MIRASOL RESOURCES LTD.

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2015

Canadian Funds

(Unaudited – Prepared by Management)

Reader's Note:

These unaudited condensed interim consolidated financial statements of Mirasol Resources Ltd. have been prepared by management and have not been reviewed by the Company's auditors

Mirasol Resources Ltd.
(An Exploration Stage Company)

Interim Consolidated Statements of Financial Position

Unaudited – Prepared by Management
Canadian Funds
As at

ASSETS		December 31, 2015		June 30, 2015
Current Assets				
Cash and cash equivalents	$	18,278,062	$	19,120,394
Short-term investments		750,000		1,200,000
Receivables, Prepaids and advances *(Note 3)*		193,331		486,844
Income taxes recoverable *(Note 8)*		3,120,000		3,032,000
		22,341,393		23,839,238
Equipment and Software		91,447		120,590
Exploration and Evaluation Assets		2,829,814		2,829,814
	$	25,262,654	$	26,789,642
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities *(Note 5)*	$	697,451	$	923,261
EQUITY				
Share Capital		37,858,186		37,858,186
Reserves		15,216,071		15,146,472
Accumulated Other Comprehensive Income		1,914		2,958
Deficit		(28,510,968)		(27,141,235)
		24,565,203		25,866,381
	$	25,262,654	$	26,789,642

Nature of Business *(Note 1)*
Subsequent Events *(Note 8)*

On Behalf of the Board:

“ Stephen C. Nano ” , Director

“ Nick DeMare ” , Director

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

Mirasol Resources Ltd.

(An Exploration Stage Company)

Interim Consolidated Statements of (Income) Loss and Comprehensive (Income) Loss

Unaudited – Prepared by Management
Canadian Funds

	For the Three Months Ended December 31		For the Six Months Ended December 31	
	2015	2014	2015	2014
Operating Expenses				
Exploration costs *(Note 4 and 5)*	$ 1,443,383	$ 1,734,098	$ 2,524,871	$ 2,854,504
Business development	73,679	2,086	114,883	304,506
Professional fees *(Note 5b)*	106,931	115,481	201,484	161,974
Management fees *(Note 5a)*	43,259	61,614	91,951	102,344
Marketing and investor communications	54,773	44,097	139,852	102,139
Office and miscellaneous	145,449	151,065	256,023	260,861
Director fees *(Note 5a)*	39,600	3,645	79,200	13,645
Travel	17,714	5,094	34,123	10,013
Depreciation	4,236	4,696	8,754	9,202
Transfer agent and filing fees	2,374	2,670	5,309	6,212
Share-based payments *(Note 6)*	51,554	-	69,599	-
	1,982,952	2,124,546	3,526,049	3,825,400
Interest income	(13,104)	(13,925)	(34,024)	(29,518)
Foreign exchange gain	(523,187)	(794,737)	(2,034,292)	(1,894,160)
Loss on investments	-	1,483,701	-	6,381,125
Net Loss for the Period before Income Taxes	1,446,661	2,799,585	1,457,733	8,282,847
Income tax recovery *(Note 8)*	(88,000)	(2,899,572)	(88,000)	(2,899,572)
Net (Income) Loss for the Period	$ 1,358,661	$ (99,987)	$ 1,369,733	$ 5,383,275
Other Comprehensive (Income) Loss to be Reclassified to Profit or Loss in Subsequent Periods				
Exchange differences on translation of foreign operations	1,734	(489)	1,044	(944)
Comprehensive (Income) Loss for the Period	$ 1,360,395	$ (100,476)	$ 1,370,777	$ 5,382,331
Basic and Diluted (Income) Loss per Share	$ 0.03	$ (0.00)	$ 0.03	$ 0.12
Weighted Average Number of Shares Outstanding	44,245,661	44,245,661	44,245,661	44,245,661

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

Mirasol Resources Ltd.

(An Exploration Stage Company)

Interim Consolidated Statements of Changes in Equity

Unaudited – Prepared by Management
Canadian Funds

	Share Capital Common Shares		Reserves	Accumulated Other Comprehensive (Loss) income	Deficit	Total
	Number	$	$	$	$	$
Balance – June 30, 2014	44,245,661	37,858,186	14,820,837	1,605	(19,222,084)	33,458,544
Foreign currency translation adjustment	-	-	-	944	-	944
Loss for the Period	-	-	-	-	(5,383,275)	(5,383,275)
Balance – December 31, 2014	44,245,661	37,858,186	14,820,837	2,549	(24,605,359)	28,076,213
Balance – June 30, 2015	44,245,661	37,858,186	15,146,472	2,958	(27,141,235)	25,866,381
Share-based payments	-	-	69,599	-	-	69,599
Foreign currency translation adjustment	-	-	-	(1,044)	-	(1,044)
Loss for the period	-	-	-	-	(1,369,733)	(1,369,733)
Balance – December 31, 2015	44,245,661	37,858,186	15,216,071	1,914	(28,510,968)	24,565,203

Mirasol Resources Ltd.

