existing platforms throughout the new target area. Submission of the ITS was subsequently cancelled upon review of final drill assays.

Subsequent to July 31, 2019, the Company announced that it had terminated the option agreements for the Lucia Josefina, Haariana II and An An concessions at the Cerro Hermoso project in order to preserve capital. Accordingly, the Company recorded a write-off on exploration and evaluation assets of \$3,969,379 as at July 31, 2019. The Company retained the option agreement on the Milenios concession at the Cerro Hermoso project.

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 Chucatanani, 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

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

Lukkacha (cont'd...)

(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 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% 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.

The Company has made an application for the Supreme Decree.

Exploration and Evaluation Expenditures on Cerro Hermoso and Lukkacha

During the year ended July 31, 2019, the Company incurred total exploration and evaluation expenditures of \$1,941,585 (2018 - \$547,399) and \$141,875 (2018 - \$317,706), respectively, on the Cerro Hermoso and Lukkacha properties (collectively, the "Puno properties"). Expenditures on Cerro Hermoso for the year were primarily for preparation and completion of the Phase 1 and 2 drilling programs. The Company received approval of its environmental impact statement (DIA) for the Cerro Hermoso project in May 2018 and its drilling permits for the project in December 2018. In January 2019, the Company commenced a drill program that was designed to test three targets outlined by previous sampling, geologic mapping and a geophysics program. In May 2019, the Company commenced phase 2 drilling at Cerro Hermoso. The program was designed to follow up on results from the previous drilling campaign. Expenditures on Lukkacha for the year were primarily to keep the property in good standing.

MIRAMONT RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in Canadian Dollars)
YEAR ENDED JULY 31, 2019

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

Exploration and Evaluation Expenditures on Cerro Hermoso and Lukkacha (cont'd...)

The exploration and evaluation expenditures incurred during the year ended July 31, 2019 were as follows:

Project	Cerro Hermoso		Lukkacha		Total
Assays	\$	108,667	\$	-	\$ 108,667
Community programs		11,969		16,114	28,083
Drilling		984,720		-	984,720
Engineering		10,045		-	10,045
Environmental and permitting		315		95,534	95,849
Field supplies		86,907		799	87,706
Geological consulting		17,152		-	17,152
Legal		204		-	204
Property payments, licences and rights		47,522		23,135	70,657
Travel		46,273		6,111	52,384
VAT		256,313		-	256,313
Vehicle rentals and maintenance		52,001		182	52,183
Wages and benefits		319,497		-	319,497
Total	\$	1,941,585	\$	141,875	\$ 2,083,460

MIRAMONT RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in Canadian Dollars)
YEAR ENDED JULY 31, 2019

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

Exploration and Evaluation Expenditures on Cerro Hermoso and Lukkacha (cont'd...)

The cumulative exploration and evaluation expenditures on the Puno properties incurred by the Company to July 31, 2019 are as follows:

Property	Cerro Hermoso	Lukkacha	Total
Assays	\$ 118,496	\$ -	\$ 118,496
Community programs	25,652	16,114	41,766
Core shack	1,004	-	1,004
Drilling	984,720	-	984,720
Engineering	10,045	-	10,045
Environmental and permitting	14,998	101,885	116,883
Field supplies	125,485	1,369	126,854
Geological consulting	188,450	-	188,450
Legal	314	-	314
Property payments, licences and rights	96,307	332,056	428,363
Travel	79,204	7,538	86,742
VAT	324,112	-	324,112
Vehicle rentals and maintenance	80,603	619	81,222
Wages and benefits	439,594	-	439,594
Total to July 31, 2019	\$ 2,488,984	\$ 459,581	\$ 2,948,565

Midas Gold

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. During the year ended July 31, 2017, the Company paid \$30,000 and issued 100,000 common shares, valued at \$10,000, in connection with the Agreement.

During the year ended July 31, 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)
YEAR ENDED JULY 31, 2019

Selected Annual Information

The following table sets out selected annual financial information for the financial years ended ("FYE") July 31, 2019, 2018 and 2017.

Year Ended	July 31, 2019	July 31, 2018	July 31, 2017
Revenue	\$ Nil	\$ Nil	\$ Nil
Loss from continuing operations	\$ (7,444,783)	\$ (2,120,377)	\$ (201,623)
- per share ⁽¹⁾	\$ (0.14)	\$ (0.05)	\$ (0.02)
Loss and comprehensive loss	\$ (7,444,783)	\$ (2,120,377)	\$ (201,623)
- per share ⁽¹⁾	\$ (0.14)	\$ (0.05)	\$ (0.02)
Total assets	\$ 4,032,059	\$ 9,025,524	\$ 592,280
Total non-current financial liabilities	\$ Nil	\$ Nil	\$ Nil
Cash dividends declared - per common share	\$ Nil	\$ Nil	\$ Nil

¹ Fully diluted loss per share is not presented as the effect was anti-dilutive.

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

During the year ended July 31, 2019, the Company incurred a loss and comprehensive loss of \$7,444,783 compared to a loss and comprehensive loss of \$2,120,377 for the year ended July 31, 2018.

The loss and comprehensive loss of \$7,444,783 (2018 - \$2,120,377) for the current year was comprised of \$6,052,839 (2018 - \$905,105) in property expenditures, including a write-off of exploration and evaluation assets of \$3,969,379 (2018 - \$40,000), \$1,379,679 (2018 - \$1,250,170) in administrative expenses, including share-based payments of \$449,704 (2018 - \$302,844), and \$(12,265) (2018 - \$34,898) in net other income (expense).

The increase in loss for the current year was attributable to the increased exploration on the Puno properties, most significantly drilling and its associated costs on the Cerro Hermoso project and the write-off of exploration and evaluation assets of \$3,969,379 associated with the costs associated with the termination of certain concessions under option. The increase in loss in FYE 2018 over FYE 2017 was attributable to the planned exploration and evaluation expenditures incurred on the Puno properties, following completion of the acquisition of Puno in November 2017, along with the increased costs associated with the management team and related financing, marketing and support costs of being an active publicly-listed exploration company. FYE 2017 had comparatively little activity, as the Company was searching for a project and preparing for listing on the CSE. The significant expenditures for the current year included:

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

Property Expenses

- Exploration and evaluation expenditures – The Company continues to perform exploratory work in Peru. Expenses incurred during the year were primarily used towards the Phase 1 and 2 drill programs at the Cerro Hermoso project where drilling commenced in January 2019. Expenditures incurred on Lukkacha during the year were primarily on costs to keep the property in good standing, while awaiting approval of the Supreme Decree. The comparative year consisted primarily of expenditures on the Cerro Hermoso project for geologic mapping, geophysics and geochemistry as well as permitting expenses associated with the Environmental Impact Statement (known by the Spanish acronym as "DIA") and to prepare for drilling the property.
- Write-off of exploration and evaluation assets – The current year includes the write off of the carrying value of the Lucia Josefina, Haariana II and An An concessions at the Cerro Hermoso project. The prior year includes the write off of the carrying value of the Midas Gold Property.

