MIRASOL RESOURCES LTD.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

Canadian Funds

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Mirasol Resources Ltd.

We have audited the accompanying consolidated financial statements of Mirasol Resources Ltd., which comprise the consolidated statements of financial position as at June 30, 2016 and 2015 and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Mirasol Resources Ltd. as at June 30, 2016 and 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Professional Accountants

October 24, 2016

Mirasol Resources Ltd.
(An Exploration Stage Company)

Consolidated Statements of Financial Position

Canadian Funds
As at

ASSETS		June 30, 2016		June 30, 2015
Current Assets				
Cash and cash equivalents	$	17,605,111	$	19,120,394
Short-term investments		459,000		1,200,000
Receivables and advances *(Note 6)*		260,501		486,844
Income taxes recoverable *(Note 13)*		23,991		3,032,000
		18,348,603		23,839,238
Equipment and Software *(Note 8)*		65,265		120,590
Exploration and Evaluation Assets *(Note 9)*		3,000,762		2,829,814
	$	21,414,630	$	26,789,642
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities *(Note 10)*	$	784,453	$	923,261
EQUITY				
Share Capital *(Note 11)*		38,393,240		37,858,186
Reserves *(Note 11)*		15,418,454		15,146,472
Accumulated Other Comprehensive Income (loss)		(23,279)		2,958
Deficit		(33,158,238)		(27,141,235)
		20,630,177		25,866,381
	$	21,414,630	$	26,789,642

Nature of Business *(Note 1)*
Commitments *(Note 14)*
Subsequent Events *(Note 15)*

On Behalf of the Board:

" Stephen C. Nano ", Director

" Nick DeMare ", Director

Mirasol Resources Ltd.

(An Exploration Stage Company)

Consolidated Statements of Loss and Comprehensive Loss

For the Years Ended June 30

Canadian Funds

		2016		2015
Operating Expenses				
Exploration costs *(Note 9 and 10b)*	$	4,702,827	$	6,072,920
Management fees *(Note 10a)*		564,305		189,096
Office and miscellaneous		572,998		439,176
Professional fees *(Note 10b)*		379,423		453,327
Marketing and investor communications		335,920		239,499
Share-based payments *(Note 11c)*		316,535		325,635
Director's fees *(Note 10a)*		133,500		78,625
Business development		105,442		387,787
Travel		42,267		83,769
Transfer agent and filing fees		20,644		22,090
Depreciation *(Note 8)*		17,703		18,932
		(7,191,564)		(8,310,856)
Interest income		69,167		62,873
Foreign exchange gain		1,017,394		3,503,017
Realized and unrealized loss on investment *(Note 7)*		-		(6,381,125)
		1,086,561		(2,815,235)
Net Loss for the Year before Income Taxes		(6,105,003)		(11,126,091)
Income tax recovery *(Note 13)*		88,000		3,206,940
Net Loss for the Year	$	(6,017,003)	$	(7,919,151)
Other Comprehensive loss to be Reclassified to Profit or Loss in Subsequent Periods				
Exchange differences on translation of foreign operations		(26,237)		1,353
Loss and Comprehensive Loss for the Year		(6,043,240)		(7,917,798)
Loss per Share (Basic and Diluted)	$	(0.14)	$	(0.18)
Weighted Average Number of Shares Outstanding (Basic and Diluted)		44,334,015		44,245,661

Mirasol Resources Ltd.
(An Exploration Stage Company)
Consolidated Statement of Changes in Equity
Canadian Funds

	Share Capital Common Shares		Reserves	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
	Number	$	$	$	$	$
Balance – June 30, 2014	44,245,661	37,858,186	14,820,837	1,605	(19,222,084)	33,458,544
Share-based payments *(Note 11c)*	-	-	325,635	-	-	325,635
Foreign currency translation adjustment	-	-	-	1,353	-	1,353
Loss for the year	-	-	-	-	(7,919,151)	(7,919,151)
Balance – June 30, 2015	**44,245,661**	**37,858,186**	**15,146,472**	**2,958**	**(27,141,235)**	**25,866,381**
Bonus shares issued *(Note 10a)*	300,000	372,000	-	-	-	372,000
Option exercise *(Note 11c)*	118,750	163,054	(44,553)	-	-	118,501
Share-based payments *(Note 11c)*	-	-	316,535	-	-	316,535
Foreign currency translation adjustment	-	-	-	(26,237)	-	(26,237)
Loss for the year	-	-	-	-	(6,017,003)	(6,017,003)
Balance – June 30, 2016	**44,664,411**	**38,393,240**	**15,418,454**	**(23,279)**	**(33,158,238)**	**20,630,177**

Mirasol Resources Ltd.
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
For the Years Ended June 30
Canadian Funds

		2016		2015
Operating Activities				
Net loss for the year	$	(6,017,003)	$	(7,919,151)
Adjustments for:				
Realized and unrealized loss on investments		-		6,381,125
Income tax recovery		(88,000)		(3,206,940)
Bonus shares issued		372,000		-
Write-off of mineral property acquisition costs		58,167		-
Share-based payments		316,535		325,635
Interest income		(69,167)		(62,873)
Depreciation		17,703		18,932
Depreciation included in exploration expenses		38,942		42,754
Unrealized foreign exchange		(884,047)		(3,379,764)
		(6,254,870)		(7,800,282)
Changes in non-cash working capital items:				
Receivables and advances		(161,660)		(25,938)
Due from joint venture partners – receivables and advances		385,422		(383,021)
Accounts payable and accrued liabilities		(138,808)		457,270
Income taxes received		3,097,701		977,368
Cash used in operating activities		(3,072,215)		(6,774,603)
Investing Activities				
Acquisition of exploration and evaluation assets		(229,115)		-
Short-term investments redeemed		741,000		100,000
Proceeds from sale of investment		-		4,625,381
Interest received		70,056		63,148
Purchase of equipment and software		(1,320)		(42,092)
Cash provided by investing activities		580,621		4,746,437
Financing Activities				
Exercise of incentive share purchase options		118,501		-
Cash provided by financing activities		118,501		-
Effect of Exchange Rate Change on Cash and Cash Equivalents		857,810		3,028,250
Change in Cash and Cash Equivalents		(1,515,283)		1,000,084
Cash and Cash Equivalents - Beginning of Year		19,120,394		18,120,310
Cash and Cash Equivalents - End of Year	$	17,605,111	$	19,120,394

Supplemental Schedule of Non-Cash Investing and Financing Transactions:				
Option payment included in receivables and advances	$	-	$	2,401
Fair value of options exercised	$	44,553	$	-

Cash and Cash Equivalents Consist of:				
Cash	$	757,155	$	983,087
Cash equivalents	$	16,847,956	$	18,137,307

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

1. Nature of Business

Mirasol Resources Ltd. ("Mirasol" or the "Company") is incorporated under the laws of the Province of British Columbia, Canada. The Company's corporate registered and records office is located at 1000 – 840 Howe Street, Vancouver, British Columbia and the head office is located at 910 – 850 West Hastings Street, Vancouver, British Columbia.

Mirasol engages in acquiring and exploring mineral properties, principally located in Chile and Argentina, with the objective of identifying mineralized deposits economically worthy of subsequent development, mining or sale.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its exploration and evaluation assets. The recovery of the Company's exploration and evaluation assets is dependent on the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. While the Company has been successful in the past with its financing efforts, there can be no assurance that it will be able to do so in the future.

Management believes that the Company has sufficient working capital to maintain its operations and activities for the next twelve months.

2. Basis of Presentation

Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). The policies presented in Note 3 were consistently applied to all periods presented. The Board of Directors approved the consolidated financial statements on October 24, 2016.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis. Financial instruments classified as financial instruments at fair value through profit or loss are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for the cash flow information.

3. Significant Accounting Policies

a) Consolidation

These consolidated financial statements include the accounts of the Company (the "Parent") and its subsidiaries. The principal subsidiaries of the Company, their activities, and their geographic locations as at June 30, 2016 were as follows:

Subsidiary	Principal activity	Location	Proportion of interest held by the Company
Minera Mirasol Chile Limitada	Mineral exploration	Chile	100%
Cabo Sur S.A.	Mineral exploration	Argentina	100%
Australis S.A.	Mineral exploration	Argentina	100%
Minera Del Sol S.A.	Mineral exploration	Argentina	100%
Nueva Gran Victoria S.A.	Mineral exploration	Argentina	100%
Recursos Mirasol Holdings Ltd.	Holding company	British Virgin Islands	100%
MDS Property Holdings Ltd.	Holding company	British Virgin Islands	100%

The transactions among the entities in the consolidated group pertain to the transfer of funds and payment of third party costs. All inter-group balances have been eliminated upon consolidation.

b) Significant Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant accounting estimates and judgments are related to, but are not limited to, the following:

(i) Impairment of exploration and evaluation assets: The capitalized carrying value of each property group is reviewed regularly for conditions that are indicators of impairment. This review requires significant judgment as the Company does not have any proven and probable reserves that enable future cash flows to be compared to the carrying values. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the claims' value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the claims' acquisition, development or cost of holding; whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future; and whether the Company has the necessary funds to be able to maintain its interest in the mineral claims.

The Company has concluded that impairment conditions do not exist as at June 30, 2016.

Ownership of exploration and evaluation assets involves certain risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many exploration and evaluation assets.

The Company has investigated ownership of its exploration and evaluation assets and, to the best of its knowledge, ownership of its interests are in good standing.

(ii) Valuation of share purchase options: The Company provides compensation benefits to its employees, directors and officers through a stock option plan. The fair value of each option award is estimated on the date of the grant using the Black-Scholes option pricing model. Expected volatility assumption used in the model is based on the historical volatility of the Company's share price. The Company uses historical data to estimate the period of option exercises and their forfeiture rates for use in the valuation model. The risk-free interest rate for the expected term of the option is based on the yields of government bonds. Changes in these assumptions, especially the volatility and the expected life determination could have a material impact on the Company's profit or loss. All estimates used in the model are based on historical data which may not be representative of future results.

(iii) Income taxes: The Company is subject to income taxes in numerous jurisdictions. Uncertainties exist with respect to interpretations of tax regulations. The Company has recognized current tax refundable based on its interpretations of tax regulations, which may differ from the interpretations of the tax authorities *(Note 13).*

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. The recognition of deferred tax assets requires management to assess the likelihood that the Company will generate taxable income in future periods to utilize the deferred tax assets. Due to a history of losses deferred tax assets have not be recognized.

(iv) Functional currencies: The functional currency of an entity is the currency of the primary economic environment in which an entity operates. The determination of an entity's functional currency requires judgement based on analysis of relevant factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates* ("IAS 21").

Except for the Company's subsidiaries in the British Virgin Islands (Note 3a) above), the Company has determined that its subsidiaries in Chile and Argentina incur costs in United States Dollars, Canadian Dollars, Australian dollars as well as the Chilean and Argentine Pesos and therefore do not indicate a single primary currency for operating in these jurisdictions. These subsidiaries are financed entirely by its Canadian Parent and therefore act as its extension. The Company has therefore determined that the functional currency of all of its subsidiaries in Chile and Argentina is the Canadian Dollar, similar to the Parent.

c) Foreign Currencies

The functional currency of the Company and its operating subsidiaries, Minera Del Sol S.A., Australis S.A., Nueva Gran Victoria S.A., Cabo Sur S.A., and Minera Mirasol Chile Limitada, is the Canadian Dollar ("$"). The functional currency of its holding subsidiaries, Recursos Mirasol Holdings Ltd., and MDS Property Holdings Ltd. is the United States Dollar.

Any transactions in currencies other than the functional currency have been translated to the Canadian Dollar in accordance with IAS 21. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Assets and liabilities of entities with a functional currency other than the Canadian Dollar are translated at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting changes are recognized in accumulated other comprehensive income (loss) ("AOCI") in equity as a foreign currency translation adjustment.

The Company's presentation currency is the Canadian Dollar.

d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with banks and short-term interest-bearing investments with maturities of three months or less at the purchase date. Deposits with banks and short-term interest-bearing investments with original term to maturity greater than three months but less than one year are presented as short-term investments.

e) Financial Instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in profit or loss. Financial assets available-for-sale are subsequently measured at fair value with changes in fair value recognized in other comprehensive income loss ("OCI"), net of tax. Financial assets and liabilities held-to-maturity, loans and receivables, and other financial liabilities are subsequently measured at amortized cost using the effective interest method. Refer to Note 5 for further disclosure.

f) Impairment of Financial Assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss as follows:

(i) Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

(ii) Available-for-sale financial assets: The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in profit or loss. This amount represents the cumulative loss in accumulated OCI that is reclassified to profit or loss.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale financial assets are not reversed.

g) Impairment of Non-financial Assets

The carrying amounts of non-financial assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units" or "CGUs").

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.
Non-financial assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized in profit or loss in the period of such reversal.

h) Equipment and Software

Equipment and software is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced.

The Company provides for depreciation as follows:

- Exploration equipment: 30% declining balance;
- Computer hardware: 30% declining balance; and
- Computer software: straight-line over the estimated life of three years.

For exploration equipment and computer hardware, the Company applies only one-half of the applicable rate in the year of acquisition.

The Company allocates the amount initially recognized to each asset's significant components and depreciates each component separately. Residual values, depreciation methods and useful lives of the assets are reviewed periodically and adjusted on a prospective basis as required.

i) Exploration and Evaluation Assets

The Company capitalizes the direct costs of acquiring mineral property interests as exploration and evaluation assets. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option.

Exploration and evaluation costs are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, and is technically feasible, in which case subsequent development costs are capitalized. Exploration costs include value-added taxes because the recoverability of these amounts is uncertain.

The receipt of option payments from the Company's joint venture partners are applied first towards the capitalized cost for the acquisition of pertinent mineral property interests. Option payments in excess of the capitalized acquisition costs are netted against the exploration costs for the period.

j) Provisions

(i) Decommissioning and restoration provision: Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a liability based on estimated future cash flows discounted at a risk free rate. The decommissioning and restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the pre-tax rate for risk specific to the liability.

The liability is also accreted to full value over time through periodic charges to profit or loss. This unwinding of the discount is charged to financing expense in profit or loss.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and depreciated to profit or loss. The method of depreciation follows that of the underlying asset. The costs related to a decommissioning and restoration provision are only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit.

For the years presented, the Company does not have any decommissioning or restoration provisions.

(ii) Other provisions: Provisions are recognized when a current legal or constructive obligation exists, as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate pre-tax rate for risk specific to the liability.

k) Income Taxes

Income tax expense (recovery) is comprised of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the date of statement of financial position and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are presented as non-current.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current tax assets and liabilities on a net basis.

l) Share-based Payments

The Company grants share options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based payment expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based payment expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the equity instruments issued. Otherwise, such share-based payments are measured at the fair value of goods or services received.

m) Loss per Share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the loss per share. The dilutive effect of convertible securities is reflected in the diluted loss per share by application of the "if converted" method. For the year presented, this calculation proved to be anti-dilutive.

n) Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss), and represents the change in equity which results from transactions and events from sources other than the Company's shareholders. The Company's translation of its subsidiaries which have a functional currency other than the Canadian Dollar is the only item affecting comprehensive income (loss) for the years presented.

4. Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC.

The following new standards and amendments to standards which are applicable to the Company have been issued with effective dates into the later fiscal years:

a) IFRS 9 Financial Instruments addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized costs, fair value through OCI and FVTPL. The basis of classification depends on entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at FVTPL with the irrevocable option at inception to present changes in fair value in OCI. There is a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at FVTPL.

   IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the hedged ratio to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

   The Standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is currently evaluating the impact of this Standard.

b) IFRS 15 Revenue from Contracts with Customers deals with revenue recognition and establishes principles of reporting useful information to the users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when the customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The Standard replaces IAS 18 Revenue, and IAS 11 Construction Contracts and related interpretations. It is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. The Standard is not expected to have an impact on the Company in its present form.

c) IFRS 11 Accounting for acquisition of interest in joint operations amends Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to apply all of the business combinations accounting principles in IFRS 3 and other IFRS, except for those principles that conflict with the guidance in IFRS 11 and to disclose the information required by IFRS 3 and other IFRS for business combinations. The amended IFRS 11 is applicable to annual periods beginning on or after July 1, 2016. The Standard is not expected to have an impact on the Company in its present form.

d) Amendments are made to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture and requires full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations) and requires the partial recognition of gains and losses where the assets do not constitute a business. The amended IFRS 10 and IAS 28 are applicable to annual periods beginning on or after July 1, 2016. The Standard is not expected to have an impact on the Company in its present form.

5. Financial Instruments

Categories of financial instruments

		June 30, 2016		June 30, 2015
Financial assets				
Fair Value Through Profit or Loss				
Cash and cash equivalents	$	17,605,111	$	19,120,394
Short-term investments		459,000		1,200,000
Loans and receivables				
Receivables and advances *(Note 6)*		253,127		387,325
	$	18,317,238	$	20,707,719
Financial liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	$	784,453	$	923,261

a) Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are directly or indirectly observable for the asset or liability; and,
Level 3 – Inputs that are not based on observable market data;

		June 30, 2016		June 30, 2015
Level 1				
Cash and cash equivalents	$	17,605,111	$	19,120,394
Short-term investments	$	459,000	$	1,200,000

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

b) Management of Capital Risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, enter into joint ventures or obtain debt financing. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration, the Company does not pay out dividends.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of twelve months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the year.

c) Management of Financial Risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

(i) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Argentina and Chile and a portion of its expenses are incurred in United States ("US") dollars, Australian dollars and in Argentine and Chilean Pesos. A significant change in the currency exchange rates between the US and Australian dollar relative to the Canadian dollar and the Argentine and Chilean Peso to the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

At June 30, 2016, the Company is exposed to currency risk through the following assets and liabilities denominated in US and Australian dollars and Argentine and Chilean Pesos:

	US Dollars	Australian Dollars	Argentine Peso	Chilean Peso
Cash and cash equivalents	9,930,873	1,374,751	5,194,976	14,863,607
Receivables and advances	-	-	2,171,933	27,871,920
Accounts payable and accrued liabilities	(108,949)	(125,595)	(4,330,177)	(21,321,319)

Based on the above net exposures as at June 30, 2016, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US and Australian dollar would result in an increase/decrease of $1,277,734 and $120,793, respectively in the Company's comprehensive loss. Likewise, a 10% depreciation or appreciation of the Canadian dollar against the Argentine and Chilean Peso would result in an increase/decrease of $26,435 and $4,231, respectively in the Company's comprehensive loss.

(ii) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents is held through large financial institutions. The Company's receivables primarily consist of refundable sales taxes due from the Federal Government of Canada and amounts due from the Company's joint venture partners with established credit worthiness. Management believes that credit risk concentration with respect to receivables is remote.

(iii) 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 manages liquidity risk through the management of its capital structure and financial leverage as outlined above. As at June 30, 2016, the Company's financial liabilities consist of accounts payable and accrued liabilities totalling $784,453. All of the Company's obligations are expected to be paid within 90 days. Management believes the Company has sufficient funds to meet its liabilities as they become due.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash is limited because these investments are generally held to maturity. The applicable rates of interest on such investments range between 0.05% and 1.65%.

(v) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk and foreign currency risk. The Company is not exposed to significant other price risk.

6. Receivables and Advances

	June 30, 2016	June 30, 2015
Goods and services tax receivable	$ 7,374	$ 5,587
Interest receivable	1,014	1,903
Prepaid expenses and advances	84,976	93,932
Due from joint venture partners *(Note 9(a)(iii), (d))*	167,137	385,422
	$ 260,501	$ 486,844

7. Investment

In conjunction with the sale of its Joaquin Property during the year ended June 30, 2013, the Company received, as partial consideration, 1,310,043 common shares of Coeur Mining Inc. ("Coeur"). A reconciliation of the movement in the fair value of Coeur's shares held by the Company is as follows:

	June 30, 2016		June 30, 2015	
	Quantity	Amount	Quantity	Amount
Opening balance	-	$ -	1,087,043	$ 10,653,639
Disposed of for cash	-	-	(1,087,043)	(4,625,381)
Loss from change in fair market value	-	-	-	(6,381,125)
Exchange differences	-	-	-	352,867
	-	$ -	-	$ -

During the year ended June 30, 2015, the Company sold all of its remaining 1,087,043 shares of Coeur for gross proceeds of $4,625,381. The Company carried-back the resultant capital loss against capital gains reported during the year ended June 30, 2013. The Company received from an income tax refund, inclusive of refund interest, of $3,097,701 on February 9, 2016,

8. Equipment and Software

		Exploration Equipment		Computer Hardware		Computer Software		Total
Cost								
Balance as at June 30, 2014	$	388,191	$	33,002	$	31,010	$	452,203
Additions for the year		10,387		24,881		6,824		42,092
Balance as at June 30, 2015	$	398,578	$	57,883	$	37,834	$	494,295
Additions for the year		1,320		-		-		1,320
Balance as at June 30, 2016	$	399,898	$	57,883	$	37,834	$	495,615
Accumulated Depreciation								
Balance at June 30, 2014	$	284,973	$	25,323	$	1,723	$	312,019
Depreciation for the year (i)		43,867		5,397		12,422		61,686
Balance as at June 30, 2015	$	328,840	$	30,720	$	14,145	$	373,705
Depreciation for the year (i)		35,830		8,204		12,611		56,645
Balance as at June 30, 2016	$	364,670	$	38,924	$	26,756	$	430,350
Carrying Amounts								
As at June 30, 2015	$	69,738	$	27,163	$	23,689	$	120,590
As at June 30, 2016	$	35,228	$	18,959	$	11,078	$	65,265

(i) Allocated between depreciation expense ($17,703) and exploration costs ($38,942) on the statement of loss and comprehensive loss.

9. Exploration and Evaluation Assets

A reconciliation of capitalized acquisition costs is as follows:

Acquisition Costs

		Balance at June 30, 2015		Change during the year		Balance at June 30, 2016
Chile						
Atlas - Dos Hermanos	$	171,777	$	-	$	171,777
Argentina						
Santa Rita and Virginia		2,579,704		229,115		2,808,819
Pipeline projects		78,333		(58,167)		20,166
	$	2,829,814	$	170,948	$	3,000,762

		Balance at June 30, 2014		Change during the year		Balance at June 30, 2015
Chile						
Atlas - Dos Hermanos	$	174,178	$	(2,401)	$	171,777
Argentina						
Santa Rita and Virginia		2,579,704		-		2,579,704
Pipeline projects		78,333		-		78,333
	$	2,832,215	$	(2,401)	$	2,829,814

Cumulative exploration expenditures per project under active exploration are as follows:

Exploration Costs

	Balance at June 30, 2015	Additions during the year	Balance at June 30, 2016
Gorbea Belt – Atlas Project	$ 2,606,219	$ 59,003	$ 2,665,222
Gorbea Belt – Titan Project	3,025,181	22,246	3,047,427
Gorbea Belt – Other Projects	1,844,489	24,256	1,868,745
Gorbea – Joint Venture Management	36,381	(161,565)	(125,184)
Rubi	1,197,571	169,425	1,366,996
Frontera – Joint Venture	1,806,442	238,704	2,045,146
Chile Pipeline Projects	-	857,120	857,120
Project Generation	2,550,950	1,361,613	3,912,563
Operation and Management	1,061,666	394,907	1,456,573
Value Added and Other Taxes	154,504	86,853	241,357
Total Chile Properties	$ 14,283,403	$ 3,052,562	$ 17,335,965
Claudia	$ 5,729,251	$ 54,514	$ 5,783,765
La Curva	1,637,801	46,571	1,684,372
Santa Rita and Virginia	10,287,816	136,502	10,424,318
Argentina Pipeline Projects	5,256,796	283,229	5,540,025
Project Generation	2,533,081	559,906	3,092,987
Operation and Management	3,326,770	559,525	3,886,295
Value Added and Other Taxes	2,805,837	10,018	2,815,855
Total Argentina Properties	$ 31,577,352	$ 1,650,265	$ 33,227,617
Total Exploration Costs	$ 45,860,755	$ 4,702,827	$ 50,563,582

During the years ended June 30, the Company incurred exploration and evaluation costs on its properties as follows:

	2016	2015
Chile		
Gorbea Belt – Atlas Project		
Assays and sampling	$ -	$ 1,752
Camp and general	134	59,059
Consultants and salaries	47,669	269,759
Geophysics	2,382	86,223
Mining rights and fees	8,509	135,831
Travel	309	13,326
Option payment	-	(10,073)
Recovery of costs	-	(141,695)
	59,003	414,182
Gorbea Belt – Titan Project		
Camp and general	1,113	44,279
Consultants and salaries	9,641	177,940
Geophysics	4,680	47,610
Mining rights and fees	6,812	62,609
Travel	-	12,780
Option payment	-	(5,925)
Recovery of costs	-	(67,305)
	22,246	271,988
Gorbea Belt – Other Projects		
Camp and general	52	19,843
Consultants and salaries	1,184	11,437
Geophysics	4,706	75,676
Mining rights and fees	18,248	159,666
Travel	66	541
Option payment	-	(12,786)
Recovery of costs	-	(145,237)
	24,256	109,140
Gorbea Joint Venture Management		
Assays and sampling	1,215	-
Camp and general	2,910	-
Geophysics	1,089	-
Administration	2,581	15,722
Consultants and salaries	136,527	8,323
Mining rights and fees	98	1,539
Professional fees	-	10,242
Travel	5,793	555
Recovery of costs	(110,714)	-
Option payment	(201,064)	-
	(161,565)	36,381
Total – Properties joint ventured to other companies	(56,060)	831,691

		2016		2015
***Chile** (Cont.)*				
Rubi				
Assays and sampling		382		-
Camp and general		5,054		40,864
Consultants and salary		24,824		108,827
Geophysics		5,219		3,824
Mining rights and fees		132,538		126,311
Travel		908		16,725
Professional fees		500		-
Option payment		-		(54,956)
Recovery of costs		-		(111,347)
		169,425		130,248
Chile Pipeline Projects				
Assays and sampling		142,832		-
Camp and general		52,348		-
Geophysics		44,113		-
Administration		6,131		-
Consultants and salaries		375,682		-
Mining rights and fees		178,380		-
Travel		57,634		-
		857,120		-
Total – 100% owned properties		**1,026,545**		**130,248**
Frontera – Joint Venture				
Camp and general	$	75	$	146,578
Consultants and salary		53,889		411,840
Geophysics		6,394		130,931
Mining rights and fees		175,474		301,204
Travel		2,872		52,158
Total – Earn-in joint venture on third party projects		238,704		1,042,711
Project Generation		1,361,613		1,640,741
Operation and Management		394,907		276,808
Value Added and Other Taxes		86,853		4,345
Total Chile		**3,052,562**		**3,926,544**
Argentina				
Claudia				
Assays and sampling		8,336		-
Camp and general		29,417		24,966
Consultants and salary		96,263		86,116
Geophysics		-		1,985
Mining rights and access fees		170,070		57,363
Administration		7,971		-
Travel		7,921		5,642
Option payment		(135,230)		-
Recovery of costs		(130,234)		-
		54,514		176,072

		2016		2015
***Argentina** (Cont.)*				
La Curva				
Assays and sampling		3,549		5,316
Camp and general		7,764		8,807
Consultants and salary		18,933		48,210
Geophysics		-		853
Mining rights and access fees		13,291		14,683
Travel		3,034		4,200
		46,571		82,069
Santa Rita and Virginia				
Assays and sampling		1,707		612
Camp and general		49,598		60,932
Consultants and salary		39,845		138,340
Mining rights and access fees		38,172		14,335
Professional fees		5,681		-
Administration		200		-
Travel		1,299		10,772
		136,502		224,991
Argentina Pipeline Projects				
Assays and sampling	$	5,382	$	-
Camp and general		4,241		17,665
Consultants and salary		52,156		43,517
Mining rights and fees		216,883		28,042
Environmental		3,973		-
Administration		170		-
Travel		424		8,225
		283,229		97,449
Total – 100% owned properties		520,816		580,581
Project Generation		559,906		891,654
Operation and Management		559,525		499,002
Value Added and Other Taxes		10,018		175,139
Total Argentina		**1,650,265**		**2,146,376**
Total Exploration and Evaluation Costs	$	4,702,827	$	6,072,920

The Company owns 100% of the mineral exploration rights to a large portfolio of properties focused in two mining regions, namely the Atacama region in northern Chile and the Santa Cruz Province in southern Argentina. As well the company holds several other properties in both San Juan and Catamarca provinces of northern Argentina. The Company also focuses on generative exploration to identify and acquire new prospects.

Chile

The Company has a portfolio of gold, silver and copper projects in northern Chile.

a) Gorbea Belt - Properties Joint Ventured to Other Companies:

The Company currently has a 100% interest in nine precious metals properties that define the Gorbea Belt (the "Gorbea Project"). The Gorbea Project is a reconnaissance program engaged in prospect generation and exploration of disseminated gold and silver prospects in the region. The Company's focus along the Gorbea Belt has been on the advancement of its Atlas and Titan properties.

i. Atlas Property

The Company holds a 100% interest in the Atlas Property in northern Chile, acquired by staking on open ground Acquisition costs are capitalized with exploration and evaluation assets.

ii. Titan Property

The Company holds a 100% interest in the Titan Property in northern Chile. The property was acquired through staking on open ground, as part of the Company's Miocene Arc exploration program.

iii. Letter Agreement with Yamana Gold Inc. ("Yamana")

On March 25, 2015, the Company entered into a joint venture agreement, granting Yamana the option to acquire up to a 75% interest in the Gorbea Project ("the Letter Agreement").

The first phase of the Letter Agreement entitles Yamana to earn a 51% interest on the first earn-in by incurring, over a period of four years, annual staged expenditures totalling US$10,000,000, and making annual staged payments totalling US$2,000,000, as follows: US$25,000 upon signing of the Letter Agreement; US$155,000 (received) by May 2016; US$400,000 by May 2017; and US$1,420,000 by May 2018. The first earn-in includes committed expenditures of US$2,000,000 by the first anniversary of which US$1,200,000 must be spent on the Atlas Property and US$600,000 on the Titan Property.

After the first earn-in, Yamana may elect to proceed with the second earn-in whereby its interest can be increased to 65% by completing, within an additional two years, a technical report prepared by an independent accredited firm in accordance with the NI 43-101 that confirms (on any portion of the Gorbea Project) an indicated resource estimate and preliminary economic assessment of more than 1.0 million tonnes of gold, using a 0.3 g/t cut-off grade.

Following the second earn-in, Yamana may elect to proceed with the third earn-in, and thereby further increase its interest to 75% by completing, within one year of the exercise of the second earn-in, a study evaluating the feasibility of production on any portion of the Gorbea Project and making a decision to mine. If requested by Mirasol, Yamana will provide mine financing to Mirasol on commercial terms for its 25% share of development costs, with interest calculated at LIBOR+3% and repayment of Mirasol's share of the mine finance costs to be made from 50% of the cash flow to which Mirasol would be entitled.

The Letter Agreement also provides that Yamana may extend the earn-in periods, subject to certain limitations, for up to three years by paying Mirasol the sum of US$500,000 per extension year.

The Letter Agreement provides Mirasol the right, exercisable at the 65% or 75% earn-in stages, to convert up to 9% of its equity position into a 3% net smelter return ("NSR") royalty, and retain a participating equity interest in the Gorbea Project. Yamana retains a pre-emptive right to purchase from Mirasol a 0.5% NSR royalty, leaving Mirasol with 2.5% NSR royalty with the purchase price set by a third-party independent valuation process.