(An Exploration Stage Company)

Interim Consolidated Statements of Cash flows

For the Six Months Ended December 31

Unaudited – Prepared by Management
Canadian Funds

	2015	2014
Operating Activities		
Net loss for the period	$ (1,369,733)	$ (5,383,275)
Adjustments for:		
Realized and unrealized loss on investments	-	6,381,125
Income tax recovery	(88,000)	(2,899,572)
Share-based payments	69,599	-
Interest income	(34,024)	(29,518)
Depreciation	8,754	9,202
Depreciation included in exploration expenses	21,709	23,200
Unrealized foreign exchange	(2,023,444)	(1,999,130)
	(3,415,139)	(3,897,968)
Changes in non-cash working capital items:		
Receivables and advances	(87,277)	(142,650)
Due from joint venture partner *(Note 3)*	383,021	-
Accounts payable and accrued liabilities	(225,810)	216,084
Cash used in operating activities	(3,345,205)	(3,824,534)
Investing Activities		
Interest received	29,392	19,953
Proceeds from sale of investments	-	4,625,381
Short-term investments redeemed	450,000	-
Option payment received from joint venture partner *(Note 3)*	2,401	-
Purchase of equipment and software	(1,320)	(29,442)
Cash provided by investing activities	480,473	4,615,892
Effect of Exchange Rate Change on Cash and Cash Equivalents	2,022,400	1,647,207
Change in Cash and Cash Equivalents	(842,332)	2,438,565
Cash and Cash Equivalents - Beginning of Period	19,120,394	18,120,310
Cash and Cash Equivalents - End of Period	$ 18,278,062	$ 20,558,875

Cash and Cash Equivalents Consist of:		
Cash	$ 650,897	$ 5,798,684
Cash equivalents	$ 17,627,165	$ 14,760,191

The accompanying notes are an integral part of these condensed interim 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 600 – 890 West Pender 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

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, and based on the principles of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended June 30, 2015, which include the Company’s significant accounting policies, and have been prepared in accordance with the same methods of application.

These condensed interim consolidated financial statements were approved by the Board of Directors on February 29, 2016.

Basis of measurement

These condensed interim 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.

Significant Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income 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.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended June 30, 2015.

3. Receivables, Prepaids and Advances

	December 31, 2015	June 30, 2015
Good and services tax receivable	$ 9,819	$ 5,587
Interest receivable	6,535	1,903
Prepaid expenses and advances	176,977	93,932
Due from joint venture partners (i)	-	385,422
	$ 193,331	$ 486,844

(i) On March 25, 2015, the Company entered into a joint venture agreement (the "Letter Agreement"), granting Yamana Gold Inc. ("Yamana") the option to acquire up to a 75% interest in the Company's nine precious metals properties that define the Gorbea Belt in northern Chile (the "Gorbea Project"). For the first earn-in of 51% Yamana is required to incur, over a period of four years, annual staged expenditures totalling US$10,000,000 and make annual staged payments totalling US$2,000,000. A total of $31,185 (US$25,000) of these staged payments that was due upon signing was received by the Company on July 9, 2015. The Company proportionately allocated $2,401 to the capitalized cost of Dos Hermanos, while the remaining was netted off against the exploration costs incurred during the year ended June 30, 2015.

On July 9, 2015, the Company also received $354,237 (US$283,980) from Yamana as reimbursement of costs incurred by the Company on the Gorbea Project during the year ended June 30, 2015.

4. Exploration Costs

	For the Three Months Ended December 31 2015	2014	For the Six Months Ended December 31 2015	2014
Chile				
Camp and general	$ 1,844	$ 40,777	$ 6,386	$ 102,762
Consultants and salaries	57,783	94,464	70,185	402,577
Geophysics	2,405	9,967	4,202	45,131
Mining rights and fees	10,599	31,692	16,202	72,765
Travel	2,675	10,554	4,520	23,409
Total – Properties joint ventured to others	75,306	187,454	101,495	646,644
Assays and sampling	20,900	-	21,283	-
Camp and general	10,783	21,026	20,370	21,661
Consultants and salary	110,239	13,809	127,955	21,791
Geophysics	5,433	-	12,599	-
Mining rights and fees	31,822	3,346	51,395	5,997
Travel	14,458	66	15,131	2,148
Option payment		-		(54,956)
Total – 100% owned properties	193,635	38,247	248,733	(3,359)
Camp and general	68	93,646	216	93,818
Consultants and salary	23,034	279,611	42,530	295,331
Geophysics	3,254	69,921	3,762	71,858
Mining rights and fees	101,211	129,735	101,211	130,662
Travel	1,624	39,162	2,136	39,578
Total – Earn-in joint venture	129,191	612,075	149,855	631,247
Project Generation	408,573	286,511	831,263	515,264
Operation & Management	171,566	173,728	212,130	292,949
Total Chile	978,271	1,298,015	1,543,476	2,082,745
Argentina				
Assays and sampling	-	612	3,549	612
Camp and general	24,371	32,086	48,856	59,463
Consultants and salary	28,611	71,495	82,899	124,942
Mining rights and access fees	159,636	22,053	237,008	53,364
Travel	-	812	4,844	12,666
Total – 100% owned properties	212,618	127,058	377,156	251,047
Project Generation	99,050	69,975	344,687	74,541
Operation & Management	153,444	239,050	259,552	446,171
Total Argentina	465,112	436,083	981,395	771,759
Total Exploration Costs	1,443,383	1,734,098	2,524,871	2,854,504

5. 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:

	For the Three Months Ended December 31 2015	2014	For the Six Months Ended December 31 2015	2014
Management compensation (i)	$ 132,827	$ 113,599	$ 265,902	$ 248,911
Director's fees (ii)	39,600	3,645	79,200	13,645
	$ 172,427	$ 117,244	$ 345,102	$ 262,556