Administrative Expenses

- Management fees – During the current year, William Pincus left the Company and was replaced by Tyson King as President and CEO. Mr. Pincus was paid additional fees of \$189,583 in connection with his departure in accordance with the terms of his consulting agreement with the Company.
- Marketing and investor relations – In the prior year, the Company incurred marketing costs and investor relations fees to promote its recent completion of the Puno acquisition. There has been less activity on this in the current year while the Company focused on drilling at Cerro Hermoso.
- Rent – During the current year, the Company began renting an office space.
- Share-based payments – Stock options granted to directors, officers, employees, consultants and advisors in February 2019 and March and April 2018, in accordance with its shareholder-approved stock option plan, continue to vest. There were no stock option grants prior to March 2018.
- Travel – Management reduced its travel to Peru during the current period as the preparation for drilling was completed and had been started. The prior period included travel costs to investigate potential projects as well as travel to Peru and to attend conferences.

MIRAMONT RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in Canadian Dollars)
YEAR ENDED JULY 31, 2019

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information for the most recent eight quarters. The amounts presented have been prepared in accordance with IFRS for all eight quarters.

Three Months Ended	July 31, 2019	April 30, 2019	January 31, 2019	October 31, 2018
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Exploration and evaluation expenditures	\$ 771,890	\$ 894,930	\$ 351,293	\$ 65,347
Write-off of exploration and evaluation expenditures	\$ 3,969,379	\$ -	\$ -	\$ -
Administrative expenses (excluding share-based payments)	\$ 179,756	\$ 410,447	\$ 178,392	\$ 161,380
Share-based payments	\$ 75,274	\$ 203,432	\$ 85,499	\$ 85,499
Loss from continuing operations	\$ 5,010,311	\$ 1,526,623	\$ 607,839	\$ 300,010
- per share ⁽¹⁾	\$ (0.09)	\$ (0.03)	\$ (0.01)	\$ (0.01)
Loss and comprehensive loss	\$ 5,010,311	\$ 1,526,623	\$ 607,839	\$ 300,010
- per share ⁽¹⁾	\$ (0.09)	\$ (0.03)	\$ (0.01)	\$ (0.01)
Three Months Ended	July 31, 2018	April 30, 2018	January 31, 2018	October 31, 2017
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Exploration and evaluation expenditures	\$ 489,638	\$ 212,087	\$ 203,380	\$ Nil
Write-off of exploration and evaluation expenditures	\$ -	\$ -	\$ -	\$ 40,000
Administrative expenses (excluding share-based payments)	\$ 271,365	\$ 259,339	\$ 293,488	\$ 123,134
Share-based payments	\$ 277,110	\$ 25,734	\$ Nil	\$ Nil
Loss from continuing operations	\$ 1,017,077	\$ 483,108	\$ 454,616	\$ 165,576
- per share ⁽¹⁾	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Loss and comprehensive loss	\$ 1,017,077	\$ 483,108	\$ 454,616	\$ 165,576
- per share ⁽¹⁾	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.01)

¹ Fully diluted loss per share is not presented as the effect is anti-dilutive.

Overall Performance and Results of Operations: Quarterly

During the three month period ended July 31, 2019, the Company incurred a loss and comprehensive loss of \$5,010,311 compared to a loss and comprehensive loss of \$1,017,077 for the three month period ended July 31, 2018.

The loss and comprehensive loss of \$5,010,311 (2018 - \$1,017,077) for the current quarter was comprised of \$4,741,269 (2018 - \$489,638) in property expenses, including a write-off of exploration and evaluation assets of \$3,969,379 (2018 - \$Nil), \$255,030 (2018 - \$548,475) in administrative expenses, and \$(14,012) (2018 - \$21,036) in net other income (loss). The expenditures with significant changes in the current quarter from the comparative quarter of last year, not described above, were as follows:

Property Expenses

- Exploration and evaluation expenditures – Expenses incurred during the quarter were primarily used towards the completion of the Phase 2 drill program and analysis of results at the Cerro Hermoso project. The comparative period consisted primarily of funds incurred to begin the drilling permit application process on the Cerro Hermoso project and payments to the vendor of Lukkacha for work incurred by the vendor on Lukkacha.
- Write-off of exploration and evaluation assets – The current period includes the write off of the carrying value of the Lucia Josefina, Haariana II and An An concessions at the Cerro Hermoso project.

Administrative Expenses

- Share-based payments – Stock options were granted to directors, officers, employees, consultants and advisors in May 2018. One-third vested on grant, which resulted in a significant value recorded as share-based payments in the period. There were no stock options granted in the current period.
- Professional fees – The Company incurred an increase in professional fees in the current period as the year end audit fees were accrued.

Liquidity and Capital Resources

The Company's cash position was \$2,348,270 as at July 31, 2019 compared to \$3,584,184 as at July 31, 2018. The Company's working capital was \$2,353,452 as at July 31, 2019 compared to \$3,598,594 as at July 31, 2018. The Company's cash position consists of funds from a financing completed in the current year, in addition to funds raised in previous financings, along with proceeds on exercise of warrants, less cumulative expenditures incurred. The cash balance of \$2,348,270 as at July 31, 2019 decreased by \$1,235,914 from the \$3,584,184 balance as at July 31, 2018. The net decrease was comprised of the \$1,618,811 net proceeds from a private placement financing and the \$408,642 net proceeds from the exercise of warrants, offset by \$3,014,871 of expenditures on operating activities, \$11,146 for the purchase of equipment and \$237,350 for option payments on the Cerro Hermoso, An An, and Milenios option agreements.

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 capital in the current and 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 believes is sufficient to further operations for the upcoming twelve months.

MIRAMONT RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in Canadian Dollars)
YEAR ENDED JULY 31, 2019

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

The following summarizes the Company's related party transactions with its key management personnel during the year ended July 31, 2019 and 2018:

	2019	2018
Paid or accrued administrative costs to Benchmark Point Governance Corp., a company controlled by Leah Hodges, a former director of the Company	\$ -	\$ 10,000
Paid or accrued management fees to Tyson King, a director and President and CEO of the Company since April 12, 2019 and formerly a director and Vice-president of the Company	69,000	54,000
Paid or accrued management fees to William Pincus, a director and President and CEO of the Company until April 12, 2019	306,247	153,122
Paid or accrued professional fees to Lesia Burianyk, CFO of the Company	30,000	30,000
Vesting of share-based payments to Dale Peniuk, a director of the Company	83,201	71,750
Vesting of share-based payments to Quinton Hennigh, a director of the Company	57,611	34,321
Vesting of share-based payments to Gerald Shields, a director of the Company	57,611	34,321
Vesting of share-based payments to Tyson King	62,343	34,321
Vesting of share-based payments to William Pincus	11,907	34,321
Vesting of share-based payments to Lesia Burianyk	35,904	17,160
	\$ 713,824	\$ 473,316

As at July 31, 2019, included in accounts payable and accrued liabilities was \$10,296 (2018 - \$25,857) 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 Events

Subsequent to July 31, 2019, 158,334 options were forfeited and 19,715,421 warrants expired unexercised. Any other subsequent events are disclosed elsewhere in this MD&A.

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 55,773,234 common shares issued and outstanding and Nil preferred shares issued and outstanding.

Stock options

As at the Report Date, the Company had 3,290,000 incentive stock options outstanding.

Warrants

As at the Report Date, the Company had 4,796,654 share purchase warrants outstanding.