Yamana has made all the option payments due as of June 30, 2016. Also in conjunction with the Letter Agreement, Yamana agreed to reimburse the Company for US$283,980 of costs incurred on the Gorbea Projects during the year ended June 30, 2015. This amount was included within receivables and advances as of June 30, 2015, and was received during the year ended June 30, 2016. Further reimbursements in relation to certain costs were received during the year ended June 30, 2016. As of June 30, 2016 $36,901 of expense reimbursements was receivable.

b) 100% Owned Properties:

Rubi Property

The Company owns a 100% interest in the Rubi property located in Northern Chile.

On August 14, 2014, the Company entered into an option agreement with First Quantum Minerals Ltd. ("First Quantum"), allowing First Quantum to earn a 55% interest in the Rubi Property. The Company received $54,956 (US$50,000) upon signing the option agreement.

On April 2, 2015, the Company was advised by First Quantum of relinquishment of its option. As First Quantum exited prior to the first earn-in point, it retains no equity or royalties in the Rubi Property.

c) Earn-In Joint Venture ("JV") on Third Party Projects:

Frontera JV

In fiscal 2013, the Company signed a definitive exploration and option agreement (the "Agreement") with an arms-length private Chilean company. This agreement, referred to as the Frontera JV, covers a portfolio of prospective, early-stage mineral properties located within the area of Mirasol's Miocene Arc generative program, with some of these properties being adjacent to or contiguous with Mirasol's Gorbea Project including Titan and Atlas properties in northern Chile.

The Frontera JV Agreement provides for Mirasol to earn a 51% interest in any, or all, of the exploration properties by expending US$3 million within a four-year period which commenced on December 26, 2012 ($2.04 million spent to date of which the majority is attributable to the Company's commitment). After vesting, each party will contribute in proportion to its equity position. Should a discovery be put into production, a 1.5% NSR is payable by Mirasol to its venture partner from Mirasol's percentage of production, capped at 51% of total production. If either party dilutes below 10% interest, ownership will convert to a 1% NSR.

Argentina

In the Santa Cruz province of Argentina, the Company controls the mineral exploration rights to various precious metals properties.

d) Claudia Property

The Company owns a 100% interest in the Claudia property situated in south-central part of the Santa Cruz Mining District, Argentina.

In February 2016 Mirasol signed an exploration and option agreement with Cerro Vanguardia S.A ("CVSA"). CVSA has been granted the option to acquire up to a 75% interest in the Claudia Project, exercisable in 3 stages over a six-year, or shorter, earn-in period. The first earn-in option for CVSA to earn 51% over a maximum 2-year period, requires spending US$5 million on exploration, making US$1 million in payments to Mirasol and executing an exploration program that includes a minimum of 12,000 m drilling. Mirasol will retain a 25% funded-to-production interest in the Claudia project. The agreement is in good standing as of June 30, 2016. As of June 30, 2016, $130,236 of expense reimbursements was receivable.

e) La Curva Property

The Company owns a 100% interest in mining claims of La Curva gold project in southern Argentina.

f) Santa Rita Property and Virginia Zone

The Company owns a 100% interest in the Santa Rita property situated in the Santa Cruz Mining District, Argentina. The Santa Rita property also hosts the Virginia prospect, thus together Santa Rita and Virginia account for total expenditures on the Santa Rita property.

During the years ended June 30, 2012 and 2013, the Company purchased certain surface rights overlaying the Virginia prospect. The total cost incurred for such surface rights was $2,579,704 which was capitalized and recorded within exploration and evaluation assets.

In June 2016, the Company entered into an agreement to purchase 100% interest in Jazmin property located adjacent to the Virginia prospect. The purchase cost of $229,511 (US$175,000) capitalized and recorded with exploration and evaluation assets.

g) Pipeline Projects:

Mirasol carries out exploration programs on a number of projects which are prospective for gold and/or silver mineralization in Chile and Argentina.

In order to achieve cost efficiencies certain claims without merit were dropped during the year ended June 30, 2016 and $58,167 (June 30, 2015 - $Nil) capitalized at acquisition of these claims were written-off. The write-off is included in exploration costs on the Statement of Loss and Comprehensive Loss.

10. Related Party Transactions

Details of the transactions between the Company's related parties are disclosed below.

a) Compensation of key management personnel

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole.

The remuneration of management and independent directors was as follows:

		Year Ended June 30, 2016		2015
Management compensation (i)	$	507,987	$	494,845
Share-based payments (ii)		191,455		152,271
Bonus shares(iii)		372,000		-
Director's fees (iv)		133,500		78,625
	$	1,204,942	$	725,741

(i) Management compensation is included in Management fees (2016 - $187,394; 2015 - $180,702) and in Exploration costs (2016 - $320,593; 2015 - $314,143) in the Company's consolidated statements of loss and comprehensive loss.

(ii) Share-based payments represent the expense for the years ended June 30, 2016 *(Note 11c)* and 2015.

(iii) In February 2016, the Company signed Consulting Agreements, effective July 2015, with each of Global Ore consultants (Global Ore") and Stephen Nano, to perform the duties of President, CEO and Qualified Person for the Company. Under the terms of the Global Ore agreement, the Company has retained the services of Global Ore consultants until June 30, 2018, to provide target generation related consulting services to the Company on an exclusive basis throughout Chile and Argentina. The Company has agreed to pay for such services at an agreed upon preferential discounted rate but has agreed to a minimum monthly retainer of Australian Dollar ("AUD") $35,000. Further, as additional consideration, the Company has agreed to an incentive grant of 255,000 (Issued April 29, 2016) stock options, subject to vesting, to key representatives of Global Ore other than Mr. Nano. The Global Ore contract can be terminated at any time by the Company by paying a fee of AUD $225,000.

The CEO consulting agreement with Mr. Nano is also for a term expiring on June 30, 2018, and provides for payment of a consulting fee of $25,000 per month, and the issuance of 300,000 Retention Bonus Shares (the "Bonus Shares") in consideration for past services. The Bonus Shares were issued, on March 22, 2016 and will be subject to escrow restrictions whereby 100,000 released on March 22, 2016; 100,000 released on July 2, 2016 and 100,000 released on July 2, 2017. The contract with Mr. Nano contains termination provisions which require payment of one-year's fees for termination without cause and two years for termination due to a change of control event, as defined.

(iv) The independent directors of the Company are paid $2,100 per month (2015 - $1,000 per month) while the Chairman of the Board of Directors receives an additional $3,000 per month for serving in this capacity (2015 - $nil). The independent directors are also paid for serving on certain special committees of the Board of Directors.

b) Transactions with other related parties

Certain of the Company's officers and directors render services to the Company as sole proprietors or through companies in which they are an officer, director, or partner.

The following companies are related parties through association of the Company's directors and officers:

	Nature of transactions
Miller Thomson	Legal fees
Avisar Chartered Accountants(i)	Accounting fees
Chase Management Ltd.	Professional fees
Global Ore Discovery	Project generation, exploration management and GIS services
Evrim Resources Corp. ("Evrim")	CFO services, office administration support services and office sharing

(i) As of March 11, 2016, Avisar ceased to be a related party of the Company.

The Company incurred the following fees and expenses with related parties as follows:

	Year Ended June 30, 2016	2015
Legal fees	$ 177,421	$ 261,553
Accounting fees	134,150	187,750
Professional fees	41,200	32,793
Other operating expenses	-	23,150
Project generation, exploration expenses and GIS services	798,676	1,066,151
CFO services, office sharing and administration	52,833	-
	$ 1,204,280	$ 1,571,397

In March 2016, the Company entered into an agreement with Evrim, a company with common management, to share CFO services, Administration services and office space. The Agreement will expire in February 28, 2018. Either party can terminate the agreement with six months' notice.

Included in accounts payable and accrued liabilities at June 30, 2016, is an amount of $148,450 (2015 - $317,081) owing to directors and officers of the Company and to companies where the directors and officers are principals.

11. Share Capital

a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

b) Reconciliation of Changes in Share Capital

No equity financings were conducted by the Company during the years ended June 30, 2016 and 2015. During the year ended June 30, 2016, the Company issued 118,750 shares on exercise of share purchase options for gross proceeds of $118,501. These options had a fair value of $44,553. The Company issued 300,000 bonus share, pursuant to the employment contract with the CEO of the Company with a fair value of $372,000 *(Note 10 a (iii)).*

c) Share Purchase Options

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from the date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option is equal to or greater than the closing market price on the TSX Venture Exchange ("TSX-V") on the day preceding the date of grant. The vesting terms for each grant are set by the Board of Directors. The option plan provides that the aggregate number of shares reserved for issuance under the plan shall not exceed 10% of the total number of issued and outstanding shares. At June 30, 2016, a total of 4,466,441 options were reserved under the option plan with 2,553,750 options outstanding.

(i) Movements in share purchase options during the year

A summary of the Company's share purchase options and the changes for the year are as follows:

	Number of Options	Weighted Average Exercise Price
Options outstanding as at June 30, 2014	3,227,800	$3.02
Granted	1,232,500	$0.88
Forfeited	(900,000)	$2.90
Options outstanding as at June 30, 2015	3,560,300	$2.31
Granted	320,000	$1.38
Exercised	(118,750)	$1.00
Amended	(460,000)	$4.34
Expired	(747,800)	$2.52
Options outstanding as at June 30, 2016	2,553,750	$2.31
Options exercisable at June 30, 2016	1,813,750	$2.54

(ii) Fair value of share purchase options granted

During the year ended June 30, 2016, the Company and certain holders of its stock options agreed to amend the terms of 920,000 previously granted stock options as follows:

- A total of 30,000 options granted on December 16, 2010, with an exercise price of $5.55 per share and due to expire on December 16, 2015, were amended resulting in 15,000 amended options exercisable at a price of $0.88 per share and with an amended expiration date of December 16, 2018.
- A total of 435,000 options granted on March 23, 2011, with an exercise price of $3.32 per share and due to expire on March 23, 2016, were amended resulting in 217,500 amended options exercisable at a price of $0.88 per share and with an amended expiration date of March 23, 2019.
- A total of 455,000 options granted on August 4, 2011, with an exercise price of $5.23 per share and due to expire on August 4, 2016, were amended resulting in 227,500 amended options exercisable at a price of $0.88 per share and with an amended expiration date of August 4, 2019.

The above included 585,000 of stock options originally granted to the related parties which were approved by the Company's shareholders at the Annual General Meeting held on February 15, 2016.

The incremental fair value of these stock options was estimated to be $147,344 using weighted average assumptions in the Black-Scholes option pricing model.
On April 29, 2016, the Company granted options to purchase up to 320,000 common shares of the Company at an exercise price of $1.38, pursuant to the service contract with Global Ore *(Note 10a(iii))* and another consultant. The estimated fair value of these share options was determined to be $176,524 using the Black-Scholes option pricing model.

Of the total fair value, $97,405, relating to the vested share purchase options (25% of the grant), was recognized as share-based payments expense in the Company's statement of loss, using the graded vesting method, during the year ended June 30, 2016. Balance will be vested 25% each on July 1, 2016 to 2018.

On April 29, 2015, the Company granted options to purchase up to 1,232,500 common shares of the Company at an exercise price of $0.88. A total of 300,000 of such stock options were granted to the directors and officers of the Company. The estimated fair value of these share options was determined to be $567,260 using the Black-Scholes option pricing model. Of the total fair value, $71,786 (2015 - $325,635), relating to the vested share purchase options, was recognized as share-based payments expense in the Company's statement of loss, using the graded vesting method.

Total share-based payments recognised for the year ended June 30, 2016 amounted to $316,535 (June 30, 2015 - $325,635).

The fair value of options granted and the incremental fair value of the amended options was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

	Year Ended June 30, 2016	2015
Expected dividend yield	0.0%	0.0%
Expected share price volatility	52.99%	63.46%
Risk-free interest rate	0.551%	1.06%
Expected life of options	2.84 years	4.67 years
Fair value of options granted (per share option)	$0.31	$0.46

(iii) Share purchase options outstanding at the end of the year

A summary of the Company's options outstanding as at June 30, 2016 is as follows:

Expiry Date	Exercise price $	Options Outstanding	Weighted Average Remaining Life of Options (years)	Options Exercisable
December 16, 2018	0.88	10,000	2.46	10,000
March 23, 2019	0.88	206,250	2.73	206,250
August 4, 2019	0.88	212,500	3.10	212,500
September 26, 2017	2.34	62,500	1.24	62,500
May 14, 2018	1.28	582,500	1.87	582,500
April 29, 2021	0.88	1,160,000	4.83	660,000
April 29, 2021	1.38	320,000	4.83	80,000
		2,553,750	3.69	1,813,750

12. Segmented Information

The Company's business consists of a single reportable segment being mineral exploration and development. Details on a geographical basis are as follows:

Total Non-Current Assets		June 30, 2016		June 30, 2015
Canada	$	22,449	$	40,012
Argentina		2,847,637		2,704,095
Chile		195,941		206,297
	$	3,066,027	$	2,950,404

13. Income Taxes

The Company is subject to Canadian federal and provincial tax for the estimated taxable income at a rate of 26.00%. The Company has no taxable income in Canada.

The tax expense at statutory rates for the Company can be reconciled to the reported income taxes per the statement of loss and comprehensive loss as follows:

		Year Ended June 30, 2016		Year Ended June 30, 2015
Net loss before income taxes	$	(6,105,003)	$	(11,126,091)
Canadian federal and provincial income tax rates		26.00%		26.00%
Expected income tax recovery based on the above	$	(1,587,301)	$	(2,892,784)
Non-deductible expenses		442,168		206,689
Difference between Canadian and foreign tax rates		(74,718)		357,937
Tax effect of deferred tax assets for which no tax benefit has been recorded		(4,133,264)		379,904
Foreign exchange and other		5,441,115		(1,258,686)
Total income tax recovery	$	88,000	$	(3,206,940)

The Company's unrecognized deferred tax assets are as follows:

		June 30, 2016		June 30, 2015
Unrecognized deferred income tax assets:				
Non-capital losses	$	1,122,984	$	961,507
Exploration and evaluation assets		4,539,560		8,273,880
Share issue costs		52,796		52,796
Other		6,659		567,080
Total unrecognized deferred income tax assets	$	5,721,999	$	9,855,263

In assessing the recoverability of deferred tax assets other than deferred tax assets resulting from the initial recognition of assets and liabilities that do not affect accounting or taxable profit, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

Deductible temporary differences, unused tax losses and unused tax credits:

		June 30, 2016		June 30, 2015	Expiry date Range
Non-capital losses	$	3,776,124	$	2,919,210	See below
Exploration and evaluation assets		13,456,532		27,187,224	Not applicable
Share issue costs		203,063		203,063	2036
Other		25,554		1,684,094	Not applicable

As at June 30, 2016, an estimated income tax refund of $23,991 (2015 - $3,032,000) is recognized in the Company's statement of financial position. Income taxes recoverable includes a recovery of $23,991 (2015 – $2,540,471 related to realized capital losses (Note 7) and $Nil (2015 - $491,529) of non-capital losses that are carried back and applied against capital gains reported during the year ended June 30, 2013.

The Company received $3,097,701 and $977,368 inclusive of interest on February 9, 2016 and February 20, 2015 respectively, for its income tax refund for the years ended June 30, 2014 and 2015.