(i) Management compensation is included in Management fees (2015 - $92,000; 2014 - $80,952) and in Exploration costs (2015 - $173,902; 2014 - $167,959) in the Company's consolidated statements of loss and comprehensive loss.
(ii) The independent directors of the Company were paid $2,100 per month (2014 - $1,000 per month) while the Chairman of the Board of Directors received an additional $3,000 per month for serving in this capacity (2014 - $nil). The independent directors were also paid for serving on other 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 services
Avisar Chartered Accountants	Financial reporting and tax compliance
Chase Management Ltd.	Consulting services
Global Ore Discovery ("Global Ore")	Project generation, exploration management and GIS services

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

	For the Three Months Ended December 31		For the Six Months Ended December 31	
	2015	2014	2015	2014
Legal fees	$ 49,924	$ 69,549	$ 90,849	$ 154,792
Accounting fees	54,350	37,250	87,350	61,250
Consulting fees	-	7,596	-	23,150
Professional fees	12,300	3,000	24,600	14,000
Exploration costs and project management fees	199,888	296,481	403,814	553,626
	$ 316,462	$ 413,876	$ 606,613	$ 806,818

Included in accounts payable and accrued liabilities at December 31, 2015 is an amount of $206,613 (June 30, 2015 - $317,081) owing to directors and officers of the Company and to companies where the directors and officers are principals.

6. Incentive Stock Options

During the six months ended December 31, 2015, 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 terms of 585,000 of such stock options originally granted to related parties were also amended but were subject to the approval by the Company's shareholders (Note 8).

As a result, the Company cancelled 167,500 stock options and reissued 167,500 stock options on amended terms. The fair value of these stock options was estimated to be $33,509 using the following weighted average assumptions in the Black-Scholes option pricing model.

Expected dividend yield	0.0%
Expected share price volatility	51.13%
Risk-free interest rate	0.51%
Expected life of options	2.18 years

Additional share-based payments expense of $36,090 was recognized in the Company's statement of loss due to vesting of the stock options granted during the year ended June 30, 2015.

7. 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		December 31, 2015		June 30, 2015
Canada	$	31,257	$	40,012
Argentina		2,688,885		2,704,095
Chile		201,119		206,297
	$	2,921,261	$	2,950,404

8. Subsequent Events

(i) In February 2016 the Company signed Consulting Agreements, effective July 2015, with each of Global Ore consultants 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 (as soon as practicable) of 255,000 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 shall be issued, subject to receipt of TSX Venture Exchange ("TSXV") acceptance, and will be subject to escrow restrictions whereby 100,000 will be released upon TSXV acceptance; 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.

(ii) Mirasol received from the Canada Revenue Agency an income tax refund, inclusive of refund interest, of $3,097,701 on February 9, 2016 as a result of its corporate tax filing for the year ended June 30, 2015. As at December 31, 2015, the Company revised its estimate of such refund to $3,120,000 (June 30, 2015 - $3,032,000) and as a result income tax recovery of $88,000 is recognized in the Company's statement of (income) loss.

(iii) The Company's shareholders approved the amendment of terms of the stock options granted to the related parties of the Company at Mirasol's Annual General Meeting held on February 15, 2016.

Form 51-102F1
Management Discussion and Analysis
For Mirasol Resources Ltd

INTRODUCTION

The Management Discussion and Analysis ("MD&A") is prepared as of February 29, 2016 and is intended to supplement Mirasol Resources Ltd.'s ("Mirasol" or the "Company") unaudited condensed interim consolidated financial statements for the six months ended December 31, 2015. All financial information, unless otherwise indicated, has been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") and based on the principles of 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 unaudited condensed interim consolidated financial statements and related notes for the six months December 31, 2015.

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 and development Company focused on the discovery and acquisition of highly prospective gold, silver, and copper properties in the Atacama region of northern Chile and Argentina, and the Santa Cruz Province in southern Argentina (Figure 1). Presently, the Company holds 100% of the mineral exploration rights to a large and diverse portfolio of highly prospective properties in the region, while continuing to aggressively stake and assess new areas and pursue joint ventures in the region;. Mirasol believes that well managed and focussed exploration can deliver further discoveries in these regions.