New Accounting Policies Adopted

The following standards and amendments to existing standards have been adopted by the Company effective August 1, 2018:

IFRS 9, Financial Instruments

The Company retrospectively adopted *IFRS 9, Financial Instruments*. IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces *IAS 39, Financial Instruments: Recognition and Measurement*. Prior periods were not restated and there was no material impact to the Company's condensed interim consolidated financial statements as a result of transitioning to IFRS 9.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and financial assets. The impact of IFRS 9 on the classification and measurement of financial assets and financial liabilities is set out below.

New Accounting Policies Adopted (cont'd...)

IFRS 9, Financial Instruments (cont'd...)

Classification and measurement of financial assets and liabilities

Under IFRS 9, financial assets, on initial recognition, are recognized at fair value and subsequently classified and measured at: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). IFRS 9 eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. The classification of financial assets depends on the purpose for which the financial assets were acquired. The Company's financial assets consist of cash and receivables and are classified as amortized cost. Financial assets are classified as current assets or non-current assets based on their maturity date. Cash has changed classification from FVTPL to amortized cost. The carrying value is equal to its fair value given the short-term nature of the asset, therefore, there is no change in the carrying value as a result of the change in classification.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, and, as such, the Company's accounting policy with respect to financial liabilities is substantially unchanged. The Company's financial liabilities which consist of accounts payable and accrued liabilities are classified as amortized cost.

Impairment of financial assets

Under IFRS 9, an expected credit loss ("ECL") impairment model applies to financial assets classified and measured at amortized cost, and contract assets and debt investments classified and measured at FVOCI, but not to investments in equity instruments. The ECL model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit and loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

The adoption of the ECL impairment model had a negligible impact on the carrying amounts of the Company's financial assets given the nature of the items and that receivables are substantially all current and there is a minimal level of default.

IFRS 15, Revenue from Contracts with Customers

The Company retrospectively adopted *IFRS 15, Revenue from Contracts with Customers*. IFRS 15 establishes principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Company currently has no revenue. There was no impact on the consolidated financial statements as a result of adopting this standard.

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, 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 adopted the standard effective August 1, 2019. A review of the existence of lease contracts was completed prior to adoption. The expected effect is increased disclosure.

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 July 31, 2019, 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 July 31, 2019 to settle its current liabilities as they come due and management believes funds are sufficient to further operations for the upcoming twelve months.

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 dollars accounts would be approximately \$35,000.

Financial Instrument Risk (cont'd...)

Market risk (cont'd...)

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 year ended July 31, 2019.

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 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, 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.

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 year ended July 31, 2019.

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 exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations. Mining operations generally involve a high degree of risk. The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. There is no certainty that the expenditures made by the Company toward the search and evaluation of precious metals and other minerals will result in discoveries of mineral resources, mineral reserves or any other mineral occurrences.
- 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.

Risks and Uncertainties (cont'd...)

- 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.
- h) The operations of the Company are currently conducted primarily in Peru, as such, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; extreme fluctuations in currency exchange rates; and changing political conditions, currency controls and governmental regulations. Changes, if any, in mining or investment policies or shifts in political attitudes in any of the countries the Company operates in may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

Risks and Uncertainties (cont'd...)

- 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.
- j) The Company is dependent upon the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

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 Quinton Hennigh Dale Peniuk
Officers:	Quinton Hennigh, Executive Chairman Tyson King, President and CEO Lesia Burianyk, CFO Leah Hodges, Corporate Secretary
Auditor:	Davidson and Company, LLP Chartered Professional Accountants Suite 1200 - 609 Granville Street Vancouver, BC, V7Y 1G6
Legal Counsel:	DuMoulin Black, LLP 10 th Floor - 595 Howe Street Vancouver, BC, V6C 2T5
Transfer Agent:	Computershare Trust Company of Canada 2 nd Floor - 510 Burrard Street Vancouver, BC, V6C 3B9

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)

	April 30, 2020	July 31, 2019
ASSETS		
Current		
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>
Equipment (Note 4)	16,459	17,935
Exploration and evaluation assets (Note 5)	<u>1,522,678</u>	<u>1,582,016</u>
	<u>\$ 3,742,730</u>	<u>\$ 4,032,059</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 6 and 8)	\$ 38,435	\$ 78,656
	<u>38,435</u>	<u>78,656</u>
SHAREHOLDERS' EQUITY		
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)

	Three months ended April 30, 2020	Three months ended April 30, 2019	Nine months ended April 30, 2020	Nine months ended April 30, 2019
Property expenses				
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	-
	(98,034)	(894,930)	4,684	(1,311,570)
Administrative expenses				
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
	(108,531)	(613,879)	(458,221)	(1,124,649)
Operating loss	(206,565)	(1,508,809)	(453,537)	(2,436,219)
Foreign exchange gain (loss)	38,906	(24,891)	30,438	(26,772)
Interest income	4,679	7,077	20,266	28,519
	43,585	(17,814)	50,704	1,747
Loss and comprehensive loss for the period	\$ (162,980)	\$ (1,526,623)	\$ (402,833)	\$ (2,434,472)
Loss per common share – basic and diluted	\$ (0.00)	\$ (0.03)	\$ (0.01)	\$ (0.05)
Weighted average number of common shares outstanding – basic and diluted	55,773,234	55,308,411	55,773,234	51,814,109

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			
July 31, 2018	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)
April 30, 2019	55,773,234	\$ 12,865,352	\$ 792,784	\$ (4,769,696)	\$ 8,888,440
July 31, 2019	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)
April 30, 2020	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)

	Nine months ended April 30, 2020	Nine months ended April 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
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)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	-	(11,146)
Payments for exploration and evaluation assets	-	(204,556)
Net cash used in investing activities	-	(215,702)
CASH FLOWS FROM FINANCING ACTIVITIES		
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)
Cash, beginning of period	2,348,270	3,584,184
Cash, end of period	\$ 2,169,234	\$ 3,424,254

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

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 23rd 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

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
Cost		
July 31, 2018	\$ 8,532	\$ 8,532
Additions	11,146	11,146
July 31, 2019 and April 30, 2020	\$ 19,678	\$ 19,678
Accumulated depreciation		
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
Net Book Value		
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

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

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:

	Number of options	Weighted average exercise price
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:

Number of options	Number of exercisable options	Exercise price	Weighted average remaining life (years)	Expiry date
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
3,250,000	2,266,666			

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:

	Number of warrants	Weighted average exercise price
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:

		Nine months ended April 30, 2020		Nine months ended April 30, 2019
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:

	Canada		Peru		Total	
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
Total assets	\$	2,195,009	\$	1,547,721	\$	3,742,730
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

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

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.

MIRAMONT RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2020

(Expressed in Canadian Dollars)

Report Date – June 24, 2020

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, 2020. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes thereto for the nine months ended April 30, 2020 and the audited annual consolidated financial statements and related notes thereto and the related annual MD&A for the year ended July 31, 2019. All amounts disclosed in this MD&A are expressed 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 and as included in Part 1 of the CPA Canada Handbook – Accounting and the interpretations of the International Financial Reporting Interpretations Committee. 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 such as completion of the transaction with Kuya Silver Corp. ("Kuya") and receipt of permits and planned drilling 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, Peru and globally; industry conditions, including fluctuations in commodity prices; the outbreak of an epidemic or a pandemic, including the recent outbreak of the novel coronavirus (COVID-19), or other health crisis and the related global health emergency affecting workforce health and wellbeing; 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 and shareholders in connection with the Kuya transaction; 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 23rd 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 and on the OTCQB under the trading symbol MRRMF. The Company is also 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, as at April 30, 2020, holds options to acquire a 100% interest in the Lukkacha project. Option agreements on the properties within the Cerro Hermoso project, being the Lucia Josefina, Haariana II, An An, and Milenios properties, were terminated during the nine months ended April 30, 2020.