The Company has non-capital loss carry-forwards of approximately $2,035,604 that may be available for tax purposes. The loss carry-forwards are principally in respect of Canadian, Argentine and Chilean operations and expire as follows:

		Argentina		Chile
2019	$	112,378	$	-
2020		521,665		-
2021		914,154		-
No-expiry		-		487,404
	$	1,548,197	$	487,404

14. Commitments

a. Global Ore contract *(Note 10 a (iii))* which expires on June 30, 2018, is subject to an early termination clause which requires the Company to pay AUD$ 225,000.

b. The contract with Mr. Nano *(Note 10 a (iii))* contains termination provisions which require payment of one-year's fees for termination without cause and two years for termination due to a change of control event, as defined.

c. Pursuant to the agreement entered into with Evrim, the company is required give six months' notice to terminate the contract (*Note 10 a (iv)*.

15. Subsequent Events

a. Rights offering

On September 29, 2016, the Company completed a rights offering for gross proceeds of $10,000,000. Bonus warrants of 500,000 were issued to the guarantors of the rights offering. Each bonus warrant is exercisable at $2.40 and expires on March 10, 2017.

b. Share purchase option grant

On August 26, 2016, the Company issued 715,876 incentive share purchase options to certain directors, officers, employees and consultants of the Company. The options are exercisable at $2.85 for a period of three years from the date of grant.

Form 51-102F1

Management Discussion and Analysis
For Mirasol Resources Ltd

INTRODUCTION

The Management Discussion and Analysis ("MD&A") is prepared as of October 24, 2016 and is intended to supplement Mirasol Resources Ltd.'s ("Mirasol" or the "Company") consolidated financial statements for the year ended June 30, 2016. All financial information, unless otherwise indicated, has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian funds.

The following discussion of the Company's financial condition and results of operations should be read in conjunction with its annual audited consolidated financial statements and related notes for as of June 30, 2016.

FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to Mirasol that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to Mirasol or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, the Company's goals and plans going forward, regulatory compliance, the sufficiency of current working capital, and the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of Mirasol with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Forward looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

This MD&A also uses the terms "pit constrained mineral resources estimate" and "indicated resource". The Company advises that these terms are recognized by Canadian securities regulations (under National Instrument 43-101 "Standards of Disclosure for Mineral Projects"), however the US Securities and Exchange Commission does not recognize these terms. Investors are cautioned not to assume that any part of or all of the mineral deposits in these categories will ever be converted into reserves. Stephen Nano, President and CEO for the Company and a "Qualified Person" under National Instrument 43-101 ("NI 43-101"), has reviewed and approved the scientific and technical information in this MD&A.

CORPORATE AND STRATEGIC OVERVIEW

Mirasol (TSXV-MRZ) is an exploration company focused upon the discovery and/ or acquisition of prospective gold, silver, and copper properties in the Atacama-Puna region of northern Chile and Argentina, and the Santa Cruz Province in southern Argentina (Figure 1). In these regions Mirasol holds 100% of the mineral exploration rights to a large and diverse portfolio of prospective gold, silver and copper properties, and continues to aggressively prospect, assess and stake or acquire, new areas and pursue joint-ventures (JVs) in the region. Presently, the Company has three of its key projects (Claudia – CVSA JV and Atlas –Titan Yamana Gorbea JV) joint-ventured to major mining companies which are funding all exploration and tenure holding costs – this structure leaves Mirasol's treasury available for further generative work. Mirasol believes well-managed and focused exploration can deliver further discoveries within its regions of generative activities.

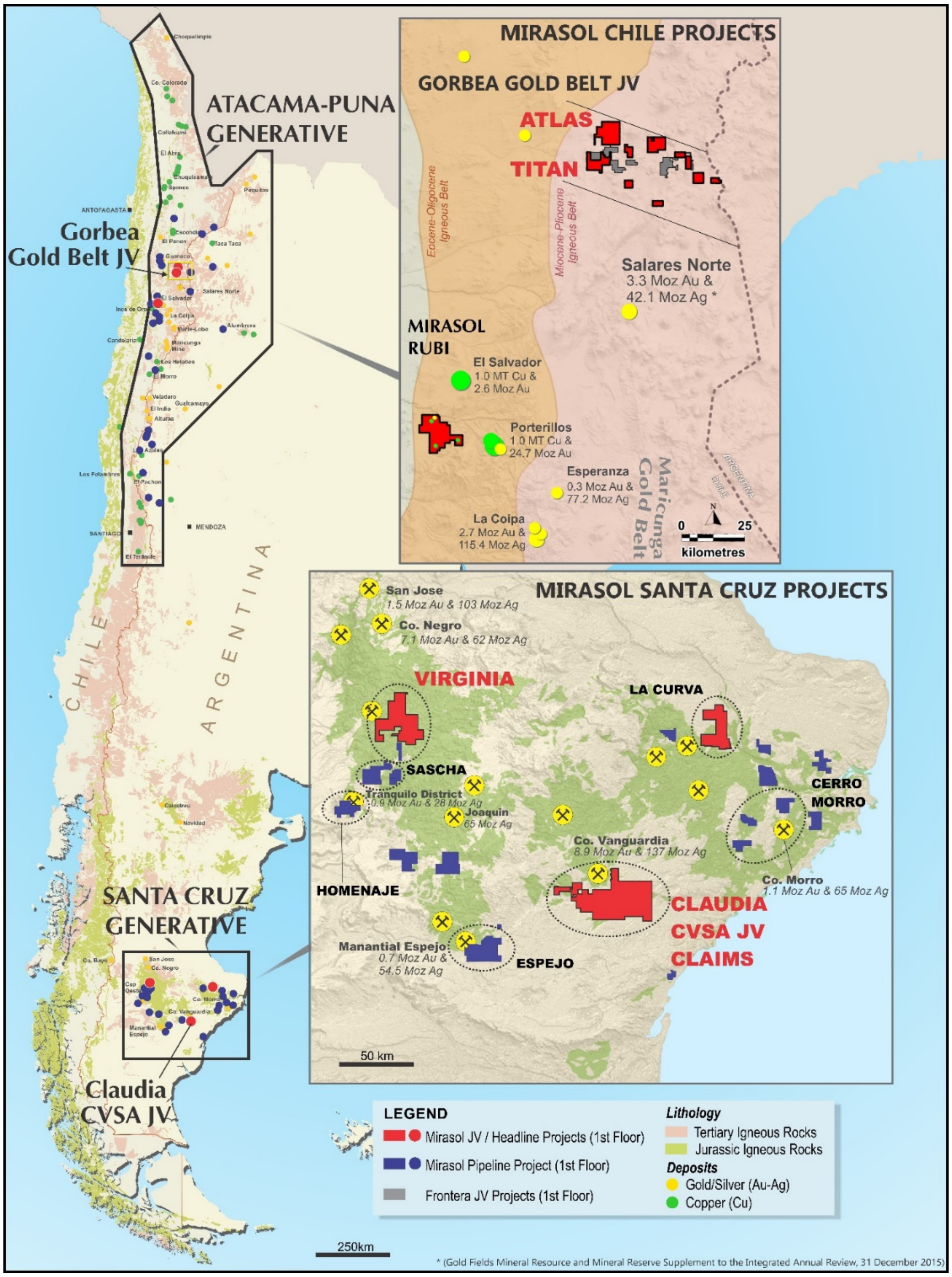

Figure 1: Location of Mirasol's Exploration Projects, Joint Ventures and Generative Programs.

Financial Condition

All dollar amounts in the following discussion are Canadian dollars unless otherwise stated. As at October 24, 2016, Mirasol remains in a strong financial position with approximately $27,000,000 in the treasury having raised $10,000,000 through a rights-offering that was completed on September 29, 2016.

During the three months ended June 30, 2016 ("the reporting quarter") and the twelve months ended June 30, 2016 ("the reporting period") the Company incurred total company-wide expenditure of $1,403,736 and $7,191,564, respectively. These amounts include expenditures for corporate administration, business development, investor relations and regulatory compliance of $1,075,917 and $2,488,737, respectively. The company-wide expenditures include non-cash items such as share-based payments, bonus share payment and depreciation amounting to $128,314 and $745,180, respectively. The total net-expenditure excluding non-cash items was $1,275,423 and $6,446,384, respectively, including $914,236 and $4,702,827, respectively incurred for all Chile and Argentine exploration and in-country management and operating costs. The Company has set off $196,130 and $240,948 respectively of exploration reimbursements and option payments of $201,064 and $336,294 respectively, against the exploration and in-country management and operating costs.

Mirasol's Exploration Focus

Mirasol is a successful prospect generator which maintains a high-quality portfolio of properties which have the potential to deliver an economic discovery. Mirasol applies innovative concept-driven prospect generation techniques which are integrated with detailed field geologic follow-up work which filters and transforms prospects with technical merit into quality, marketable projects. Mirasol then leverages this geoscientific approach with strong JV earn-in deals with major mining companies, reducing exploration risk to Mirasol and the use of the Company's treasury, yet delivering opportunities for Mirasol shareholder wealth creation through discovery. Mirasol's Joaquin and Virginia silver discoveries in Argentina are evidence of successful outcomes of this progress; Joaquin was monetized through sale to Coeur d'Alene Mines (now Coeur Mining) during 2012.

The Company's strong working capital position has allowed it to pursue an aggressive exploration program during a challenging time for the mineral industry. The reduction in exploration activity by both Mirasol's peers and by major companies, has created an opportunity for Mirasol by lessening competition for key exploration ground and exploration resources (experienced geologists and contractors). The Company has continued to aggressively pursue its counter-cyclic commitment to project generation as a core, competitive advantage during this reporting period.

Mirasol presently has two active JV agreements in place. In Chile the Gorbea Yamana JV covers a group of 9 properties including the Atlas and Titan gold projects and in Argentina CVSA (Anglo Ashanti Gold and Fomicruz) JV covers the Claudia gold project. At these JVs, our partners have completed a combined 13,500 m of drilling and spent approximately $6.9 million of their money advancing the projects. Encouraging gold and silver results have been reported from both, and further exploration is planned at both projects during the 2017 financial year.

Generative Programs

The prime focus of the Company's generative efforts has been the Atacama-Puna Program in northern Chile. However, in response to the improving investment climate in Argentina, the Company recently re-initiated generative activities in the Santa Cruz province, staking new claims to consolidate its position in mineral districts where Mirasol already had key holdings.

Atacama – Puna Generative Region, Chile

The Company's generative program in the Atacama - Puna region (Figure 2) encompasses a 1,700 km long segment of prolifically mineralized Tertiary-aged volcanic arcs which run through Chile and Argentina and host many world-class copper and gold mines and deposits. Mirasol is focusing its activities within two north-south oriented mineral belts within these arcs, within the Mio-Pliocene and the Paleocene aged belts. Mirasol's work suggests the best combination of precious metal prospectivity, access to open ground, and/or under-explored prospects held by third-parties exists in these areas.

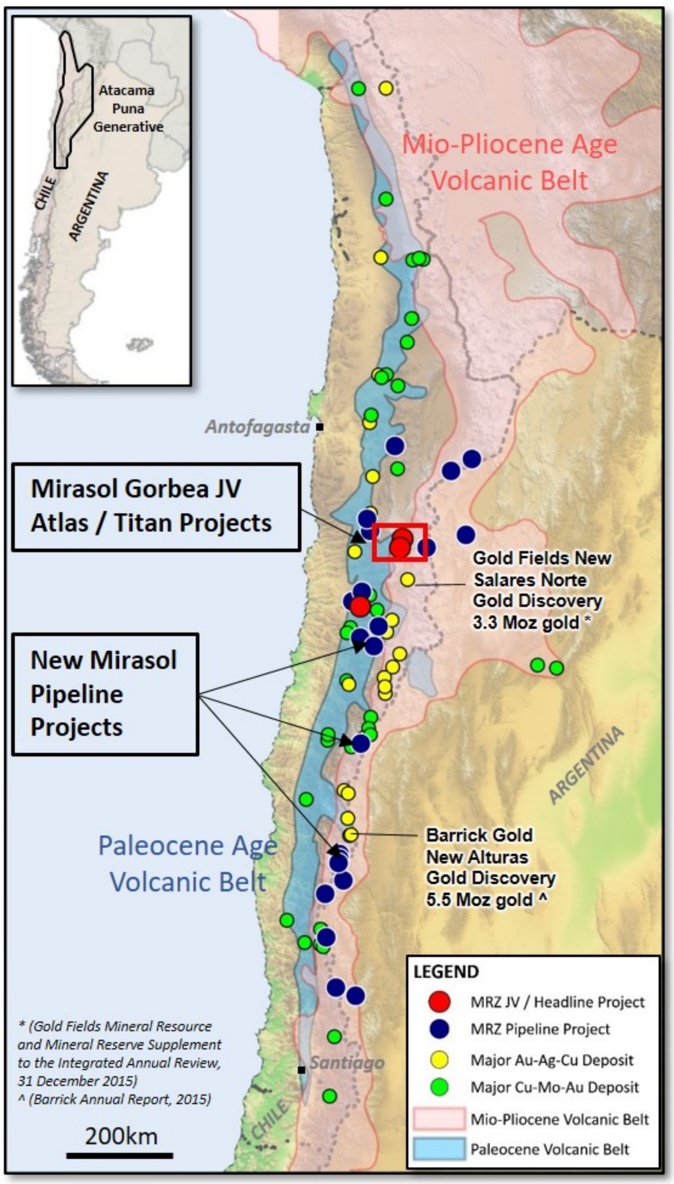

Figure 2: Mirasol's Atacama - Puna Generative Program.

Of these two belts, the Mio-Pliocene belt in-particular has been the focus of recent discoveries of multi-million-ounce gold occurrences of high sulfidation epithermal (HSE) systems. Major mining companies have announced the following discoveries:

- Alturas deposit, with an initial Inferred resource of 5.5 M oz Au at 1.25 g/t Au (Barrick Annual Report, 2015).
- Salares Norte deposit, with an initial Inferred resource 3.3 M oz Au at 3.9 g/t Au and 42.1 M oz Ag at 48.9 g/t Ag (Gold Fields Mineral Resource and Mineral Reserve Supplement to the Integrated Annual Review, 31 December 2015).

Each of these occurrences comprise large-tonnage, near-surface oxide gold resources which are believed to be bulk-minable. Both were concealed beneath a barren cap of altered rock (the “steam heated cap”) which prevented the recognition of these prospects. Discovery was further frustrated by their remote location and high-elevation. Mirasol’s Atlas and Titan gold silver projects lie within this same Mio-Pliocene age belt; however, our prospects have comparatively favourable access. Atlas and Titan are HSE mineral systems containing many of the key geological and mineralization features of these recent discoveries, supporting their potential to host large-scale oxide gold mineralization.

In the Atacama-Puna Generative Region, the Company’s 100% owned portfolio comprises:

- Nine precious metal properties totaling approximately 22,814 ha, including the Atlas and Titan projects that are subject to the Company’s Gorbea Gold Belt joint venture with Yamana (the Yamana JV) agreement (news release March 26, 2015). The Yamana JV grants Yamana Gold Inc. the option to acquire up to a 75% interest in the Gorbea Projects by completing a series of exploration spends, making US$2 million in staged cash payments to Mirasol and funding Mirasol’s 25% equity position to production. As the JV progresses into its second year approximately 6,000 m has been drilled by the JV with further drilling planned for the new field season.
- The Rubi project, located in the El Salvador copper-gold mining district, Chile, hosts the Lithocap and Puertozuelo porphyry copper targets. Mirasol has expanded its claims holdings by 7,300 ha to secure extensions to the Puertozuelo porphyry prospect, resulting in at total area of approximately 20,700 ha for the Rubi Project. The El Salvador district hosts large-scale porphyry copper mines operated by Codelco, the Chilean national mining company.
- Approximately 138,500 ha (100% Mirasol) of granted exploration claims, securing 26 target areas staked by Mirasol (as of mid September, 2016) in the Atacama - Puna Region of Chile and Argentina as part of our active project generation efforts.

