

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: [MEGUMAGOLD CORP. \(the "Issuer"\)](#).

Trading Symbol: [NSAU](#)

Number of Outstanding Listed Securities: [96,530,640 Common shares were issued and outstanding as of June 30, 2018.](#)

Date: [July 5, 2018 \(for the month of June, 2018\)](#)

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

## Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

MegumaGold Corp. is engaged in the business of acquiring, exploring and developing natural resource properties, with a focus on precious mineral properties/projects which have the potential for both near-term cash flow and significant exploration upside potential. Coronet's has an option to acquire a 100-per-cent interest in 413 claims located at southwest of Ross River, Yukon. The property has good road access, favourable gold geology, multiple exploration targets and strong potential to make new gold discoveries. Coronet also has 100% of the White Caps Gold Project near the town of Manhattan in Northern Nye County. During the month of **June 2018**, the Issuer changed its name from "Coronet Metals Inc." to "MegumaGold Corp." and trading symbol to "NSAU", appointed Regan Isenor as CEO and Peter Nguyen as CFO.

2. Provide a general overview and discussion of the activities of management.

During the month of **June 2018**, the Issuer:

- changed its name to "MegumaGold Corp." and its trading symbol to "NSAU" and appointed Regan Isenor as CEO to replace the vacancy left by Theo van der Linde's stepping down from the same position. For further information, please see the Issuer's news release dated June 1, 2018; and
- appointed Peter Nguyen as CFO to fill the vacancy left by the resignation of Anthony Jackson. For further information, please see the Issuer's news release dated June 29, 2018.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law. During the month of **June 2018** the issuer completed a 12,000km airborne geophysical program the results of which are still being processed.
4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

During the month of **June 2018** the issuer completed a 12,000km airborne geophysical program the results of which are still being processed.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

No new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements we entered into during the month of **June 2018**.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

There were no contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced, expired or was terminated during the month of **June 2018**.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

During the month of **May 2018**, the Issuer:

- acquired 100% ownership of: (i) the Cariboo Gold Project; (ii) the Lac La Hache Gold Project; and the Pinto Gold Project. For further information relating to this acquisition, please see the Issuer's news releases dated May 4, 2018 and May 16, 2018; and
- acquired 3,888 mineral claims totalling over 62,000 hectares of land in the Meguma Gold Belt of Nova Scotia. For further information, please see the Issuer's news releases dated May 18, 2018 and May 30, 2018.

8. Describe the acquisition of new customers or loss of customers.

There were no acquisitions of new customers or loss of customers during the month of **June 2018**.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

There were no new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks during the month of **June 2018**.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

There were no employee hirings, terminations or lay-offs during the month of **June 2018**.

11. Report on any labour disputes and resolutions of those disputes if applicable.

There were no labour disputes during the month of **June 2018**.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

There were no legal proceedings to which the Issuer became a party to during the month of **June 2018**.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

There was no indebtedness incurred or repaid by the Issuer during the month of **June 2018**.

14. Provide details of any securities issued and options or warrants granted.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds</b>
N/A			

15. Provide details of any loans to or by Related Persons.

There were no loans to or by Related Persons during the month of **June 2018**.

16. Provide details of any changes in directors, officers or committee members.

During the month of **June 2018**, the Issuer appointed Regan Isenor as CEO to fill the vacancy left by the stepping down of Mr. van der Linde from the same position. Peter Nguyen was appointed CFO to fill the vacancy left after receiving the resignation of Anthony Jackson.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Trends and risks that may impact the Issuer (in no specific order):

### **Early Stage – Need for Additional Funds**

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations. The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable, especially in today's volatile and uncertain financial markets. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

### **Exploration and Development**

Exploration for minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Company and/or its subsidiaries will result in discoveries of commercial metal reserves.

Mining and development risks always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of naturally occurring mineral deposits. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed. Metal prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

### **Operating Hazards and Risks**

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and

in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

### **Foreign Country and Political Risk**

The Company might from time to time pursue mineral properties in unstable political or economic countries. The Company would be subject to certain risks, including currency fluctuations and possible political or economic instability in certain jurisdictions, which may result in the impairment or loss of mineral concessions or other mineral rights. Mineral exploration and mining activities may be affected in varying degrees by political instability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes may also adversely affect the Company's business. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine and/or site safety. The Company does not presently own/pursue foreign exploration projects.

### **Title Risks**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

### **Environmental Regulations, Permits and Licenses**

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health and safety, waste disposal, and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies including its directors, officers and employees. The cost of compliance with

changes in governmental regulations has the potential to reduce the profitability for the Company and its directors, officers and employees. The Company intends to fully comply with all environmental regulations.

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 operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or productions costs or reduction in levels of productions at producing properties, or requirements abandonment, or delays in development of new mining properties.

### **Competition and Agreements with Other Parties**

The mining industry is intensely competitive in all its phases. The Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

### **Price Volatility of Public Stock**

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on a stock exchange may be affected by such volatility.

### **Economic Conditions**



Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

### **Dependence on Management**

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

### **Conflicts of Interest**

The Company's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act, British Columbia ("Corporations Act") in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

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## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: July 5, 2018.

Theo van der Linde  
Name of Director or Senior  
Officer  
"Theo van der Linde"  
Signature  
President  
Official Capacity

<b>Issuer Details</b> Name of Issuer MegumaGold Corp.	For Month End  June 2018	Date of Report YY/MM/D  2018/07/05
Issuer Address  789 West Pender Street, Suite 810		
City/Province/Postal Code  Vancouver, B.C., V6C 1H2	Issuer Fax No.  (604) 687-3141	Issuer Telephone No.  (604) 687-2038
Contact Name  Theo van der Linde	Contact Position  President & Director	Contact Telephone No.  (778) 834-6272
Contact Email Address theo@pashleth.com	Web Site Address www.megumagold.com	