Overview (cont'd...)

Also on November 14, 2017, the Company completed a private placement of 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 entitled 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, finders' fees and legal fees and issued 673,827 agents' and finders' warrants, valued at \$125,478. Each agents' and finders' warrant entitled 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 unexercised agents' and finders' warrants have expired.

On January 31, 2019, the Company completed a private placement of 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 Company continues to review high-quality, drill-ready precious metals and polymetallic exploration opportunities.

Subsequent to April 30, 2020, the Company announced that it had executed into a definitive agreement with Kuya whereby the Company will acquire all of the issued and outstanding shares of Kuya in exchange for shares of the Company. Refer to the "Subsequent Events" section for a further description of the proposed transaction

Exploration and Evaluation Assets

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, Lucia Josefina and Haariana II, 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 to be paid over the period to September 27, 2021 (of which a total of US\$326,000 was paid to November 14, 2019).

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.

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

Cerro Hermoso (cont'd...)

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 Agreement has a four-year term and requires payments totaling US\$610,000 by February 5, 2023 (of which US\$30,000 was paid to November 14, 2019).

On May 15, 2018, the Company announced it had received approval of its environmental impact statement and on December 4, 2018, the Company announced that it had received approval of its final drill permit.

The Company commenced Phase 1 drilling at Cerro Hermoso in January 2019. A total of 3,679 metres was drilled in nine diamond drill holes with the program being completed in April 2019 (refer to the Company's press release dated April 12, 2019 for the results). A Phase 2 drill program commenced in May 2019 to follow-up on mineralization encountered in Phase 1. The Phase 2 program was paused in June 2019 to allow the Company to apply for adjustments to the current drill permit through the Informe Técnico Sustentatorio ("ITS"). The ITS would have provided an amendment to the Company's existing drill permit with the request to drill additional holes on existing platforms throughout the new target area. Submission of the ITS was subsequently cancelled upon review of final drill assays.

In November 2019, the Company announced that it had decided to terminate the option agreements for the Lucia Josefina, Haariana II and An An concessions at the Cerro Hermoso project in order to preserve capital and in May 2020, the Company gave notice of its intension to not make the option payment due on July 26, 2020 on the Milenios concession. The Company recorded a write-off on exploration and evaluation assets of \$59,338 during the three months ended April 30, 2020 related to the Milenios concession and \$3,969,379 in fiscal 2019 related to the Lucia Josefina, Haariana II and An An concessions.

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.

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.

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

Lukkacha (cont'd...)

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.

The Company has made an application for the Supreme Decree.

Exploration and Evaluation Expenditures on Cerro Hermoso and Lukkacha

During the nine months ended April 30, 2020, the Company incurred total exploration and evaluation expenditures of \$138,532 (2019 - \$1,289,736) and recorded \$202,554 (2019 - \$nil) in VAT refunds for a net recovery of exploration and evaluation expenditures of \$64,022 (2019 - exploration and evaluation expenditures of \$1,289,736) and \$nil (2019 - \$21,834), respectively, on the Cerro Hermoso and Lukkacha properties (collectively, the "Puno properties"). Expenditures on Cerro Hermoso for the period were focused towards reclamation work and the geological analysis of the results on the Phase 2 drill program and related documentation. The VAT refunds were based on expenditures incurred on work performed in fiscal 2019 and were approved by the Peru government. Expenditures on Cerro Hermoso for fiscal 2019 were primarily for preparation and completion of the Phase 1 and 2 drilling programs. The Company received approval of its environmental impact statement (DIA) for the Cerro Hermoso project in May 2018 and its drilling permits for the project in December 2018. In January 2019, the Company commenced a drill program that was designed to test three targets outlined by previous sampling, geologic mapping and a geophysics program. In May 2019, the Company commenced phase 2 drilling at Cerro Hermoso. The program was designed to follow up on results from the previous drilling campaign. Expenditures on Lukkacha for fiscal 2019 were primarily to keep the property in good standing.

MIRAMONT RESOURCES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in Canadian Dollars)
APRIL 30, 2020

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

Exploration and Evaluation Expenditures on Cerro Hermoso and Lukkacha (cont'd...)

The exploration and evaluation expenditures (recovery) incurred during the nine months ended April 30, 2020 were 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)

The cumulative exploration and evaluation expenditures on the Puno properties incurred by the Company to April 30, 2020 are as follows:

Property	Cerro Hermoso		Lukkacha		Total
Assays	\$	119,394	\$	-	\$ 119,394
Community programs		32,347		16,114	48,461
Core shack		1,004		-	1,004
Drilling		984,720		-	984,720
Engineering		10,045		-	10,045
Environmental and permitting		14,998		101,885	116,883
Field supplies		132,251		1,369	133,620
Geological consulting		194,174		-	194,174
Property payments, licences, and rights		104,748		332,056	436,804
Travel		82,392		7,538	89,930
VAT		138,689		-	138,689
Vehicle rentals and maintenance		85,373		619	85,992
Wages and benefits		524,827		-	524,827
Total to April 30, 2020	\$	2,424,962	\$	459,581	\$ 2,884,543

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information for the most recent eight quarters. The amounts presented have been prepared in accordance with IFRS for all eight quarters. The adoption of IFRS 16 effective August 1, 2019 and IFRS 15 effective August 1, 2018 did not impact the Company's previously reported revenues or expenses. Refer to the "New Accounting Policies Adopted" section for further details.

Three Months Ended	April 30, 2020	January 31, 2020	October 31, 2019	July 31, 2019
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Exploration and evaluation expenditures (recovery)	\$ 98,034	\$ (156,633)	\$ 53,915	\$ 771,890
Write-off of exploration and evaluation assets	\$ 59,338	\$ -	\$ -	\$ 3,969,379
Administrative expenses (excluding share-based payments)	\$ 88,895	\$ 103,582	\$ 112,019	\$ 179,756
Share-based payments	\$ 19,636	\$ 67,044	\$ 67,045	\$ 75,274
Loss from continuing operations	\$ 162,980	\$ 8,104	\$ 231,749	\$ 5,010,311
- per share ⁽¹⁾	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.09)
Loss and comprehensive loss	\$ 162,980	\$ 8,104	\$ 231,749	\$ 5,010,311
- per share ⁽¹⁾	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.09)

Summary of Quarterly Results (cont'd...)

Three Months Ended	April 30, 2019	January 31, 2019	October 31, 2018	July 31, 2018
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Exploration and evaluation expenditures	\$ 894,930	\$ 351,293	\$ 65,347	\$ 489,638
Write-off of exploration and evaluation assets	\$ -	\$ -	\$ -	\$ -
Administrative expenses (excluding share-based payments)	\$ 410,447	\$ 178,392	\$ 161,380	\$ 271,365
Share-based payments	\$ 203,432	\$ 85,499	\$ 85,499	\$ 277,110
Loss from continuing operations	\$ 1,526,623	\$ 607,839	\$ 300,010	\$ 1,017,077
- per share ⁽¹⁾	\$ (0.03)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Loss and comprehensive loss	\$ 1,526,623	\$ 607,839	\$ 300,010	\$ 1,017,077
- per share ⁽¹⁾	\$ (0.03)	\$ (0.01)	\$ (0.01)	\$ (0.02)

¹ Fully diluted loss per share is not presented as the effect is anti-dilutive.