Additionally, in the Atacama-Puna region Mirasol operates an earn-in JV agreement with a private Chilean company (“the Frontera JV”). Here, Mirasol is earning-into a controlling interest in a portfolio of early-stage precious metal projects. In some areas the Frontera JV claims are contiguous with Mirasol’s 100%-owned Gorbea Projects and have hence expanded Mirasol’s strategic property position in the Gorbea Belt.

Santa Cruz Province Generative Region, Argentina

In Santa Cruz Province, Argentina, the Company’s portfolio of 100% owned projects in the Jurassic age volcanic epithermal terrain (Figures 1 and 3) includes:

- The large Claudia gold-silver project with a series of drill-ready prospects which are contiguous with the world-class Cerro Vanguardia gold – silver district operated by Cerro Vanguardia S.A. (CVSA), a 92.5 % owned subsidiary of AngloGold Ashanti. In March 2016 Mirasol announced a JV with CVSA (the Claudia - CVSA JV) where it has the option to earn up to 75% of the Claudia project by completing a series of exploration spends, making US$1 million in staged cash payments to Mirasol and funding Mirasol's 25% equity position to production. Since inception of the JV approximately 7,500 m have been drilled.

- The Virginia epithermal silver project where Mirasol has outlined high-grade silver mineralization in seven separate deposits (as vein shoots) which contain an initial, open pit constrained NI 43-101 compliant mineral resource estimate comprised of Indicated resources totalling 11.9 M oz Ag at 310 g/t, and Inferred resources totalling 3.1 M oz Ag at 207 g/t. Mirasol's claims holding has expanded to 59,747 ha where encouraging reconnaissance rock float sampling has returned assays up to 1,084 g/t Ag.
- The exploration rights to an additional portfolio of 11 precious metal properties totaling approximately 170, 800 ha, many with drill-ready targets defined, including the La Curva, Homenaje, Sascha and Cerro Morro District projects.

For the 2016 financial year Mirasol has spent $4.7 million on exploration compared to costs in-excess of $6 million during the 2015 financial year. This reduction in spending was achieved by implementing further exploration efficiencies, adjusting staffing levels and reducing project holding costs, for example, at the Gorbea and Claudia projects where exploration costs are now carried by our JV partners. Continued emphasis on reducing in project holding costs via pursuing successful new joint ventures is ongoing, with Mirasol actively seeking joint venture partners to advance its drill-ready projects.

HIGHLIGHTS FOR THE PERIOD JULY 1, 2015 TO OCTOBER 24, 2016

The Company's total exploration costs include generative exploration, property retention costs of the existing exploration project portfolio, costs associated with preparing projects for joint venture, in-country operation and management, and local value added taxes (VAT). For the reporting period Mirasol invested $3 million (Table 3) on exploration in Chile and 1.7 Million in Argentina. During the reporting period Mirasol received two JV payments; payment for start of Year Two of the Gorbea Joint Venture, $201,064 (US$155,000) and the Claudia-CVSA agreement signing payment, $135,230 (US$100,000). The Company has also received approximately $240,948 in cost recoveries for the reporting period; claims fees, salaries of Mirasol employees seconded to the JV programs and other operational costs that are covered by the JV partners under the terms of the JV agreements.

Corporate Matters

On November 13, 2015, the Company amended the exercise price and terms of three batches of outstanding, expiring, incentive stock options. Holders of the affected stock options were offered the choice to either retain their options unchanged, or to agree to cancel 50% of their options in consideration for a reduction in the exercise price to $0.88 (from $3.32 to $5.55) per share and a three-year extension to the term. Total affected options under the amendment agreements were 920,000 of which, 585,000 were held by the insiders of the Company. All holders accepted the amended terms and the Company, as a result, has cancelled 460,000 of its previously outstanding incentive stock options.

On February 10, 2016, the Company held its 2015 Annual and Special General Meeting of shareholders whereby the shareholders of Mirasol re-elected the incumbent board of directors, consisting of Stephen Nano, Timothy Heenan, Nick DeMare, Borden Putnam III, Dana Prince, and John Tognetti, as directors of the Company for the ensuing year (news release February 15, 2016).

The shareholders also approved:

- (i) the re-appointment of Davidson and Company as the Company's independent auditor;
- (ii) ratification of the Company's stock option plan, and
- (iii) a resolution of disinterested shareholders concerning the amendment of certain stock options granted to insiders of the Company.

In February 2016, the Company signed two Consulting Agreements, effective July 2015. The first agreement is with Stephen Nano to perform the duties of President, CEO and Qualified Person ("QP") for the Company. The CEO consulting agreement with Mr. Nano is for a term expiring on June 30, 2018, and provides for payment of a consulting fee of $25,000 per month, and the issuance of 300,000 Retention Bonus Shares (the "Bonus Shares") in consideration for past services. The Bonus Shares were issued, on March 22, 2016 and will be subject to escrow restrictions whereby 100,000 released on March 22, 2016; 100,000 released on July 2, 2016 and 100,000 released on July 2, 2017 (news release March 15, 2016). The contract with Mr. Nano contains termination provisions which require payment of one-year's fees for termination without cause and two years for termination due to a change of control event, as defined.

The second consulting agreement was signed with Global Ore Discovery ("Global Ore") an Australian based consulting firm of which Mr. Nano is a director and major shareholder. Through this agreement the Company has retained the services of the Global Ore group of consultants until June 30, 2018, to provide a range of geoscience, advanced image processing and target generation services to the Company on an exclusive basis throughout Chile and Argentina. Industry standard restraint of trade clauses are included in this contract in the event a renewal contract is not negotiated. The Company and Global Ore have worked together since 2005 and in recent years have been working without a formal contractual relationship. This agreement now formalizes the working relationship and ensures the Company retains access to these target generation services on an exclusive basis in its operating areas. The Company has agreed to pay for such services at a preferential discounted rate subject to a minimum monthly retainer of Australian Dollar (“AUD”) $35,000. Further, as additional consideration, the Company has agreed to an incentive grant (as soon as practicable) of 255,000 stock options, subject to vesting, to key consultants of Global Ore (excluding Mr. Nano). The Global Ore contract can be terminated at any time by the Company by paying a fee of AUD $225,000.

On March 2, 2016, Mirasol appointed Mahesh Liyanage as CFO (news release March 11, 2016). Mr. Liyanage is a Chartered Professional Accountant with more than 20 years' experience across diverse industries. He has served as the Chief Financial Officer for several exploration companies and prior to that, he controlled audit and assurance functions for a public accounting company.

On August 10, 2016, Mirasol announced a Rights Offering to all shareholders that held common shares in the Company at the close of business on the record date of August 19, 2016 (“Rights Offering”). One right was issued for each common share and the exercise of 10 rights allowed shareholders to purchase 1 Mirasol common share for a Subscription price of $2.40 per share (the “Subscription Price”). Mirasol offered 4,476,891 common shares under this offering with the goal of raising approximately $10.7 million.

In connection with the Rights Offering, the Company entered into a standby guarantee agreement (the "Standby Guarantee") with a group of guarantors led by John Tognetti, including Exploration Capital Partners 2005 Limited Partnership, Carlo Civelli, EuroPac Gold Fund, and Paul Lee (collectively, the "Standby Guarantors") to purchase up to 4,166,667 Common Shares if they were not purchased under the Rights Offering. In consideration for the Standby Guarantee, the Company has issued share purchase warrants to the Standby Guarantors which will entitle them to purchase 500,000 Common Shares (the "Bonus Warrants"). The Bonus Warrants are exercisable at the Subscription Price for a period of six (6) months after that date the Rights Offering is completed. John Tognetti is a director and the controlling shareholder of the Company.

On August 26, 2016, Mirasol announced the appointment of Patrick Evans to the board of directors of the Company. Mr. Evans has over 20 years of experience in the mining industry and is the President and CEO of Mountain Province Diamonds Inc, a director of Archon Minerals and also a director of the NWT and Nunavut Chamber of Mines. Positions held by Mr. Evans include President and CEO of Kennady Diamonds, CEO of Norsemont Mining (acquired by Hudbay), President and CEO of Weda Bay Minerals (acquired by Eramet), President and CEO of Southern Platinum and Messina Platinum (acquired by Lonmin). Mr. Evans has also held senior roles with large mining companies including Vice President of Placer Dome Inc.

On August 26, 2016, Mirasol announced the grant of 715,876 incentive stock options under its incentive stock option plan to certain directors, officers, employees and consultants. A portion of these options (255,000 options) relate to recent appointments to the Board and the officers, which will provide greater depth to the Company's management team. The options are exercisable at $2.85 for a period of three years from the date of grant.

On September 29, 2016, Mirasol announced completion of Rights Offering whereby 4,166,667 common shares were issued for gross proceeds of $10,000,000. A total of 3,379,019 common shares were purchased pursuant to the exercise of Rights by shareholders, and 787,648 common shares were purchased by the Standby Guarantors.

The Company currently has 3 million options allocated of the 4.9 million options permissible under the Company’s options plan. 500,000 Bonus Warrants were issued in relation to the Rights Offering. These warrants are valid for six months and have an exercise price of $2.40.

EXPLORATION ACTIVITIES FOR THE PERIOD JULY 1, 2015 TO OCTOBER 24, 2016

Project Exploration Activities

Gorbea Gold Belt –Yamana JV, northern Chile:

- 10 holes drilled at Atlas for 5,436 m of diamond drill core (DDH) and reverse-circulation (RC)
- Encouraging gold and silver assays in RC drilling with associated HSE alteration
- 1,000 m trenching and 600 m of RC drilling completed at Titan, results not received by Mirasol
- The JV has entered Year Two with exploration anticipated to recommence in October 2016.

Claudia Project – Cerro Vanguardia S.A. (CVSA) JV, Santa Cruz Argentina:

- JV signed in February 2016
- 39 RC holes for 3,500 m drilled at Curahue Trend
- Results from 18 holes (from “Io” vein) have defined narrow high grade and broader low-grade mineralization
- 22 DDH holes drilled at the at Curahue Trend for 3,450 m
- 3 DDH holes drilled at the Rio Seco Prospect for 560 m
- Assay results are pending for 20 of the RC holes (1 not sampled) and all the DDH drilling
- The results from the drilling with be analyzed to guide further drilling at the project.

Virginia Silver Deposit, Santa Cruz Argentina:

- During March, an amended NI 43- 101 compliant technical report for the Virginia high grade silver project was filed on SEDAR. The base-case Mineral Resource estimate for the Project described in the Original Report remains unchanged in the Amended Report
- Mirasol’s claims holding at Virginia have been expanded by 27,017 ha to a district total of 59,747 ha
- Reconnaissance sampling on the new claims has returned high-grade Ag assays from float samples of epithermal-style alteration
- The new claims may host previously unrecognized soil-covered extensions of Virginia
- Mirasol Resources is actively seeking a Joint Venture partner to advance the Virginia project.

Project Generation Activities

Mirasol’s generative efforts in the Atacama – Puna region has led to the staking of over 138,500 ha of new exploration claims securing 100% of exploration rights to prospective precious metal and copper prospects in the Mio-Pliocene and Paleocene mineral belts.

In Santa Cruz, Mirasol staked an additional 3,500 ha of claims in the Homenaje district and has under application approximately 8,400 ha adjacent to its Sascha Project. These new claims consolidate district positions and may host extensions of known precious metal mineralization.

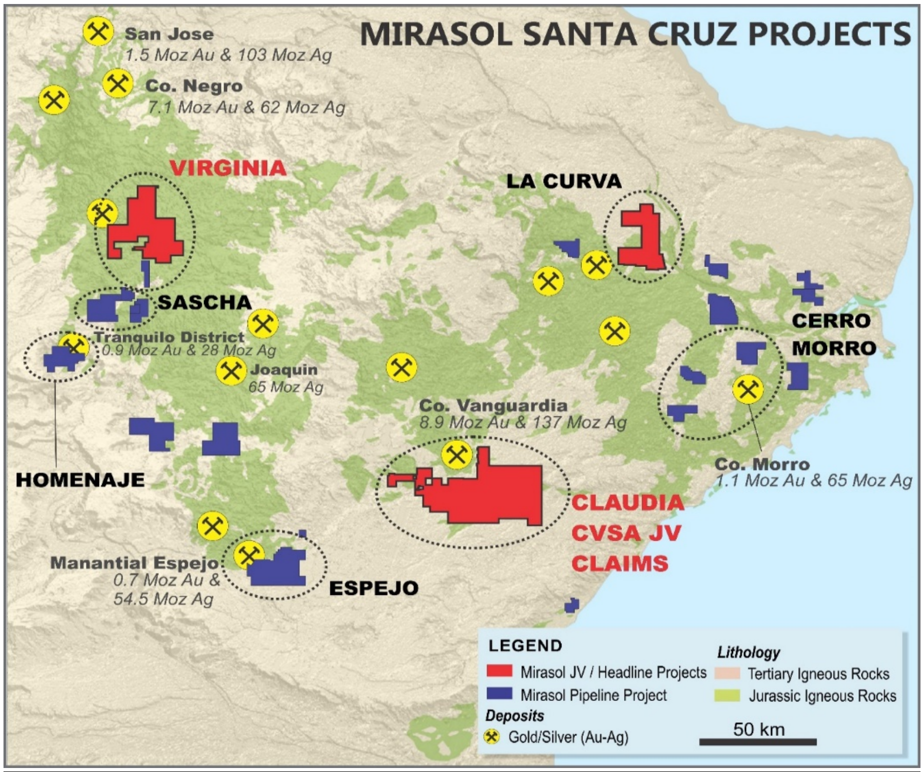

Figure 3: Santa Cruz Project Portfolio.

Chile and Argentina – Atacama Puna Project Generation

During the reporting period, Mirasol expended $3 million on project generation activities in Chile and Argentina focused on the Atacama – Puma generative region.

The Atacama – Puna program (see Figure 2) is primarily focused on the Mio-Pliocene age volcanic belt and the Paleocene belt of northern Chile and Argentina. The southern segment of this arc hosts many examples of world-class epithermal precious metal and porphyry-copper mines.

The generally distressed state of the mineral exploration industry over the preceding two to three years opened up access to quality exploration ground in Chile and Argentina which had been held by other companies and locked-up for many years. While this situation is now changing due to the improving precious-metals markets, Mirasol took advantage of this down-turn by executing an aggressive counter-cyclic generative program, building new portfolios of 100%-owned claims in two geographic regions of the Mio-Pliocene belt of Chile and Argentina and within the Paleocene age belt of Chile (Figure 2). The Company is continuing with is aggressive project generative stance with field teams undertaking reconnaissance mapping and sampling of a range of targets in the Atacama - Puna region.

In the Mio-Pliocene aged “Southern Porphyry Belt”, Mirasol now holds exploration rights to approximately 36,800 ha of granted claims and claims applications. In the Mio-Pliocene belt north of the Maricunga Belt, in addition to the Gorbea JV properties, Mirasol has approximately 49,200 ha of granted exploration claims. In the Paleocene belt of Chile, in addition to the Rubi property Mirasol holds approximately 52,500 ha of new granted exploration claims. Mirasol will make further announcements about these claim packages once there has been confirmation of the granting of tenure and district positions have been consolidated.

Acquiring new claims, evaluating the mineral potential, relinquishing areas that prove to be un-prospective and advancing more prospective areas to the JV stage, is the core process that drives Mirasol's project generation process.

Chile – Gorbea Yamana JV: Atlas and Titan Projects

The Gorbea Projects comprises nine 100%-owned claim blocks totalling approximately 22,814 ha and includes the Titan and Atlas high-sulfidation epithermal (HSE) gold and silver projects and seven other early-stage exploration prospects covering portions of prospective alteration systems.

In March 2015, Mirasol signed a joint venture agreement with Yamana Gold where the first earn-in option to 51% requires a spending commitment of US$10,000,000 and cash payments of US$2,000,000. This includes a first-year spending commitment of US$2,000,000, including geophysical surveys and 3,000 m of drilling at Atlas and Titan (news release dated March 15, 2016 for information on historical exploration and further details of the Letter Agreement with Yamana).