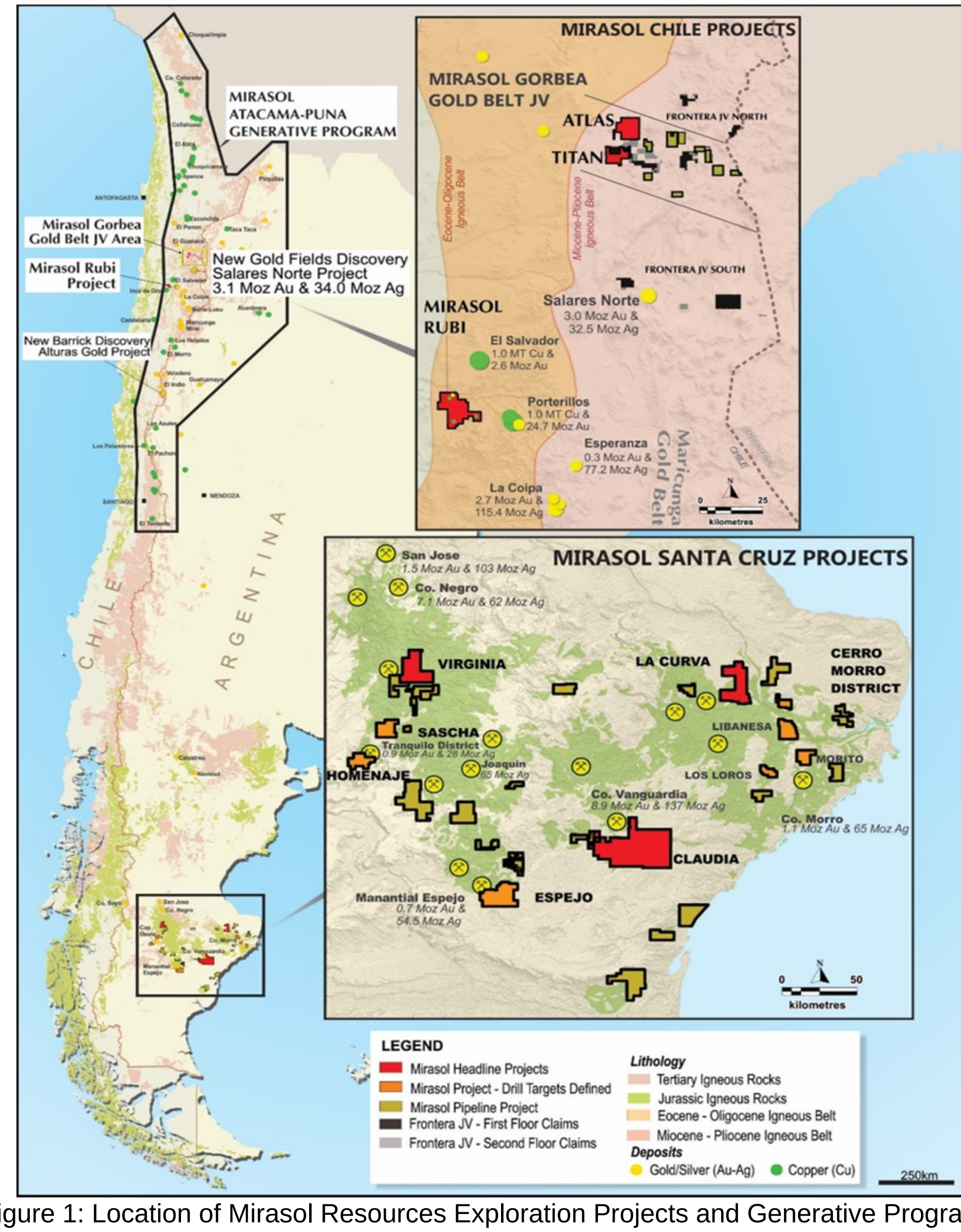

Figure 1: Location of Mirasol Resources Exploration Projects and Generative Programs.

Financial Condition

As at February 29, 2016, Mirasol remains in a strong financial position. On February 15, 2016, Mirasol received an income tax refund of $3.08 million as a result of the corporate tax filing for the 2015 financial year, leaving the company with approximately $21.2 million in the treasury. There are 44.2 million shares issued and outstanding.

Mirasol holds the majority of its working capital in US dollars and has therefore benefited from the continued strengthening of the US dollar against Mirasol's operating currencies (the Canadian and Australian dollars, and the Chilean and Argentine pesos). As a result, in Canadian dollar terms the Company's cash reserves have remained relatively stable. Mirasol's Board has been reviewing currency markets and contemplating investment strategies with the dual objectives of safeguarding the treasury and protecting returns on Mirasol's working capital.

During the three months ended December 31, 2015 ("the reporting period"), the Company incurred costs of $0.48 million on corporate administrative management, business development activities, investor relations and regulatory compliance expenditures. Mirasol also incurred $1.44 million on exploration during the same period.

Mirasol's Strong and Successful Exploration Focus

Mirasol is recognized in the industry as a successful project generator with an ever-expanding, high-quality property portfolio. Mirasol's track record is evidenced by the successful application of innovative concept-driven project generation, integrated with detailed field geologic work which identifies and transforms targets with technical merit into quality, marketable projects. Mirasol leverages this approach with strong earn-in JV deals with major mining companies, minimizing exploration risk and the use of the Company's capital, yet delivering opportunities for shareholder wealth creation through discovery. Mirasol's Joaquin and Virginia silver discoveries in Argentina were successful outcomes, which culminated in the monetization of the Joaquin project.

The Company's working capital position allows it to continue active exploration without diluting its share structure during this challenging time for the minerals industry. The reduction in exploration activity by both Mirasol's peers and major companies is seen by Mirasol as an opportunity. The Company has renewed its commitment to project generation as a core, competitive advantage activity during this period. The focus of the project generative efforts is the Company's new Atacama-Puna Program in northern Chile and Argentina. In addition, in response to the rapidly improving investment climate in Argentina on the heels of the recent Presidential election and improved investment climate, Mirasol has recommenced property accumulation in Santa Cruz, consolidating its position in mineral districts where the company already has key holdings.

Atacama – Puna Generative Region

The Company's generative program in the Atacama - Puna region (Figure 2) encompasses a 1,700 km long segment of the prolifically mineralized Tertiary aged volcanic arc of Chile and Argentina which hosts many world-class copper and gold deposits. This arc terrain hosts three north-south oriented mineral belts which are young progressively toward the east. Mirasol is focusing its activities primarily in the two bounding age belts, the Mio-Pliocene and the Paleocene Belts, where our studies suggest there exists the best combination of precious metal prospectivity and access to open ground and/or under-explored third party prospects. The Mio-Pliocene belt in-particular has been the focus of recent announcements of high sulphidation epithermal gold discoveries by Barrick Gold (Alturas) and Gold Fields (Salares Norte). Each of these contain large, near-surface, potentially bulk minable, high grade oxide gold mineralization, but had been overlooked due to their remote, high elevation location. Mirasol's Atlas and Titan gold silver projects lie directly within this belt; exploration to-date has shown these contain classic expressions of high sulphidation mineralization systems and have large areas of anomalous gold and silver exposed at surface.