Overall Performance and Results of Operations: Quarterly

During the three-month period ended April 30, 2020, the Company incurred a loss and comprehensive loss of \$162,980 compared to a loss and comprehensive loss of \$1,526,623 for the three-month period ended April 30, 2019.

The loss and comprehensive loss of \$162,980 (2019 - \$1,526,623) for the current quarter was comprised of \$98,034 (2019 - \$894,930) in property expenditures, \$108,531 (2019 - \$613,879) in administrative expenses, and \$43,585 (2019 - \$(17,814)) in net other income (loss). The expenditures with significant changes in the current quarter from the comparative quarter of last year, not described above, were as follows:

Property Expenses

- Exploration and evaluation expenditures – Expenses included \$38,696 of expenditures incurred during the quarter primarily used towards reclamation work at the Cerro Hermoso project. The comparative period consisted primarily of funds incurred for the Phase 1 drill program at the Cerro Hermoso project where drilling commenced in January 2019. There were minimal expenditures incurred on Lukkacha during the quarter while awaiting approval of the Supreme Decree. Expenses in the current period also include \$59,388 for the write-off of the Milenios concession.

Overall Performance and Results of Operations: Quarterly (cont'd...)

Administrative Expenses

- Consulting fees – In the prior period, the Company hired outside consultants to provide assistance with the review of the Puno properties.
- Management fees – The current period consists solely of fees paid to Tyson King; the prior period also included fees paid to William Pincus, the former CEO. Mr. Pincus was paid additional fees of \$189,583 in connection with his departure in accordance with the terms of his consulting agreement with the Company.
- Marketing and investor relations – In the prior period, the Company incurred marketing costs and investor relations fees to update the market on the drilling at Cerro Hermoso. In the current period, the Company has reduced its expenditures as it focuses on maintaining cash.
- Share-based payments – Stock options were granted to directors, officers, employees, consultants and advisors in February 2019 and March and April 2018, in accordance with its shareholder-approved stock option plan. There have been no stock option grants subsequent to February 2019.

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

During the nine-month period ended April 30, 2020, the Company incurred a loss and comprehensive loss of \$402,833 compared to a loss and comprehensive loss of \$2,434,472 for the nine-month period ended April 30, 2019.

The loss and comprehensive loss of \$402,833 (2019 - \$2,434,472) for the current nine-month period was comprised of \$(4,684) (2019 - \$1,311,570) in property (recoveries) expenditures, \$458,221 (2019 - \$1,124,649) in administrative expenses, and \$50,704 (2019 - \$1,747) in net other income. The expenditures with significant changes in the current nine-month period from the comparative nine-month period of last year, not described above, were as follows:

Property Expenses

- Exploration and evaluation expenditures – Expenses incurred during the period were primarily used towards reclamation work and the analysis of results of the drill program at the Cerro Hermoso project, net of the VAT refund of \$202,554. The comparative period consisted primarily of funds incurred on exploratory work on the projects.

Administrative Expenses

- Travel – The current period had less travel as compared to the prior period which included travel to Peru. The current period includes only domestic travel.

Liquidity and Capital Resources

The Company's cash position was \$2,169,234 as at April 30, 2020 compared to \$2,348,270 as at July 31, 2019. The Company's working capital was \$2,165,158 as at April 30, 2020 compared to \$2,353,452 as at July 31, 2019. The Company's cash position consists of funds raised in previous financings, along with proceeds on exercise of warrants, less cumulative expenditures incurred. The cash balance of \$2,169,234 as at April 30, 2020 decreased by \$179,039 from the \$2,348,270 balance as at July 31, 2019. The net decrease was comprised of expenditures on operating activities, which was offset by the receipt of the VAT refunds from the Peru government.

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 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 believes is 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 period.

Transactions with Related Parties

The following summarizes the Company's related party transactions with its key management personnel during the nine months ended April 30, 2020 and 2019:

	2020	2019
Paid or accrued management fees to Tyson King, a director and President and CEO of the Company since April 12, 2019 and formerly a director and Vice-president of the Company	\$ 63,000	\$ 48,000
Paid or accrued management fees to William Pincus, a director and President and CEO of the Company until April 12, 2019	-	306,247
Paid or accrued professional fees to Lesia Burianyk, CFO of the Company	22,500	22,500
Vesting of share-based payments to Dale Peniuk, a director of the Company	30,198	70,345
Vesting of share-based payments to Quinton Hennigh, a director of the Company	23,206	47,690
Vesting of share-based payments to Gerald Shields, a director of the Company	23,206	47,690
Vesting of share-based payments to Tyson King	25,881	51,344
Vesting of share-based payments to William Pincus	-	11,907
Vesting of share-based payments to Lesia Burianyk	15,615	29,325
	\$ 203,606	\$ 635,048

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

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.

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 Events

Subsequent to April 30, 2020, the Company executed a definitive agreement (the "Definitive Agreement") with 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. Refer to the Company's press release dated June 11, 2020 for additional information.

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.

Share Capital Information (cont'd...)

Shares Issued and Outstanding

As at the Report Date, there were 55,773,234 common shares issued and outstanding and Nil preferred shares issued and outstanding.

Stock options

As at the Report Date, the Company had 3,250,000 incentive stock options outstanding.

Warrants

As at the Report Date, the Company had 4,796,654 share purchase warrants outstanding.

New Accounting Policies Adopted

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

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.

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.

Financial Instrument Risk (cont'd...)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is through regular monitoring of cash requirements. When necessary, the Company obtains financing from various investors to ensure all future obligations are fulfilled. The Company 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.

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.

Financial Instrument Risk (cont'd...)

Fair value hierarchy (cont'd...)

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.

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.

Risks and Uncertainties

For full details on the risks and uncertainties affecting the Company, please refer to the Company's audited annual consolidated financial statements and related notes thereto and the annual MD&A for the year ended July 31, 2019. These documents are available for viewing at the Company's website at www.miramontresources.com or on the Company's profile at www.sedar.com.

The following updates to the risks and uncertainties disclosures in the MD&A for the three and nine months ended April 30, 2020 are noted below:

The Company's business and operations could be adversely affected by the outbreak of an epidemic or a pandemic or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, and on March 16, 2020 the Peru government declared that the COVID-19 outbreak in the country constitutes a national state of emergency. Under the state of emergency, the Peru government enacted 15 days of mandatory quarantine which included closing of all international borders (land, air and maritime) and suspension of all interprovincial travel within Peru. Global government actions, including these restrictive measures in Peru, along with market uncertainty could cause an economic slowdown resulting in a decrease in the demand for metals and have a negative impact on metal prices, as well as possible disruptions to global supply chains. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

In addition, the Transaction with Kuya requires regulatory and shareholder approval and there can be no certainty that these approvals will be obtained. The Transaction is also subject to the completion of the Concurrent Financing and there is no certainty that this financing will be completed.

Proposed Transactions

Currently there are no pending proposed transactions, except as disclosed under the "Subsequent Events" section.