Exploration at Atlas and Titan is targeting HSE Miocene age gold mineralization similar to recent discoveries by Barrack Gold Corporation and Gold Fields Ltd at the Alturas and Salares Norte projects, respectively (refer to Figures 1 and 2).

To-date at Atlas, Yamana has drilled a combined total of 5,436 m of DDH and RC in 10 holes; with 6 holes drilled October to December 2015 (news release March 21, 2016) and an additional four holes and a diamond drilled tail (Hole 6B) completed during January to March, 2016 (news release April 25, 2016). Results for the recent diamond tail of hole 6B are pending.

Best intersections from the season's drilling includes

- 14 m at 0.06 g/t Au and 154.3 g/t Ag (Hole 04).
- 30 m at 0.67 g/t Au and 5.1 g/t Ag, including 18 m at 0.90 g/t Au and 7.4 Ag (Hole 07)
- 40 m at 1.38 g/t Au and 17.9 g/t Ag, including 28 m at 1.82 g/t Au and 22.0 g/t Ag (Hole 07)
- 54 m at 0.35 g/t Au and 5.5 g/t Ag, including 10 m at 1.02 g/t Au and 6.2 g/t Ag (Hole 10)
- 68 m at 0.17 g/t Au and 9.9 g/t Ag (Hole 10).

These intervals are down-hole intersections in angled RC drilling within dominantly oxidized material and associated HSE styles of alteration, including vuggy silica and silica - alunite developed in volcanic and brecciated host rocks.

Best results from this season's drilling are summarized in Table 1 (news release April 25, 2016)

Table 1: Atlas Down Hole Intersections – Holes 1-10

Drill Hole ID	From (m)	To (m)	Down Hole Intersections	Gold *	Silver *	AuEq60* *	AuEq60 gm** (gram x	Reported:
CLATRD0001	108	112	4	1.12	0.7	1.1	4.5	March 21, 2016
	148	186	38	0.11	0.5	0.1	4.5	March 21, 2016
CLATRD0002	22	46	24	0.18	13.1	0.4	9.5	March 21, 2016
	190	210	20	0.20	0.7	0.2	4.2	March 21, 2016
CLATRD0003	36	42	6	0.14	0.3	0.1	0.8	March 21, 2016
	377.5	382.2	4.7	0.17	0.3	0.2	0.8	March 21, 2016
CLATRD0004	230	244	14	0.06	150.1	2.6	35.9	March 21, 2016
CLATRD0007	440	446	6	0.87	1.2	0.9	5.3	April 25, 2016
	458	488	30	0.67	5.1	0.8	22.7	April 25, 2016
inc.	470	488	18	0.90	7.4	1.0	18.4	April 25, 2016
	556	596	40	1.38	17.9	1.7	67.3	April 25, 2016
inc.	556	584	28	1.82	22.0	2.2	61.2	April 25, 2016
CLATRD0009	276	302	26	0.04	13.7	0.3	6.9	April 25, 2016
CLATRD0010	468	522	54	0.35	5.5	0.4	23.9	April 25, 2016
inc.	472	482	10	1.02	6.2	1.1	11.2	April 25, 2016
	560	628	68	0.17	9.9	0.3	22.7	April 25, 2016

Manually selected intervals typically > 0.1 g/t gold and/or > 10 g/t silver
* Grades reported are length weighted average intersections calculated as
Sum product of grade and length / sum of length
** Gold equivalent (AuEq60) is calculated as Gold g/t + $\frac{\text{Silver g/t}}{60}$
Gold equivalent grammetre (AuEq gm) is calculated as AuEq x Down Hole Intersectionmetre
Reverse circulation sampling intervals were every 2 m and diamond samples

Drilling results to-date confirm the presence of a significantly mineralized HSE precious metal system at Atlas, with deep oxidation at the project. Geological logging shows significant intervals of vuggy silica and hydrothermal silicification (Holes 04, 06, 08, 09 and 10) which correspond to IP geophysical resistivity anomalies. IP coverage of the Atlas system is now expanded to 46.5 sq. km. Preliminary spectral (PIMA) alteration analysis of the mineralized drill intersections show that the gold-silver mineralization is associated with vuggy and hydrothermal silica, zones of strong, advanced argillic (kaolinite-dickie-alunite) alteration, possibly representing mineralizing feeder zones.

To-date there has been no drilling up-dip of the intersections in hole 07 and 10 to test for shallower mineralization that maybe accessible via open-pit mining methods. Further surface mapping and sampling, followed by drilling, will be required to test this concept and determine the geometry of any mineralization present. A number of similar conductive features, in some cases with associated surface rock chip gold anomalies, are evident at Atlas and following the receipt of these drill results are now considered priority targets for future drill testing.

In early 2016 Yamana also completed a 1,000 m trenching and a 600 m RC drilling program at Titan where previous exploration by Mirasol identified trench intersections of 194 m at 0.41 g/t Au (news release January 21, 2013), and where a scouting drill program returned shallow oxide intersections of up to 44 m at 1.21 g/t Au including 10 m at 3.58 g/t Au (news release November

25, 2013). Results will be reported once they have been received. Exploration is anticipated to recommence shortly during the next field season.

Argentina – Claudia Cerro Vanguardia S.A. (CVSA) JV – Claudia Project

The large Claudia Property (approximately 127,000 ha) comprises exploration claims located in the south-central part of Santa Cruz Province adjoining the southern boundary of AngloGold Ashanti's Cerro Vanguardia mining property.

Mirasol's exploration of the Claudia property has outlined five large-scale epithermal gold - silver vein prospects at Rio Seco, Laguna Blanca, Ailen, Cilene and Curahue, with a series of drill-ready targets at Rio Seco, Ailen and the large Curahue zone. At Curahue, six separate vein trends have been identified; Io, Europa, Ganymede, Callisto, Sinope and Themisto, over a 15 km long corridor (see news release July 27, 2015).

In February 2016 Mirasol signed an exploration and option agreement with Cerro Vanguardia where the option has been granted to acquire up to a 75% interest in the Claudia Project, exercisable in three stages over a six-year or shorter earn-in period (the Claudia - CVSA JV; see news release March 1, 2016).

The Claudia - CVSA JV has three phases of earn-in:

- First phase: A 51% interest in the project can be earned over a maximum two year period by spending US$5 million on exploration, making US$1 million in payments to Mirasol and executing an exploration program that includes a minimum of 12,000 m of drilling. The first year commitment includes a cash payment of US$100,000, to Mirasol and a minimum exploration expenditure of US$2 million, with an exploration commitment including 6,000 m of drilling focused on the Curahue prospect and US$200,000 in geophysical surveys. Cerro Vanguardia can elect to proceed to a second stage of the 51% earn-in by making a second payment to Mirasol of US$300,000 and spending another US$3 million on exploration including an additional 6,000 m of drilling. Following this investment, the 51% earn-in can be exercised by making a final cash payment of US$600,000 to Mirasol.
- Second phase: Cerro Vanguardia may elect to earn-in to 65% of the Claudia project within an additional two years from the earn-in date of the 51% vesting by delivering a preliminary economic assessment with a NI 43-101 compliant resource of not less than 350,000 oz gold in the Inferred, or higher, resource classification, with grades that support profitable economic extraction based upon the Cerro Vanguardia Mine cost structure.
- Third phase: Cerro Vanguardia may elect to proceed with a third earn-in, increasing its interest to 75% within a total of four years of the 51% earn-in date by delivering a technical and financial evaluation report to NI 43-101 pre-feasibility study standards, demonstrating a compliant Measured and Indicated resource of not less than 350,000 oz of gold including a minimum of 175,000 ounces of Measured mineral resources; and delivering to the Company a decision to proceed with mining operations on the resources defined.

The first phase of RC drilling from May to June 2016, was designed to provide an initial test of a portion of the Curahue prospect (see news release May 9, 2016). The results from this initial program were used to prioritize the higher-grade segments of these vein trends for follow-up diamond core (DD) and additional RC drilling.

The RC program (39 holes totalling 3,543 m) was completed on June 29 (see news release July 26, 2016) and was primarily focused upon the "Io" trend (26 holes) with sections of the Europa (6 holes), Calisto (4 holes) and Sinope (3 holes) trends also tested. Diamond drilling started immediately and comprised 22 DD holes for 3,450 m at Curahue (two Prospects) and 3 holes for

560 m at the Rio Seco Prospect. Results for the outstanding RC and DD drilling will be reported when results are received.

Assays have been received for 18 of the 26 RC holes that provide a shallow test of the 2 km long "Io" vein zone. Interpretation of preliminary cross-sections suggest the "Io" vein zone attains estimated maximum true widths ranging up-to approximately 40 m. RC assay results (Table 2) have defined both narrow zones of higher-grade and multiple broad zones of lower grade gold-silver mineralization including:

Down hole intervals exceeding 4 g/t Au (drill hole number):

- 0.5 m at 7.35 g/t Au and 448.9 g/t Ag (IORC38)
- 1.0 m at 5.15 g/t Au and 580.6 g/t Ag (IORC41)
- 1.0 m at 4.58 g/t Au and 180.5 g/t Ag (IORC58)

Lower-grade down hole intervals, at 0.3 g/t AuEq60* cut off (drill hole number):

- 27.5m at 0.56 g/t Au and 48.33 g/t Ag (1.37 g/t AuEq60), including 2.5 m at 1.16 g/t Au and 165.6 g/t Ag (3.92 g/t AuEq60; IORC27)
- 66.5m at 0.42 g/t Au and 64.74 g/t Ag, (1.50 g/t AuEq60), including 13m at 0.81 g/t Au and 105.0 g/t Ag (2.56 g/t AuEq60; IORC41)
- 39.5m at 0.70 g/t Au and 74.89 g/t Ag, (1.95 g/t AuEq60), including 12.5 m at 1.38 g/t Au and 102.5 g/t Ag (3.08 g/t AuEq60; IORC58)

* AuEq60 Gold Equivalent (AuEq) is calculated using following formula: assays in g/t Gold + (Silver / 60)

RC drilling has been used by CVSA to provide a rapid test of the Curahue prospect. The majority of mineralized intervals from reported RC holes were collected from below the water table resulting in wet samples. "Wet" RC drilling under some circumstances can compromise sampling and may produce smearing of samples. Given these possible uncertainties, caution in interpreting these results is advised until confirmation is provided by the diamond drill core results.

Table 2: Io Trend- Length weighted average downhole RC drill intersection July 2016

High grade drill hole intervals (manually selected)

Hole Number	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	AuEq60 (g/t)	AuEq60 Gram Metre
IORC-26	47	48	1	0.10	262.68	4.47	4.5
IORC-27	18.5	19	0.5	3.29	148.90	5.77	2.9
	35.5	36.5	1	2.24	207.04	5.69	5.7
	44.5	45	0.5	0.88	266.88	5.33	2.7
	54.5	55	0.5	4.63	134.60	6.87	3.4
IORC-28	32	33	1	5.19	82.65	6.57	6.6
IORC-34A	58.5	59	0.5	0.72	368.33	6.86	3.4
IORC-38	13	13.5	0.5	7.35	448.93	14.83	7.4
IORC-40	38	38.5	0.5	1.36	365.89	7.46	3.7
IORC-41	40	41	1	2.44	266.14	6.88	6.9
	80	81	1	5.15	580.58	14.82	14.8
IORC-58	50	51	1	4.58	180.47	7.59	7.6

Down Hole Intersections at 1 g/t AuEq60 cut off and greater than 5 AuEq60 gram meters product

Hole Number	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	AuEq60 (g/t)	AuEq60 Gram Metre
IORC-26	40.0	44.0	4.0	0.17	100.35	1.85	7.4
	66.5	72.5	6.0	0.19	56.13	1.13	6.8
IORC-27	35.5	38.0	2.5	1.16	165.63	3.92	9.8
	42.0	46.5	4.5	0.67	80.13	2.01	9.0
	52.5	55.5	3.0	1.57	44.50	2.32	7.0
IORC-28	31.5	36.0	4.5	2.33	70.90	3.51	15.8
	49.0	52.5	3.5	0.59	102.86	2.30	8.1
IORC-34A	57.5	59.5	2.0	0.54	152.96	3.09	6.2
IORC-38	13.0	14.5	1.5	2.95	167.41	5.74	8.6
IORC-40	29.5	31.5	2.0	1.27	76.03	2.54	5.1
	36.0	42.0	6.0	0.96	88.39	2.44	14.6
IORC-41	37.5	41.5	4.0	1.22	118.03	3.19	12.8
	43.5	47.0	3.5	0.39	65.46	1.48	5.2
	53.0	60.5	7.5	0.62	78.97	1.94	14.6
	64.0	67.0	3.0	0.52	80.50	1.87	5.6
	69.5	82.5	13.0	0.81	105.20	2.56	33.3
	89.5	96.0	6.5	0.16	81.22	1.52	9.9
IORC-44	39.5	49.0	9.5	0.53	64.89	1.61	15.3
	53.0	56.5	3.5	0.44	80.97	1.79	6.3
IORC-58	43.5	56.0	12.5	1.38	102.55	3.08	38.5
	61.0	67.0	6.0	0.94	128.39	3.08	18.5
	68.0	71.5	3.5	0.75	74.67	2.00	7.0

Down Hole Intersections at 0.3 g/t AuEq60 cut off and greater than 3 AuEq60 gram meter product

Hole Number	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	AuEq60 (g/t)	AuEq60 Gram Metre
IORC-26	38.00	44.50	6.50	0.15	68.72	1.30	8.5
	46.50	59.50	13.00	0.10	42.68	0.81	10.5
	63.00	77.00	14.00	0.15	45.54	0.91	12.7
IORC-27	16.50	25.00	8.50	0.57	37.58	1.19	10.1
	30.00	57.50	27.50	0.56	48.33	1.37	37.7
	63.50	72.00	8.50	0.19	37.28	0.81	6.9
IORC-28	22.00	36.00	14.00	0.98	43.91	1.71	23.9
	38.50	44.50	6.00	0.66	12.63	0.87	5.2
	45.50	53.50	8.00	0.37	58.26	1.34	10.7
IORC-31	45.00	48.50	3.50	0.35	36.56	0.96	3.4
IORC-33	48.00	50.50	2.50	1.07	46.78	1.85	4.6
IORC-34A	54.00	65.00	11.00	0.25	50.22	1.08	11.9
IORC-35	16.00	25.00	9.00	0.47	14.73	0.72	6.5
IORC-37	30.00	31.50	1.50	1.88	9.80	2.05	3.1
IORC-38	12.00	15.00	3.00	1.61	89.94	3.11	9.3
IORC-40	27.00	34.00	7.00	0.56	60.09	1.56	10.9
	36.00	42.00	6.00	0.96	88.39	2.44	14.6
	44.00	47.50	3.50	0.37	33.57	0.93	3.3
IORC-41	32.50	99.00	66.50	0.42	64.74	1.50	99.8
IORC-44	36.50	63.50	27.00	0.34	54.09	1.24	33.5
IORC-58	30.00	38.00	8.00	0.08	41.49	0.77	6.2
	43.00	82.50	39.50	0.70	74.89	1.95	77.0

NOTES

1) Gold Equivalent grade (AuEq60) is calculated using following formula: Gold + (Silver / 60)

2) AuEq60 Gram Metre interval is calculated using AuEq60 (g/t) x intersection Interval (m)

3) Intervals presented are selected using a the stated combined AuEq60 (g/t) cut off breaks to calculated length weighted average intersections and also show a AuEq60 g/t x down hole intersection product greater than 5 or 3 gram meters

Argentina - Virginia Project, Santa Rita Property

The Virginia high-grade, silver vein zone was discovered by Mirasol in late 2009 on the Santa Rita property package, following-up on priority exploration targets generated from satellite imagery.