In the Atacama Region, Chile, the Company's 100% owned portfolio includes:

- Exploration mineral rights to nine precious metal properties, including the Atlas and Titan projects that define the Company's *Gorbea Belt* ("the Gorbea Projects"). The Gorbea Belt is within the region encompassed by the Company's Atacama-Puna generative program (Figure 1). This program targets giant gold and copper deposits in under-explored segments of the Tertiary-aged world-class mineral belts in Chile and Argentina. The Company has a joint venture agreement granting Yamana Gold Inc. ("Yamana" or the "Gorbea JV partner") the option to acquire up to a 75% interest in the Gorbea Projects by making a series of exploration spends and cash payments to Mirasol Resources (the "Gorbea Letter Agreement").
- The Rubi Paleocene age copper-gold porphyry project located in the El Salvador copper-gold mining district. The El Salvador district hosts large scale porphyry copper mines operated by Chile's national mining company Codelco.

In the Atacama-Puna region Mirasol operates an earn-in JV agreement with a private Chilean company ("the Frontera JV"). Here, Mirasol can earn 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 Generative Region

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

- The large Claudia gold-silver project hosts five prospects with drill-ready targets and abuts the world-class Cerro Vanguardia open-pit, heap leach, and underground mine operated by AngloGold Ashanti since 1998. Co Vanguardia is hosted in a broad vein field which projects onto Mirasol's project which hosts numerous compelling exploration prospects including the recently recognized 15 km long Curahue vein trend.
- The La Curva gold project where Mirasol has recognized a potential new gold-silver district, outlining four separate, large drill-ready prospects.
- The Virginia epithermal silver project where Mirasol has outlined high-grade silver mineralization in seven separate deposits (as vein shoots) which contain initial, open pit constrained mineral resource estimate comprising Indicated category totalling 11.9 million ounces Ag at 310 g/t, and Inferred category totalling 3.1 million ounces Ag at 207 g/t.
- Mirasol also owns 100% of the mineral rights to over 17 additional precious metal properties, many with drill-ready targets defined.

While maintaining an aggressive presence, for the 2016 financial year Mirasol has budgeted for $4.6 million for exploration compared to costs in-excess of $6 million during the 2015 financial year. This reduction in spending will be achieved by implementing further exploration efficiencies, adjusting staffing levels, and reducing project holding costs. For example, the Gorbea JV costs will now be carried by our partner. Continued emphasis on reductions 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.

For accounting purposes, costs of generative exploration are not attributable to specific Mirasol projects but are consolidated under separate project generation cost centres for Chile and Argentina. Once Mirasol applies for exploration claims to secure a target area it is deemed to be a new project and subsequent expenditure is then accounted for under a separate new cost code for each new project secured.