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 Quinton Hennigh Dale Peniuk
Officers:	Quinton Hennigh, Executive Chairman Tyson King, President and CEO Lesia Burianyk, CFO Leah Hodges, Corporate Secretary
Auditor:	Davidson and Company, LLP Chartered Professional Accountants Suite 1200 - 609 Granville Street Vancouver, BC, V7Y 1G6
Legal Counsel:	DuMoulin Black, LLP 10 th Floor - 595 Howe Street Vancouver, BC, V6C 2T5
Transfer Agent:	Computershare Trust Company of Canada 2 nd Floor - 510 Burrard Street Vancouver, BC, V6C 3B9

SCHEDULE “C”
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF MIRAMONT

MIRAMONT RESOURCES CORP.

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in US Dollars)

(Unaudited)

MIRAMONT RESOURCES CORP.**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(Expressed in US Dollars)

(Unaudited)

	Miramont Resources Corp. as at April 30, 2020 (Schedule A)	Kuya Silver Corp. as at June 30, 2020	Pro Forma Adjustments	Notes	Pro Forma Consolidated
ASSETS					
Current					
Cash	\$ 1,560,825	\$ 72,140	\$ 8,877,590 (402,726)	3(c) 3(c)	\$ 10,107,829
Receivable	1,884	-	-		1,884
Prepays and advance	22,838	-	-		22,838
	1,585,547	-	8,474,864		10,132,551
Equipment	11,843	-	-		11,843
Exploration and evaluation assets	1,095,609	-	(1,095,609)	3(a)	-
	\$ 2,692,999	\$ 72,140	\$ 7,379,255		\$ 10,144,394
LIABILITIES					
Current					
Accounts payable and accrued liabilities	\$ 27,655	\$ 127,207	\$ -		\$ 154,862
	27,655	127,207	-		154,862
SHAREHOLDERS' EQUITY					
Share capital	9,327,028	3,604,044	3,611,736 (9,327,028) 8,877,590 (402,726)	3(a) 3(b) 3(c) 3(c)	15,690,644
Reserves	627,731	879,380	(627,731) 62,039 11,349	3(b) 3(d) 3(e)	952,768
Deficit	(7,289,415)	(4,538,491)	7,289,415 (2,115,389)	3(b) 3(a)	(6,653,880)
	2,665,344	(55,067)	7,379,255		9,989,532
	\$ 2,692,999	\$ 72,140	\$ 7,379,255		\$ 10,144,394

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

MIRAMONT RESOURCES CORP.**NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in US Dollars)

(Unaudited)

1. BASIS OF PRESENTATION

These unaudited pro forma consolidated financial statements have been prepared in connection with the proposed transaction between Miramont Resources Corp. ("Miramont") and Kuya Silver Corp. ("Kuya"). Miramont, Kuya, and 2757974 Ontario Inc. ("2757974") entered into an amalgamation agreement dated June 10, 2020 (the "Amalgamation Agreement"). Pursuant to the amalgamation agreement, Miramont will acquire all of the issued and outstanding common shares of Kuya in exchange for shares of Miramont (the "Transaction"). Kuya is a privately held Ontario corporation and is engaged in the business of mineral exploration and development and has an option to acquire an 80% interest in the Bethania Silver property in Peru. 2757974 is a wholly owned subsidiary of Miramont, formed solely for the purpose of facilitating the Transaction.

These unaudited pro forma consolidated financial statements have been compiled from and should be read in conjunction with:

- unaudited condensed interim consolidated financial statements of Miramont as at and for the nine months ended April 30, 2020;
- audited consolidated financial statements of Miramont as at and for the year ended July 31, 2019;
- unaudited condensed interim consolidated financial statements of Kuya as at and for the six months ended June 30, 2020;
- audited consolidated financial statements of Kuya as at and for the year ended December 31, 2019;
- the additional information set out in Notes 3, 4, and 5 of these unaudited pro forma consolidated financial statements; and
- Schedule A – translation of Miramont's April 30, 2020 statement of financial position.

A statement of loss and comprehensive loss has not been included as management believes it would not provide meaningful information given the current stage of operations of Miramont and Kuya and the expected operations of the combined entity.

The accounting policies used in preparing these unaudited pro forma consolidated financial statements are set out in Kuya's consolidated financial statements for the year ended December 31, 2019, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. In preparing the unaudited pro forma consolidated financial statements, a preliminary review was undertaken to identify any accounting policy differences between the accounting policies used by Miramont and those of Kuya where the impact was potentially material and could be reasonably estimated.

A final review of accounting policies and policy elections will be completed after closing to ensure any differences have been identified and adjusted.

In the April 30, 2020 financial statements of Miramont, the functional and presentation currency is the Canadian dollar ("CAD") and in the June 30, 2020 financial statements of Kuya, the functional and presentation currency is the US dollar ("USD"). These pro forma consolidated financial statements have been presented in US dollars, and accordingly, the financial information of Miramont has been translated to US dollars. An exchange rate of 1.3898 has been applied to the conversion of CAD to USD (Schedule A).

A final review of the functional currencies of the various entities in the consolidated group will be re-evaluated on completion of the Transaction.

MIRAMONT RESOURCES CORP.**NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in US Dollars)

(Unaudited)

1. BASIS OF PRESENTATION (cont'd...)

The unaudited pro forma consolidated financial information is not intended to reflect the consolidated financial position that will exist following the Transaction. Actual amounts recorded should the Transaction be completed will likely differ from those recorded in the unaudited pro forma consolidated financial information. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the Transaction have been excluded from the unaudited pro forma consolidated financial information.

2. PROPOSED TRANSACTION

Under the terms of the Amalgamation Agreement, Miramont and Kuya entered into an acquisition transaction pursuant to Ontario corporate law whereby Miramont will acquire all of the issued and outstanding securities of Kuya for consideration of the issuance of an aggregate of 13,041,985 Miramont post-Consolidation (as defined below) common shares, such consideration being 1.835 post-Consolidation common shares (as defined below) of Miramont for each Kuya share held (the "Exchange Ratio"). Prior to the date of closing of the Transaction, Miramont will consolidate its current issued and outstanding common shares, options and warrants on a 10 old for one new basis (the "Consolidation"). The terms for 92,500 options of Miramont were changed to vest immediately and have an exercise period of one year. Additionally, the 1,045,641 outstanding warrants of Kuya will be exchanged for 1.835 warrants of Miramont for each Kuya warrant held. Concurrent with the completion of the Transaction, Kuya agreed to complete a private placement financing. On July 23, 2020, Kuya completed a brokered and a non-brokered private placement for aggregate gross proceeds of \$8,877,590 (CAD\$12,338,074) (the "Financings").

The Transaction is an arm's length transaction.

These unaudited pro forma consolidated financial statements of Miramont give effect to the Transaction. The former shareholders of Kuya will obtain control of Miramont and, as such, the transaction is considered a purchase of Miramont by Kuya and is expected to be accounted for as a reverse takeover (the "RTO") in accordance with the guidance provided under IFRS 2, *Share-based payment* and IFRS 3, *Business Combinations*. Kuya is deemed to be the acquiring company and its assets, liabilities, equity and historical operating results are included at their historical carrying values. The net assets of Miramont will be recorded at fair value as at the Transaction date. As Miramont does not qualify as a business according to the definition in IFRS 3 and the Transaction is expected to be accounted for as an RTO, the sum of the fair value of the consideration deemed to be paid by Kuya, less Miramont's net assets acquired, is expected to be recognized as a listing expense. All of Miramont's share capital, reserves and deficit balances prior to the Transaction are expected to be eliminated on closing of the Transaction.