In the 2015 financial year Mirasol reported an initial mineral resource estimate for the Virginia project. The report presents a conceptual, open-pit constrained, mineral resource estimate focused exclusively on the high-grade vein/breccia component of the mineralization (Figure 4) as previously reported (news release February 7, 2013). The mineral resource estimate contains Indicated resources totalling 11.9 million oz Ag at 310 g/t, and Inferred material totalling 3.1 million oz Ag at 207 g/t, all contained within seven outcropping veins of high-grade silver mineralization (see MD&A for the year ended June 30, 2015 for historical exploration and further details on the pit constrained mineral resource estimate for the Virginia project).

On March 29, 2016 Mirasol filed an amended technical report on SEDAR dated 29th February, 2016. The Amended Report addressed specific technical comments received from the BC Securities Commission following their routine review of technical disclosure. This review identified aspects of the original Virginia Mineral Resource Report which were non-compliant with NI 43-101 guidelines. The BCSC has now confirmed that the Amended Report adequately addresses the comments raised by their review. The base case Mineral Resource estimate for the Virginia Project described in the Original Report remains unchanged in the Amended Report.

Mirasol’s holdings at Virginia were consolidated via open ground staking and the purchase of mineral rights from a privately owned prospecting company bringing the total area of contiguous claims controlled by Mirasol to 59,747 ha (news release September 14, 2016). Preliminary prospecting south of the limit of Mirasol drilling on the newly acquired lands, has identified quartz vein and vein breccia float scattered along a 2 km trend. The samples of float rock have epithermal textures which are similar to those which characterize the outcropping Virginia vein zone. Results from 11 rock float samples collected along this trend include six samples with assays ranging from 50.0 to 1,084 g/t Ag (average 369 Ag g/t.) Field relationships and assays received to-date suggest that the new claims may host previously unrecognized soil-covered extensions of the Virginia silver system.

Mirasol has mobilized geological teams to Virginia to begin systematic exploration of the new claims. This will include further prospecting, geological mapping, geochemical sampling and gradient array electrical geophysics. Gradient-array surveys completed by Mirasol’s geophysics team proved to be an effective predictive tool for mapping covered vein extensions and defining targets for the original Virginia drill programs (Figure 4). This geophysical technique will again be used to explore for the potential covered southern extension of the Virginia vein zone in the new claims.

Mirasol Resources is actively seeking a Joint Venture partner to advance exploration drilling and evaluate the potential to develop the Virginia Silver project.

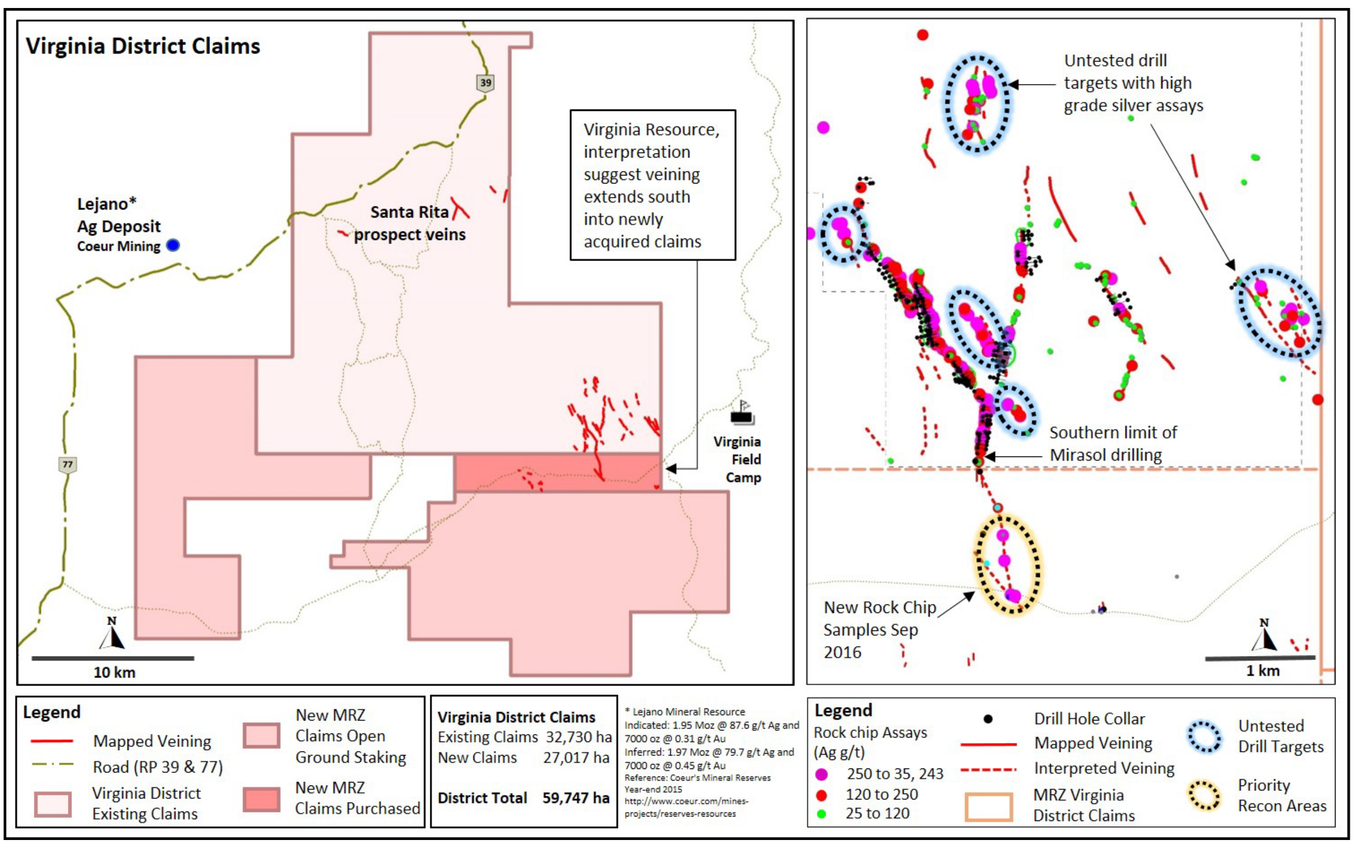

Figure 4: Virginia Conceptual Pit Configuration for Initial Mineral Resource Estimate.

Argentina - La Curva Project

The La Curva property comprises four exploration claims totalling 36,721 ha, located in the eastern Deseado Massif, and has year round access from the paved national highway. Four separate gold and silver prospects have been outlined; Loma Arthur, Cerro Chato, Southwest and Curva West, and are defined by coincident large geophysical anomalies, gold and silver in rock chip and soil, and outcropping alteration. Drill targets are defined at Loma Arthur, Cerro Chato and Southwest.

Readers are directed to the Company's previously filed annual MD&A for the year ended June 30, 2015 for historical exploration discussion on the La Curva property. The Company is actively seeking a JV partner to advance the La Curva project.

Chile – Frontera JV

In the 2013 financial year, the Company signed a definitive exploration and option agreement (the Frontera JV) with a private Chilean company, to explore a portfolio of early-stage properties that fall within the Miocene Volcanic Arc in northern Chile. This section has become the focus of recent exploration activity following announcements by Mirasol of widespread outcropping gold and silver mineralization at the Titan and Atlas projects, and the 2014 announcement by Gold Fields of a gold resource at the Salares Norte project.

The Frontera JV provides for Mirasol to earn a 51% interest in any, or all, of the exploration properties by expending US$3 million within a four year period which commenced on December 26, 2012 (see MD&A for the year ended June 30, 2015 for information on previous exploration related to the Frontera JV). To the end of the reporting period Mirasol has spent approximately US$1.7 million on the Frontera JV.

Mirasol has completed first-pass reconnaissance of claims within the JV package and initiated follow-up sampling in areas where geochemical anomalies were identified or permissive geology noted. As of the filling date of this report Mirasol has retained approximately 8,800 ha of claims within the Gorbea Belt. Mirasol's 100% owned projects in the Gorbea Belt are under JV with Yamana Gold Inc.

Other Properties

Mirasol holds a number of additional drill ready and early-stage exploration properties which are prospective for gold and/or silver mineralization in southern Argentina and northern Chile.

RESULTS OF OPERATIONS

Table 3: *Exploration expenditures per projects under active exploration*

	2016	2015
Chile		
Gorbea Belt – Atlas Project		
Assays and sampling	$ -	$ 1,752
Camp and general	134	59,059
Consultants and salaries	47,669	269,759
Geophysics	2,382	86,223
Mining rights and fees	8,509	135,831
Travel	309	13,326
Option payment	-	(10,073)
Recovery of costs	-	(141,695)
	59,003	414,182
Gorbea Belt – Titan Project		
Camp and general	1,113	44,279
Consultants and salaries	9,641	177,940
Geophysics	4,680	47,610
Mining rights and fees	6,812	62,609
Travel	-	12,780
Option payment	-	(5,925)
Recovery of costs	-	(67,305)
	22,246	271,988
Gorbea Belt – Other Projects		
Camp and general	52	19,843
Consultants and salaries	1,184	11,437
Geophysics	4,706	75,676
Mining rights and fees	18,248	159,666
Travel	66	541
Option payment	-	(12,786)
Recovery of costs	-	(145,237)
	24,256	109,140
Gorbea Joint Venture Management		
Assays and sampling	1,215	-
Camp and general	2,910	-
Geophysics	1,089	-
Administration	2,581	15,722
Consultants and salaries	136,527	8,323
Mining rights and fees	98	1,539
Professional fees	-	10,242
Travel	5,793	555
Recovery of costs	(110,714)	-
Option payment	(201,064)	-
	(161,565)	36,381
Total – Properties joint ventured to other companies	(56,060)	831,691

	2016	2015
***Chile** (Cont.)*		
Rubi		
Assays and sampling	382	-
Camp and general	5,054	40,864
Consultants and salary	24,824	108,827
Geophysics	5,219	3,824
Mining rights and fees	132,538	126,311
Travel	908	16,725
Professional fees	500	-
Option payment	-	(54,956)
Recovery of costs	-	(111,347)
	169,425	130,248
Chile Pipeline Projects		
Assays and sampling	142,832	-
Camp and general	52,348	-
Geophysics	44,113	-
Administration	6,131	-
Consultants and salaries	375,682	-
Mining rights and fees	178,380	-
Travel	57,634	-
	857,120	-
Total – 100% owned properties	**1,026,545**	**130,248**
Frontera – Joint Venture		
Camp and general	$ 75	$ 146,578
Consultants and salary	53,889	411,840
Geophysics	6,394	130,931
Mining rights and fees	175,474	301,204
Travel	2,872	52,158
Total – Earn-in joint venture on third party projects	238,704	1,042,711
Project Generation	1,361,613	1,640,741
Operation and Management	394,907	276,808
Value Added and Other Taxes	86,853	4,345
Total Chile	**3,052,562**	**3,926,544**
Argentina		
Claudia		
Assays and sampling	8,336	-
Camp and general	29,417	24,966
Consultants and salary	96,263	86,116
Geophysics	-	1,985
Mining rights and access fees	170,070	57,363
Administration	7,971	-
Travel	7,921	5,642
Option payment	(135,230)	-
Recovery of costs	(130,234)	-
	54,514	176,072

	2016	2015
***Argentina** (Cont.)*		
La Curva		
Assays and sampling	3,549	5,316
Camp and general	7,764	8,807
Consultants and salary	18,933	48,210
Geophysics	-	853
Mining rights and access fees	13,291	14,683
Travel	3,034	4,200
	46,571	82,069
Santa Rita and Virginia		
Assays and sampling	1,707	612
Camp and general	49,598	60,932
Consultants and salary	39,845	138,340
Mining rights and access fees	38,172	14,335
Professional fees	5,681	-
Administration	200	-
Travel	1,299	10,772
	136,502	224,991
Argentina Pipeline Projects		
Assays and sampling	$ 5,382	$ -
Camp and general	4,241	17,665
Consultants and salary	52,156	43,517
Mining rights and fees	216,883	28,042
Environmental	3,973	-
Administration	170	-
Travel	424	8,225
	283,229	97,449
Total – 100% owned properties	520,816	580,581
Project Generation	559,906	891,654
Operation and Management	559,525	499,002
Value Added and Other Taxes	10,018	175,139
Total Argentina	**1,650,265**	**2,146,376**
Total Exploration and Evaluation Costs	**$ 4,702,827**	**$ 6,072,920**

FOR THE YEARENDED JUNE 30, 2016 AS COMPARED TO THE YEAR ENDED JUNE 30, 2015

The Company's net loss for the year ended June 30, 2016 ("Current Year") was $6,017,003 or $0.14 per share compared to $7,917,798 or $0.18 per share for the year ended June 30, 2015 ("Comparative Year"), a decrease of $1,902,148.

Mirasol's total operating expenses were $7,191,564 compared to $8,310,856 in the Comparative Year, a decrease in expenses of $1,119,292. As presented in Table 3 above, the Company incurred exploration costs of $4,702,827 and $6,072,920, respectively. Mirasol renewed its focus on project generation activities during the Current Year and as a result incurred lower cost on its current exploration projects. Also during the Current Year, the Company recorded reimbursement of exploration costs and option payments from its joint venture partners of $577,242 compared to $549,324 for the comparative period.

Stock-based payments, bonus shares (included under management fees) and depreciation are non-cash items. Excluding the above and the exploration cost the Company incurred $1,782,499 in the Current Year compared to $1,893,369 in the Comparative period. The reduction of $110,870 is mainly due to reduction in professional services, travel and business development.

The above reductions were offset by additional funds expended by the Company to enhance its investor communication and marketing. Such costs amounted to $335,920 compared to $239,499, an increase of $96,421. The Company also incurred higher administrative cost such as office and miscellaneous and directors fees. The Office and miscellaneous increased due to a severance payment to a staff member and directors fees increased due to formation of special committee to negotiate the CEO and Global Ore consulting contracts.

The Company also recorded a foreign exchange gain of $1,017,394 during the Current Year compared to $3,503,017 during the Comparative Year. The period to period variance in foreign exchange gain or loss recorded by the Company is primarily the result of the movement in the value of the US dollar relative to the Canadian dollar, due to the significant US dollar asset holding by the Company. The US dollar exchange rate moved from 1.2474 to 1.3009 Canadian dollars during the Current Year (a loss of 0.05 Canadian dollars) compared to the exchange rate movement from 1.0676 at June 30, 2014 to 1.2474 on June 30, 2015 (a gain of 0.18 Canadian dollars).

The Company recorded an income tax recovery of $88,000, updating its estimate of income taxes recoverable from the Canada Revenue Agency and also due to its expectations to carry-back the 2015 financial year capital and non-capital losses against the capital gain realized during the 2013 financial year. Mirasol's recognition of income tax recovery during the Comparative Year amounted to $3,206,940, a difference of $3,118,940 from the amount during the Current Year, primarily resulting from the realized loss on the sale of Coeur shares.

FOURTH QUARTER ANALYSIS

The Company carried out its regular generative exploration work during the fourth quarter. On April 29, 2016 the Company granted 320,000 share based options pursuant to consulting contracts in place for consultants. These options are exercisable at $1.38 with 25% vesting at the grant date and the rest vesting 25% annually from July 1, 2016 to 2018. During the fourth quarter 118,750 share based options were exercised for gross proceeds of $118,501 with a fair value of $44,553.

SELECTED ANNUAL INFORMATION AND SUMMARY OF QUARTERLY RESULTS

The following table sets out selected annual financial information of the Company and is derived from the Company's consolidated financial statements for the years ended June 30, 2016, 2015 and 2014.