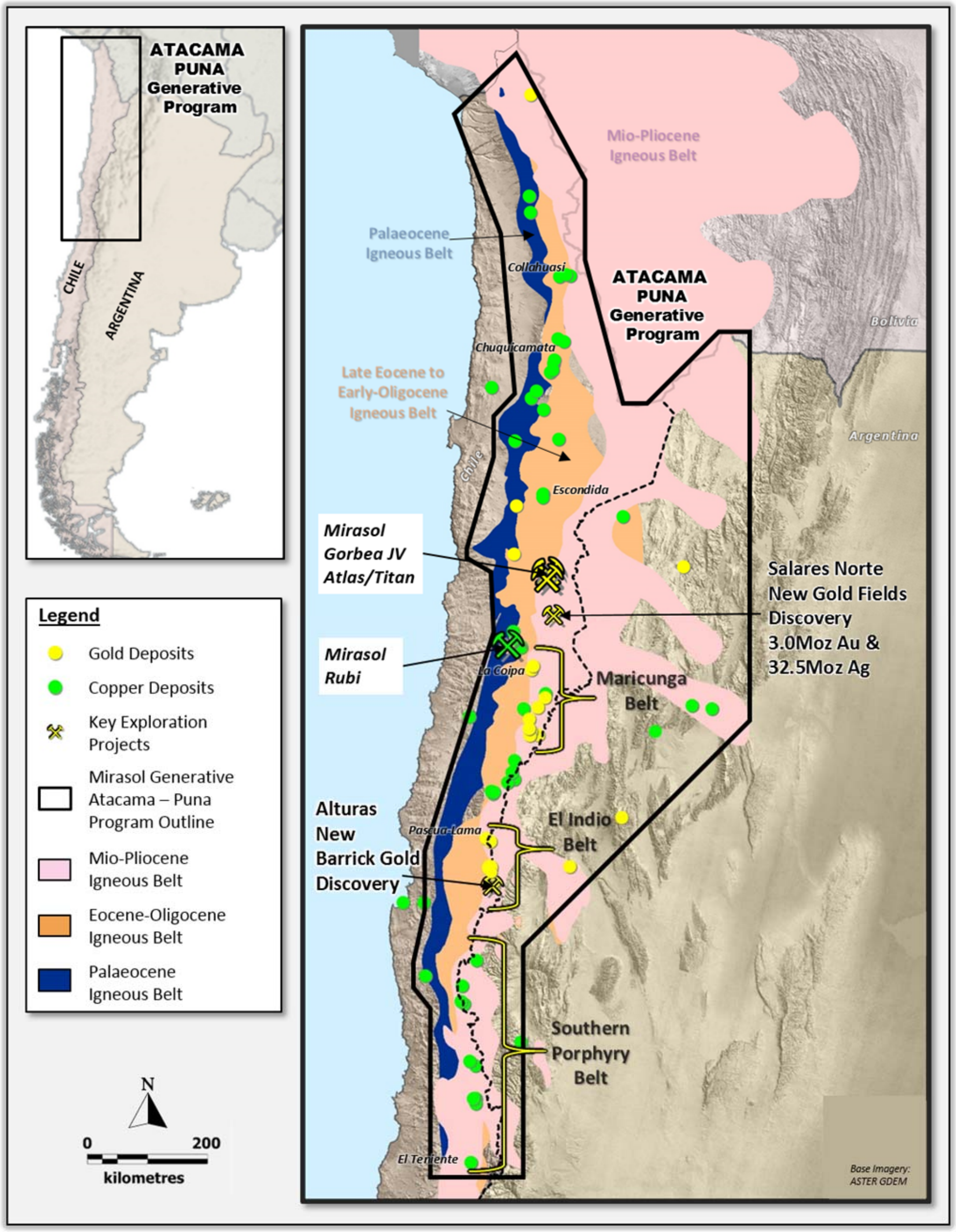

Figure 2: Mirasol's Atacama - Puna Generative Program.

HIGHLIGHTS FOR THE PERIOD OCTOBER 1, 2015 TO FEBRUARY 29, 2016

The Company's total exploration costs include new project exploration, retention costs of the existing exploration project portfolio, costs associated with preparing these projects for joint venture, project generation activities, in country operation and management, and local value added taxes. For the reporting period Mirasol invested $1.44 million (Table 1) on exploration in Chile ($0.98 million) and Argentina ($0.46 million).

Project Generation

Mirasol's generative efforts in the Mio-Pliocene and Paleocene age arcs during the period from October 1, 2015 to February 29, 2016 have led to applications for packages of new exploration claims on both the Chilean and Argentine sides of the Mio-Pliocene arc in the Southern Porphyry Belt, and throughout the under-explored segment of the arc north of the Gorbea Projects. Mirasol will make further announcements regarding these new Mio-Pliocene and Paleocene property portfolios once granting of the claims has been finalized, and the Company's claim positions have been further consolidated.

In response to the improving investment climate in Argentina, Mirasol has recommenced claim staking in Santa Cruz. This is currently focused on consolidating claims positions in key mineral districts where Mirasol already has a presence. This includes staking of new claims totaling 3,352 ha in the Homenaje District, located adjacent to the Patagonia Gold Tranquilo gold - silver resource, and 17,224 ha of claims consolidating the Company's position adjacent to the 100%-owned high grade Virginia silver resource.

Gorbea Projects – Yamana Gold JV.

Atlas: Yamana commenced drilling on October 15, with a total of 2,677 m of reverse circulation and diamond core drilled in 6 holes to December 2015. A further 2,500 m of drilling is planned to the end of April 2016. An additional 59.4 line-km of deep penetrating pole dipole IP geophysics was completed at the project during the December quarter, bringing the total IP completed at the project since inception of the JV to 124.4 line-km.

Titan: During the reporting period an integrated analysis and targeting program was completed on the previous Mirasol exploration data to identify areas for further trenching and follow-up drill testing of shallow oxide gold intersections from the 2013 scout drill campaign. During December 2015 Yamana completed 29.8 line-km of deep penetrating pole dipole IP geophysics at the project to test for deeper anomalies that may represent high sulphidation gold and porphyry copper gold mineralization.

Santa Cruz Projects

During 2015 Mirasol re-commenced the process of seeking JV partners to explore its project portfolio in Santa Cruz Province ahead of the anticipated change of federal government. This process was initially focused on companies that were already established precious metal producers in Argentina. The results of December federal election and the subsequent investment climate improvement has seen an increase in interest in Mirasol's projects, from other companies that are now considering entering Argentina to invest in exploration.

The Company has distributed datasets under confidentiality to selected companies for the Claudia, La Curva, Homenaje and Cerro Moro District properties and field reviews have also been completed. Mirasol is currently advancing discussions with a number of potential partners for Claudia and other projects.

Corporate Matters:

On November 13, the Company amended the exercise price and terms of three batches of outstanding 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 the previous range of $3.32 - $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.

As of the date of this MD&A, all holders have accepted the amended terms and the Company, as a result, has cancelled 460,000 of its previously outstanding incentive stock options. The company currently has 2,352,500 options allocated of the 4,424,566 options permissible under the company's option plan.

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 ensuing year. 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 Consulting Agreements, effective July 2015. The first agreement is with Stephen Nano to perform the duties of President, CEO and 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 shall be issued, subject to receipt of TSX Venture Exchange ("TSXV") acceptance, and will be subject to escrow restrictions whereby 100,000 will be released upon TSXV acceptance; 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.

The second consulting agreement was signed with Global Ore Discovery ("Global Ore") an Australian based consulting firm where Mr. Nano is a director and 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.