On closing of the Transaction, Miramont will change its name to Kuya Silver Corporation ("Name Change"), or such other similar name as the parties may agree to, and is expected to have 32,340,740 post-Consolidation common shares outstanding (Note 4).

The completion of the Transaction is subject to a number of conditions, including: (i) the approval of Miramont's shareholders; (ii) the approval of Kuya's shareholders; (iii) receipt of all applicable regulatory approvals for the Transaction; (iv) completion of the Consolidation; and (v) completion of the Name Change. There can be no assurance that the Transaction will be completed.

MIRAMONT RESOURCES CORP.

NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in US Dollars)

(Unaudited)

3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated statement of financial position assumes the financial information of Kuya at June 30, 2020 reflects the financial information of Kuya at April 30, 2020 and gives effect to the completion of the Transaction as if it had occurred on the date presented.

These unaudited pro forma consolidated financial statements have been prepared based on the following assumptions:

- a) As consideration to acquire 100% of the shares of Kuya, Miramont will issue 13,041,985 post-Consolidation common shares.

The preliminary allocation of the estimated cost of acquisition, subject to change, is summarized as follows:

Cost of acquisition:

Fair value of post-Consolidation common shares retained by Miramont shareholders - 5,577,323 common shares at CAD\$0.90 (Note 3c)	\$	3,611,736
Fair value of Miramont stock options (Note 3d)		62,039
Fair value of Miramont warrants (Note 3e)		11,349
	\$	3,685,124

Allocated as follows:

Cash	\$	1,560,825
Receivables		1,884
Prepays and advances		22,838
Equipment		11,843
Accounts payable and accrued liabilities		(27,655)
		1,569,735
Allocation to listing expense		2,115,389
	\$	3,685,124

In late June, Miramont provided notice that it will terminate its interest in its Lukkacha option agreement and, accordingly, the full carrying value of \$1,095,609 (CAD \$1,522,678) the exploration and evaluation assets will be written off and allocated to the cost of the public listing expense.

The final determination of the cost of acquisition and the related allocation of the fair value of Miramont's net assets will ultimately be determined after the closing of the Transaction. It is likely that the final determination of the consideration transferred and the related allocation of the fair value of the assets acquired and liabilities assumed will vary from the amounts presented in this unaudited pro forma consolidated financial information and that those differences may be material.

- b) The elimination of historical share capital, reserves and deficit of Miramont.

MIRAMONT RESOURCES CORP.

NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in US Dollars)

(Unaudited)

3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS (cont'd...)

- c) On July 23, 2020, Miramont and Kuya announced that Kuya had completed the Financings and raised gross proceeds of \$8,877,590 (CAD\$12,338,074) through the issuance of 7,477,620 subscription receipts, whereby each Kuya subscription receipt will automatically convert into 1.835 Miramont post-Consolidation common shares (for a total of 13,721,432 post-Consolidation Miramont common shares). Each subscription receipt was priced at \$1.19 (CAD\$1.65). Cash commissions totalling \$402,726 (CAD \$559,709) will be paid on the Financings and will be recorded as share issue costs in share capital. After giving effect to the Exchange Ratio, the effective value per post-Consolidation common share of Miramont is CAD\$0.90.
- d) The terms of 65,000 and 27,500 Miramont post-Consolidation stock options, issued to consultants of Miramont, with post-Consolidation exercise prices of CAD\$3.75, and CAD\$4.15, respectively, were changed. These options have been valued at \$6,034, using the Black-Scholes option pricing model with the following assumptions: expected life of one year, expected volatility of 114%, risk free rate of return of 0.30% and a dividend yield of \$nil. These options vest immediately. The fair value of the remaining outstanding Miramont options is \$56,005 and was calculated using the Black-Scholes option pricing model with the following assumptions: expected life of three years, expected volatility of 135%, risk free rate of return of 0.30% and a dividend yield of \$nil.
- e) The fair value of the outstanding Miramont warrants is \$11,349 and was calculated using the Black-Scholes option pricing model with the following assumptions: expected life of nine months, expected volatility of 114%, risk free rate of return of 0.30% and a dividend yield of \$nil.

MIRAMONT RESOURCES CORP.

NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in US Dollars)

(Unaudited)

4. PRO FORMA SHARE CAPITAL AND RESERVES

As a result of the Transaction, Miramont's pro forma share capital and pro forma reserves as at April 30, 2020 in these unaudited pro forma consolidated financial statements is comprised of the following:

	Notes	Number of Shares	Share Capital	Reserves
Authorized				
Unlimited common shares without par value				
Issued				
Share capital and reserves of Kuya as at June 30, 2020		-	\$ 3,604,044	\$ 879,380
Common shares and reserves of Miramont as at April 30, 2020		55,773,234	9,327,028	627,731
Consolidation of shares 10:1		(50,195,911)	-	-
Post-Consolidation Miramont common shares issued per RTO with Kuya	3a	13,041,985	3,611,736	-
Elimination of pre-acquisition Miramont share capital and Miramont reserves	3b	-	(9,327,028)	(627,731)
Shares issued on conversion of subscription receipts issued by way of the Financings	3c	13,721,432	8,877,590	-
Share issue costs	3c	-	(402,726)	-
Miramont stock options deemed to be issued by Kuya	3d	-	-	62,039
Miramont warrants deemed to be issued by Kuya	3e	-	-	11,349
		32,340,740	\$ 15,690,644	\$ 952,768

5. INCOME TAX

The pro forma effective statutory Canadian income tax rate applicable to the consolidated operations subsequent to the completion of the Transaction is approximately 27%.

MIRAMONT RESOURCES CORP.

SCHEDULE A – TRANSLATION OF MIRAMONT'S APRIL 30, 2020 STATEMENT OF FINANCIAL POSITION

(Expressed in US Dollars)

(Unaudited)

	Miramont Resources Corp. as at April 30, 2020 CAD	Miramont Resources Corp. as at April 30, 2020 USD (Note 1)
ASSETS		
Current		
Cash	\$ 2,169,234	\$ 1,560,825
Receivable	2,619	1,884
Prepays and advance	31,740	22,838
	2,203,593	1,585,547
Equipment		
Exploration and evaluation assets	16,459	11,843
	1,522,678	1,095,609
	\$ 3,742,730	\$ 2,692,999
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 38,435	\$ 27,655
	38,435	27,655
SHAREHOLDERS' EQUITY		
Share capital	12,962,704	9,327,028
Reserves	872,420	627,731
Deficit	(10,130,829)	(7,289,415)
	3,704,295	2,665,344
	\$ 3,742,730	\$ 2,692,999

Note 1 – CAD amounts have been translated into USD using an exchange rate of 1.3898, being the Bank of Canada exchange rate as at April 30, 2020.