	2016 $	2015 $	2014 $
Sales	-	-	-
Income (loss) for the Year	(6,017,003)	(7,919,151)	(12,233,625)
Earnings (loss) per share – Basic	(0.14)	(0.18)	(0.28)
Earnings (loss) per share – Diluted	(0.14)	(0.18)	(0.28)
Total Assets	21,414,630	26,789,642	33,924,535
Total Long-term Liabilities	-	-	-
Dividends Declared	-	-	-

The following table sets out selected unaudited quarterly financial information of Mirasol and is derived from unaudited quarterly consolidated financial statements prepared by management in accordance with IAS 34 and accounting policies consistent with IFRS.

Period	Revenues $	Income (Loss) from Continued Operations $	Basic Income (Loss) per Share from Continued Operations $	Diluted Income (Loss) per Share from Continued Operations $
4th Quarter 2016	Nil	(1,390,063)	(0.03)	(0.03)
3rd Quarter 2016	Nil	(3,257,207)	(0.07)	(0.07)
2nd Quarter 2016	Nil	(1,358,661)	(0.03)	(0.03)
1st Quarter 2016	Nil	(11,072)	(0.00)	(0.00)
4th Quarter 2015	Nil	(2,523,995)	(0.06)	(0.06)
3rd Quarter 2015	Nil	(11,881)	(0.00)	(0.00)
2nd Quarter 2015	Nil	99,987	0.00	0.00
1st Quarter 2015	Nil	(5,483,262)	(0.12)	(0.12)

The Company's quarterly results will vary primarily in accordance with the Company's exploration activities. To finance its operations, the Company also grants incentive stock options to its directors, management, employees, and consultants, which will also cause variation in the Company's results from period to period. The movement in the value of the US dollar relative to the Canadian dollar could also have a significant impact on the Company's results from one period to the next as the Company primarily holds its working capital in US dollars.

The income recognized during the 2nd quarter of the 2015 financial year relates primarily to the recognition of income tax recovery, as described above, pertaining to the carry-back of the capital losses resulting from the sale of Coeur shares. The Company sold all of its holding in the shares of Coeur during that quarter. As a result, the loss incurred in the 3rd quarter of 2015 financial year was considerably lower than the other quarters. During the 3rd quarter of the 2015 financial year, the Company recognized a gain from foreign exchange of $1,808,458 and a further income tax recovery of $255,368 due to the factors described above, which significantly reduced the impact of its loss from operations.

Please see above for a discussion comparing the Company's results during the years ended June 30, 2016 and 2015, respectively.

INVESTING ACTIVITIES

The Company received interest on its guaranteed investment certificates of $70,056 during the Current Year compared to $63,148 in the Comparative Year. During the Comparative Year, the Company disposed of 1,087,043 shares of Coeur for gross proceeds of $4,625,381.

FINANCING ACTIVITIES

The Company did not engage in financing activities either during the Comparative Year. During the Current Year 118,750 options with exercise price of $0.88 to $1.28 were exercised for gross proceeds of $118,501 by employees and consultants of the Company. Subsequent to the Current Year the Company completed a rights offering for gross proceeds of $10 Million (please refer to the Corporate Matters section of this MD&A). Subsequent to the Current Year 200,750 options with exercise price of $0.88 to $1.28 were exercised for gross proceeds of $208,660.

CAPITAL RESOURCES

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company primarily raises money through equity sales and from the exercise of convertible securities (share purchase options and warrants). Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record and the experience and calibre of its management.

The Company has no operations that generate cash flow and its long term financial success is dependent on management's ability to discover economically viable mineral deposits. Mirasol applies the Prospect Generator model where it seeks and presents partners with an option to joint venture Mirasol's projects, in order to have those partners fund the exploration of the project to earn an interest. In some agreements, the Company receives cash option payments or common stock of the joint venture partner, as a portion of the partner's cost to earn an interest. If any of its exploration programs are successful and the partners complete their earn-ins, the Company would have to provide its share of ongoing exploration and development costs in order to maintain its interests, and if not, reduce its equity interest through a monetization transaction or dilution of its ownership interest or conversion to a royalty interest. The Company does not anticipate mining revenues from sale of mineral production in the foreseeable future.

With working capital of approximately $17.6 million on June 30, 2016 and the subsequent rights offering of $10 million, the Company believes it has more than sufficient funds to conduct its administrative, business development, and discretionary exploration activities over the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including the Company's joint venture partners encountering difficulty in financing exploration programs on the optioned properties. The Company further believes it has the ability to raise equity capital to meet its foreseeable longer term working capital needs, but recognizes that the ability to raise capital in the future involves risks beyond its control.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no significant off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions.

TRANSACTIONS WITH RELATED PARTIES

Details of the transactions between the Company's related parties are disclosed below.

Compensation of key management personnel

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole.

The remuneration of the management and the independent directors was as follows:

		Year Ended June 30, 2016		2015
Management compensation (i)	$	507,987	$	494,845
Share-based payments (ii)		191,455		152,271
Bonus shares(iii)		372,000		-
Director's fees (iv)		133,500		78,625
	$	1,204,942	$	725,741

(i) Management compensation is included in Management fees (2016 - $187,394; 2015 - $180,702) and in Exploration costs (2016 - $320,593; 2015 - $314,143) in the Company's consolidated statements of loss and comprehensive loss.

(ii) Share-based payments represent the expense for the years ended June 30, 2016 and 2015.

(iii) In February 2016, the Company signed Consulting Agreements, effective July 2015, with each of Global Ore consultants (Global Ore") and Stephen Nano, to perform the duties of President, CEO and QP for the Company. Under the terms of the Global Ore agreement, the Company has retained the services of Global Ore consultants until June 30, 2018, to provide target generation related consulting services to the Company on an exclusive basis throughout Chile and Argentina. The Company has agreed to pay for such services at an agreed upon preferential discounted rate but has agreed to a minimum monthly retainer of Australian Dollar ("AUD") $35,000. Further, as additional consideration, the Company has agreed to an incentive grant of 255,000 (Issued on April 29, 2016) stock options, subject to vesting, to key representatives of Global Ore other than Mr. Nano. The Global Ore contract can be terminated at any time by the Company by paying a fee of AUD $225,000.

The CEO consulting agreement with Mr. Nano is also for a term expiring on June 30, 2018, and provides for payment of a consulting fee of $25,000 per month, and the issuance of 300,000 Retention Bonus Shares (the "Bonus Shares") in consideration for past services. The Bonus Shares were issued, on March 22, 2016 and will be subject to escrow restrictions whereby 100,000 released on March 22, 2016; 100,000 released on July 2, 2016 and 100,000 released on July 2, 2017. The contract with Mr. Nano contains termination provisions which require payment of one-year's fees for termination without cause and two years for termination due to a change of control event, as defined.

(iv) The independent directors of the Company are paid $2,100 per month (2015 - $1,000 per month) while the Chairman of the Board of Directors receives an additional $3,000 per month for serving in this capacity (2015 - $nil). The independent directors are also paid for serving on certain special committees of the Board of Directors.

Transactions with other related parties

Certain of the Company's officers and directors render services to the Company as sole proprietors or through companies in which they are an officer, director, or partner.

The following companies are related parties through association of the Company's directors and officers:

	Nature of transactions
Miller Thomson	Legal fees
Avisar Chartered Accountants(i)	Accounting fees
Chase Management Ltd.	Professional fees
Global Ore	Project generation, exploration management and GIS services
Evrim Resources Corp.("Evrim")(ii)	CFO services, office administration support services and office sharing

(i) As of March 11, 2016, Avisar ceased to be a related party of the Company.

(ii) In March 2016, the Company entered into an agreement with Evrim a company with common management, to share CFO services, Administration services and office space. The Agreement expires February 28, 2018. Either party can terminate the agreement with six months' notice.

The Company has agreements with all related parties and is charged service fee based on the related parties' regular charge-out rates for similar services provided to arm's length parties.

The Company incurred the following fees and expenses with these related parties:

	Year Ended June 30, 2016	2015
Legal fees	$ 177,421	$ 261,553
Accounting fees	134,150	187,750
Professional fees	41,200	32,793
Other operating expenses	-	23,150
Project generation, exploration expenses and GIS services	798,676	1,066,15
CFO services, office sharing and administration	52,833	-
	$ 1,204,280	$ 1,571,397

Included in accounts payable and accrued liabilities at June 30, 2016, is an amount of $148,450 (June 30, 2015 - $317,081) owing to directors and officers of the Company and to companies where the directors and officers are principals.

SIGNIFICAN ACCOUNTING POLICIES

The details of the Company's accounting policies are presented in Note 3 of the Company's consolidated financial statements for the year ended June 30, 2016. The following policies are considered by management to be essential to the understanding of the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

EXPLORATION AND EVALUATION ASSETS

The Company capitalizes the direct costs of acquiring mineral property interests as exploration and evaluation assets. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option.

Exploration and evaluation costs are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration and development costs are capitalized. Exploration costs include value-added taxes because the recoverability of these amounts is uncertain.

The receipt of option payments from the Company's joint venture partners are applied first towards the capitalized cost for the acquisition of pertinent mineral property interests. Option payments in excess of the capitalized acquisition costs are netted against the exploration costs for the period.

RECENT ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC.

The following new standards and amendments to standards which are applicable to the Company have been issued with effective dates into the later fiscal years:

a) IFRS 9 Financial Instruments addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized costs, fair value through OCI and FVTPL. The basis of classification depends on entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at FVTPL with the irrevocable option at inception to present changes in fair value in OCI. There is a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at FVTPL.

   IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the hedged ratio to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

   The Standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is currently evaluating the impact of this Standard.

b) IFRS 15 Revenue from Contracts with Customers deals with revenue recognition and establishes principles of reporting useful information to the users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when the customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The Standard replaces IAS 18 Revenue, and IAS 11 Construction Contracts and related interpretations. It is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. The Standard is not expected to have an impact on the Company in its present form.

c) IFRS 11 Accounting for acquisition of interest in joint operations amends Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to apply all of the business combinations accounting principles in IFRS 3 and other IFRS, except for those principles that conflict with the guidance in IFRS 11 and to disclose the information required by IFRS 3 and other IFRS for business combinations. The amended IFRS 11 is applicable to annual periods beginning on or after July 1, 2016. The Standard is not expected to have an impact on the Company in its present form.

d) Amendments are made to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture and requires full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations) and requires the partial recognition of gains and losses where the assets do not constitute a business. The amended IFRS 10 and IAS 28 are applicable to annual periods beginning on or after July 1, 2016. The Standard is not expected to have an impact on the Company in its present form.

SIGNIFICAN ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant accounting estimates and judgments are related to, but are not limited to, the following:

(i) Impairment of exploration and evaluation assets: The capitalized carrying value of each mineral claim is reviewed regularly for conditions that are indicators of impairment. This review requires significant judgment as the Company does not have any proven and probable reserves that enable future cash flows to be compared to the carrying values. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the claims' value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the claims' acquisition, development or cost of holding; whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future; and whether the Company has the necessary funds to be able to maintain its interest in the mineral claims.

The Company has concluded that impairment conditions do not exist as at June 30, 2016.

Ownership of exploration and evaluation assets involves certain risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many exploration and evaluation assets. The Company has investigated ownership of its exploration and evaluation assets and, to the best of its knowledge, ownership of its interests are in good standing.

(ii) Valuation of share purchase options: The Company provides compensation benefits to its employees, directors and officers through a stock option plan. The fair value of each option award is estimated on the date of the grant using the Black-Scholes option pricing model. Expected volatility assumption used in the model is based on the historical volatility of the Company's share price. The Company uses historical data to estimate the period of option exercises and their forfeiture rates for use in the valuation model. The risk-free interest rate for the expected term of the option is based on the yields of government bonds. Changes in these assumptions, especially the volatility and the expected life determination could have a material impact on the Company's comprehensive loss. All estimates used in the model are based on historical data which may not be representative of future results.

(iii) Income taxes: The Company is subject to income taxes in numerous jurisdictions. Uncertainties exist with respect to interpretations of tax regulations. The Company has recognized current tax refundable based on its interpretations of tax regulations, which may differ from the interpretations of the tax authorities.

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. The recognition of deferred tax assets requires management to assess the likelihood that the Company will generate taxable income in future periods to utilize the deferred tax assets. Due to a history of losses deferred tax assets have not be recognized.

(iv) Functional currencies: The functional currency of an entity is the currency of the primary economic environment in which an entity operates. The determination of an entity's functional currency requires judgement based on analysis of relevant factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates ("IAS21").

Except for the Company's subsidiaries in the British Virgin Islands, the Company has determined that its subsidiaries in Chile and Argentina incur costs in United States Dollars, Canadian Dollars, Australian dollars as well as the Chilean and Argentine Pesos and therefore do not indicate a single primary currency for operating in these jurisdictions. These subsidiaries are financed entirely by its Canadian Parent and therefore act as its extension. The Company has therefore determined that the functional currency of all of its subsidiaries in Chile and Argentina is the Canadian Dollar, similar to the Parent.

FINANCIAL INSTRUMENTS

The Company's financial instruments as at June 30, 2016 consist of cash and cash equivalents, interest and option payment receivable, and accounts payable and accrued liabilities. The fair value of cash and cash equivalents, receivable, and accounts payable and accrued liabilities approximates their carrying value. There are no off-balance sheet financial instruments.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

i. Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Argentina and Chile and a portion of its expenses are incurred in US dollars, Australian dollars and in Argentine and Chilean Pesos. A significant change in the currency exchange rates between the US and Australian dollar relative to the Canadian dollar and the Argentine and Chilean Peso to the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

At June 30, 2016, the Company is exposed to currency risk through the following assets and liabilities denominated in US and Australian dollars and Argentine and Chilean Pesos:

	US Dollars	Australian Dollars	Argentine Peso	Chilean Peso
Cash and cash equivalents	9,930,873	1,374,751	5,194,976	14,863,607
Receivables and advances	-	-	2,171,933	27,871,920
Accounts payable and accrued	(108,949)	(125,595)	(4,330,177)	(21,321,319)

Based on the above net exposures as at June 30, 2016, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US and Australian dollar would result in an increase/decrease of $1,277,734 and $120,793, respectively in the Company's comprehensive loss. Likewise, a 10% depreciation or appreciation of the Canadian dollar against the Argentine and Chilean Peso would result in an increase/decrease of $26,435 and $4,231, respectively in the Company's comprehensive loss.

ii. Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held through large financial institutions. The Company's receivables primarily consist of refundable sales and income taxes due from the Federal Government of Canada and amounts due from the Company's joint venture partners with established credit worthiness. Management believes that credit risk concentration with respect to receivables is remote.

iii. 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 manages liquidity risk through the management of its capital structure and financial leverage as outlined below. As at June 30, 2016, the Company's financial liabilities consist of accounts payable and accrued liabilities totalling $784,453. All of the Company's obligations are expected to be paid within 90 days. Management believes the Company has sufficient funds to meet its liabilities as they become due.

iv. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash is limited because these investments are generally held to maturity. The applicable rates of interest on such investments range between 0.05% and 1.65%.

MANAGEMENT OF CAPITAL RISK

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, enter into joint ventures or obtain debt financing. In order to facilitate the management of its capital requirements, the Company prepares annual and quarterly expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of twelve months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company does not invest in commercial paper. The Company is not subject to externally imposed capital requirements.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Mirasol's operating expenses and exploration costs is provided above, in the Company's consolidated statements of (income) loss and in Note 9 of the Annual consolidated financial statements for the year ended June 30, 2016 that is available on Mirasol's website at www.mirasolresources.com or on its SEDAR company page accessed through www.sedar.com.

APPROVAL

The Audit Committee of the Company has approved the disclosure contained in this MD&A.

ADDITIONAL INFORMATION

Additional information relating to Mirasol is available on SEDAR at www.sedar.com and on the Company's website at www.mirasolresources.com.