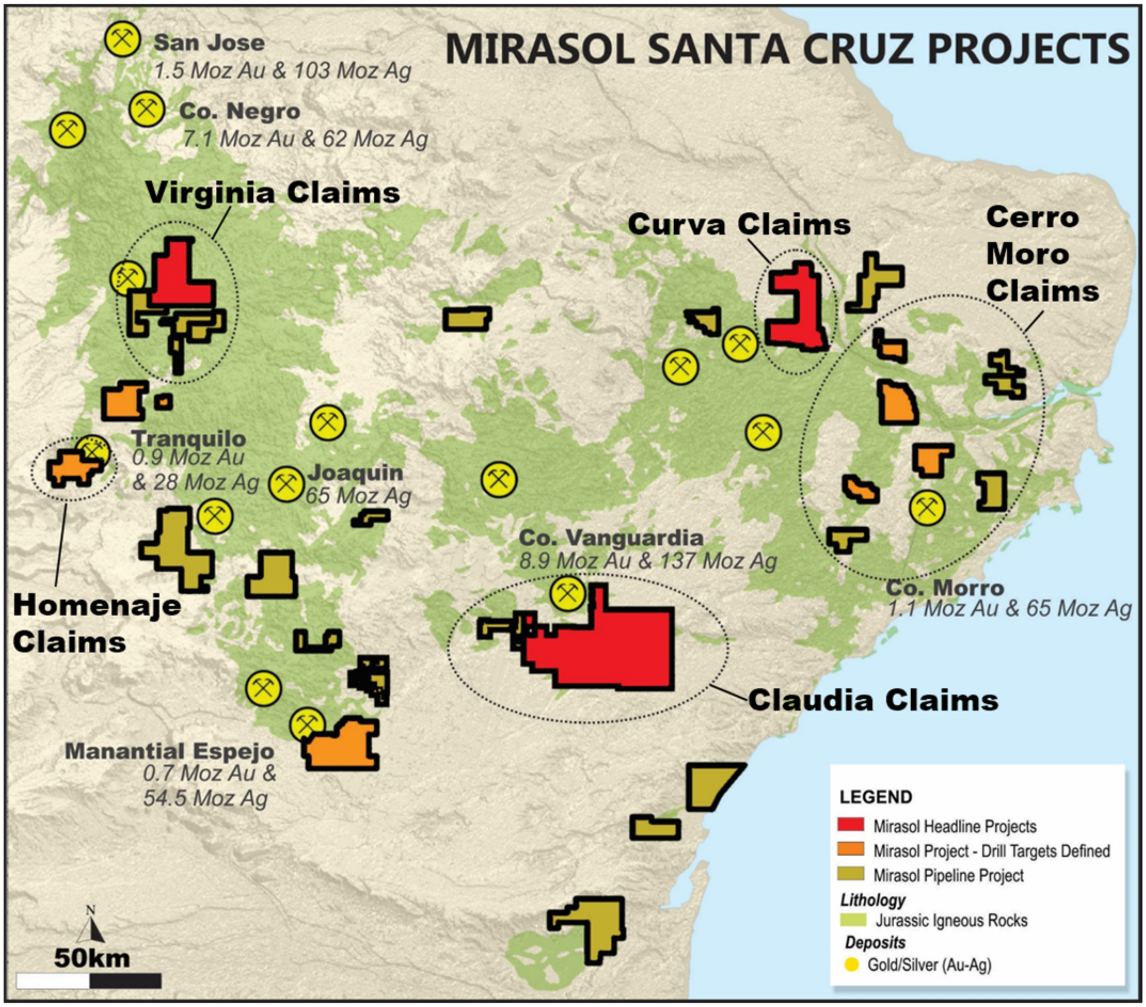

Figure 3: Santa Cruz Project Portfolio.

EXPLORATION ACTIVITIES FOR THE PERIOD OCTOBER 1, 2015 TO FEBRUARY 29, 2016

Chile and Argentina – Atacama Puna Project Generation

Generative exploration is a key strategy employed by Mirasol for identifying and acquiring new prospects. Mirasol considers both acquisition of other company properties via outright purchase or earn-in JV, and staking of open-ground opportunities via concept-driven project generation to be project generation activities.

During the reporting period, Mirasol invested $0.51 million on project generation activities in Chile and Argentina focused on the Atacama – Puma generative region.

The Atacama – Puna program (Figure 2) is mainly 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 status of the exploration industry is opening up access to quality exploration ground in Chile and Argentina which has been previously locked up for many years. Mirasol has positioned itself to take advantage of this counter-cyclic opportunity and has executed a longer-term commitment to the re-building of Mirasol's generative pipeline of projects. The Company has field teams undertaking reconnaissance mapping and sampling of a range of targets, and has commenced assembling 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). In the Mio-Pliocene age Southern Porphyry Belt, Mirasol now holds exploration rights to 30,000 ha of newly granted claims and has a further 19,500 ha under application. In the Mio-Pliocene belt north of the Maricunga Belt Chile, Mirasol has 22,400 ha of new exploration claims, and in the Paleocene belt of Chile Mirasol holds 9,700 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 unprospective and advancing more prospective areas to the JV stage, is the core process that drives Mirasol's project generation process.

Chile – Gorbea Projects

The Gorbea Projects comprises nine 100%-owned claim blocks totalling approximately 20,700 ha and includes the Titan and Atlas high-sulphidation 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 where the first earn-in option to 51% requires a spend commitment of US$10 million and cash payments of US$2 million. This includes a first year spend commitment of US$2 million, including geophysical surveys and 3,000 m of drilling at Atlas and Titan (see MD&A for the year ended June 30, 2015 for information on historical exploration and further details of the Letter Agreement with Yamana).