**SCHEDULE “D”
AUDIT COMMITTEE CHARTER**

**KUYA SILVER CORPORATION
(the “Corporation”)**

1. Mandate

The Audit Committee will be responsible for managing, on behalf of shareholders of the Corporation, the relationship between the Corporation and the external auditors. In particular, the Audit Committee will have responsibility for the matters set out in this Charter, which include:

- (a) overseeing the work of external auditors engaged for the purpose of preparing or issuing an auditor’s report or related work;
- (b) recommending to the board of directors the nomination and compensation of the external auditors
- (c) reviewing significant accounting and reporting issues;
- (d) reviewing the Corporation’s financial statements, MD&A and earnings press releases before the Corporation publicly discloses this information;
- (e) focusing on judgmental areas such as those involving valuation of assets and liabilities;
- (f) considering management’s handling of proposed audit adjustments identified by external auditors;
- (g) being satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements of the Corporation;
- (h) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (i) evaluating whether management is setting the appropriate tone by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities.

2. Membership of the Audit Committee

Composition

The audit committee will be comprised of at least such number of directors as is required to satisfy the audit committee composition requirements of National Instrument 52-110, as amended from

time to time. Each member will be a director of the Corporation.

Independence

The Audit Committee will be comprised of a number of independent directors required to enable the Corporation to satisfy:

- (a) the independent director requirements for audit committee composition required by National Instrument 52-110, as amended from time to time, and
- (b) the independent director requirements of the stock exchange on which the Corporation's shares are traded from time to time.

Chair

The Audit Committee shall select from its membership a chair. The position description of the chair is attached as Exhibit 1 hereto.

Expertise of Audit Committee Members

Each member of the Audit Committee must be financially literate. Financially literate means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Financial Expert

The Corporation will strive to include a financial expert on the Audit Committee. An Audit Committee financial expert means a person having: (i) an understanding of financial statements and accounting principles; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience in preparing, auditing, analyzing or evaluating financial statements that present a similar breadth and level of complexity as the Corporation's financial statements; (iv) an understanding of internal controls; and (v) an understanding of an Audit Committee's functions.

3. Meetings of the Audit Committee

The Audit Committee must meet in accordance with a schedule established each year by the board of directors, and at other times as the Audit Committee may determine. A quorum for transaction of business in any meeting of the Audit Committee is a majority of members. At least once a year, the Audit Committee must meet with the Corporation's chief financial officer and external auditors separately.

4. Responsibilities of the Audit Committee

The Audit Committee will be responsible for managing, on behalf of the shareholders of the Corporation, the relationship between the Corporation and the external auditors. In particular, the Audit Committee has the following responsibilities:

External Auditors

- (a) the Audit Committee must recommend to the board of directors:
 - (i) the external auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit or review services for the Corporation; and
 - (ii) the compensation of the external auditors;
- (b) the Audit Committee must be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) with respect to non-audit services:
 - (i) the Audit Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by its external auditors or the external auditors of the Corporation's subsidiaries; and
 - (ii) the Audit Committee must pre-approve all non-audit services provided to the Corporation or its subsidiaries by its external auditors or the external auditors of the Corporation's subsidiaries, except *de minimis* non-audit services as defined in applicable law.
- (d) the Audit Committee must also:
 - (i) review the external auditors' proposed audit scope and approach;
 - (ii) review the performance of the external auditors; and
 - (iii) review and confirm the independence of the external auditors by obtaining statements from the external auditors on relationships between the external auditors and the Corporation, including non-audit services, and discussing the relationships with the external auditors;

Accounting Issues

- (e) the Audit Committee must:
 - (i) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and,
 - (ii) ask management and the external auditors about significant risks and exposures and plans to minimize such risks.

Financial Statements, MD&A and Press Releases

- (f) the Audit Committee must:
- (i) review the Corporation's financial statements, MD&A and earnings press releases before the Corporation publicly discloses this information;
 - (ii) in reviewing the annual financial statements, determine whether they are complete and consistent with the information known to Audit Committee members, and assess;
 - (iii) pay particular attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
 - (iv) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of impairment of mineral properties, plant and equipment, income taxes, reclamation provisions, litigation reserves and other commitments and contingencies;
 - (v) consider management's handling of proposed audit adjustments identified by the external auditors;
 - (vi) ensure that the external auditors communicate certain required matters to the Audit Committee;
 - (vii) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the disclosure referred to in paragraph (f)(i) (above), and must periodically assess the adequacy of those procedures;
 - (viii) be briefed on how management develops and summarizes quarterly financial information, the extent to which the external auditors review quarterly financial information and whether that review is performed on a pre- or post-issuance basis;
 - (ix) meet with management, either telephonically or in person, to review the interim financial statements;
 - (x) to gain insight into the fairness of the interim financial statements and disclosures, the Audit Committee must obtain explanations from management on whether:
 - (a) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (b) changes in financial ratios and relationships in the interim financial

statements are consistent with changes in the Corporation's operations and financing practices;

- (c) generally accepted accounting principles have been consistently applied;
- (d) there are any actual or proposed changes in accounting or financial reporting practices;
- (e) there are any significant or unusual events or transactions;
- (f) the Corporation's financial and operating controls are functioning effectively;
- (g) the Corporation has complied with the terms of loan agreements or security indentures; and
- (h) the interim financial statements contain adequate and appropriate disclosures;

Compliance with Laws and Regulations

- (g) the Audit Committee must:
 - (i) periodically obtain updates from management regarding compliance with laws and regulations;
 - (ii) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
 - (iii) review the findings of any examinations by regulatory agencies such as the British Columbia or Ontario Securities Commissions; and
 - (iv) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements;

Employee Complaints

- (h) the Audit Committee must establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

Other Responsibilities

- (i) the Audit Committee must:

- (i) review and approve the Corporation's hiring policies of employees and former employees of the present and former external auditors of the Corporation;
- (ii) evaluate whether management is setting the appropriate tone by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (iv) focus on the extent to which internal and external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown;
- (v) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;
- (vi) periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the board for approval;
- (vii) review with management the policies and procedures with respect to approval of expense reimbursement requests that are submitted by the chief executive officer or the chief financial officer to the Corporation for payment;
- (viii) assist the board to identify the principal risks of the Corporation's business and, with management, establish systems and procedures to ensure that these risks are monitored; and
- (ix) carry out other duties or responsibilities expressly delegated to the Audit Committee by the board.

5. Authority of the Audit Committee

The Audit Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Audit Committee; and
- (c) communicate directly with the internal and external auditors.

Exhibit 1 to Audit Committee Charter

Kuya Silver Corporation

(the “Corporation”)

Position Description – Audit Committee Chair

The responsibilities of the Audit Committee chair include, among other things:

- (a) Managing the affairs of the Audit Committee (the “**Committee**”) and monitoring its effectiveness;
- (b) managing the meetings of the Committee by ensuring meaningful agendas are prepared and guiding deliberations of the Committee so that appropriate decisions and recommendations are made; and
- (c) setting up agendas for meetings of the Committee and ensuring that all matters delegated to the Committee by the board are being dealt with at the Committee level during the course of the year.

**CERTIFICATE OF KUYA SILVER CORPORATION
(FORMERLY MIRAMONT RESOURCES CORP.)**

Pursuant to a resolution duly passed by its Board, Kuya Silver Corporation hereby applies for the listing of the above-mentioned securities on CSE. The foregoing contains full, true and plain disclosure of all material information relating to Kuya Silver Corporation. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, this 1st day of October, 2020.

“David Stein” (signed)

Chief Executive Officer

“Lesia Burianyk” (signed)

Chief Financial Officer

“Quinton Hennigh” (signed)

Director

“Dale Peniuk” (signed)

Director