Yamana commenced drilling at Atlas on October 15, with a total of 2,677 m of reverse circulation and diamond core drilled in 6 holes to December 2015. This drilling targeted the

- Atlas Gold Zone: Anomalous mineralization has included surface rock chip assays up to 50.3 g/t Au and 56.9 g/t Ag, and trench results of up to 1.67 g/t Au over 14.9 m.
- Atlas Silver Zone: Trenching has outlined a section grading 39.9 g/t Ag over 55.9 m, and individual samples of up to 542 g/t Ag over 0.2 m.
- Pampa Zone: Rock-chip float sampling has returned assays of up to 2.91 g/t Au and 421 g/t Ag, and recent geophysical surveys by Yamana have outlined a resistivity anomaly under shallow post mineral cover, with dimensions of over 1 km in length.
- Oculto Trend: A Yamana IP geophysical survey expanded the dimensions of a large, covered, resistivity anomaly to over 2 km in strike.

A further 2,500 m of drilling is planned to the end of April 2016. An additional 59.4 line-km of deep penetrating pole dipole IP geophysics was completed at the project during the December quarter, bringing the total IP completed at the project since inception of the JV to 124.4 line- km.

During the reporting period an integrated analysis and targeting program was completed on the previous Mirasol exploration data to identify areas for further trenching and follow-up drill testing of shallow oxide gold intersections from the 2013 scout drill campaign. A 1,000 m trenching program and 3 hole, 600 m drill program is planned to test these targets during the March to April period.

During December 2015 Yamana completed 29.8 line-km- of deep penetrating pole dipole IP geophysics at the Titan project to test for deeper anomalies that may represent high sulphidation gold and porphyry copper gold mineralization. Processing and interpretation of this data is in progress.

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).

Mirasol is currently evaluating all data generated on the Frontera JV properties prior to any further exploration on these projects.

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 priority exploration targets generated by Mirasol's consultants from satellite imagery.

In the 2015 financial year reported an initial mineral resource estimate for the Virginia project. The report presents a conceptual open-pit constrained mineral resource estimate exclusively focused on the vein/breccia high-grade component of the mineralization (Figure 4) previously reported (news release February 7, 2013). The mineral resource estimate contains Indicated Category material totalling 11.9 million ounces Ag at 310 g/t, and Inferred Category material totalling 3.1 million ounces Ag at 207 g/t, 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).

Mirasol is not presently undertaking further exploration in the Virginia claims but has recently acquired 17,224 ha in new 100%-owned claims that consolidate the Virginia district. Once the claims consolidation process has been completed, Mirasol will start the process of seeking a JV partner to further explore and develop the project.

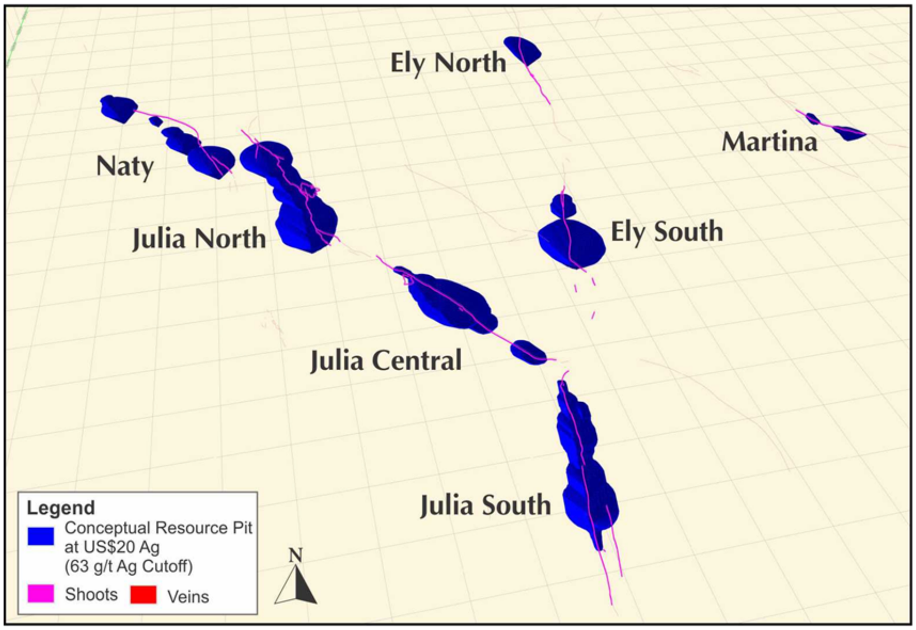

Figure 4: Virginia Conceptual Pit Configuration for Initial Mineral Resource Estimate.

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.

Argentina - 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.

The Claudia project hosts the southern extension of the Cerro Vanguardia epithermal vein field. 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, additional exploration completed in late 2013 and a new understanding of the scale of the vein system from recent desktop analysis and ground truthing of these results, has confirmed 6 separate large scale vein trends to-date over a 15 km long corridor. Previous exploration at Curahue identified the trends at Io, Europa, Ganymede and Callisto. Additional trenching of the Io Trend and further geophysics and surface geology outlined two new multi-kilometre long anomalies at the Sinope and Themisto Trends (news release July 27, 2015).

Mirasol is currently discussing terms for a potential JV at Claudia with an interested party.

Other Properties

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

RESULTS OF OPERATIONS

***Table 1**: Exploration expenditures per projects under active exploration*

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2015	2014	2015	2014
	$	$	$	$
Chile				
Gorbea Belt – Atlas Project				
Camp and general	106	21,561	169	48,805
Consultants and salaries	15,329	64,209	17,613	234,449
Geophysics	-	6,632	421	33,236
Mining rights and fees	2,515	11,922	3,327	23,264
Travel	300	4,962	300	12,042
	18,250	109,286	21,830	351,796
Gorbea Belt – Titan Project				
Camp and general	-	14,585	148	42,280
Consultants and salaries	461	28,525	4,270	160,893
Geophysics	2,127	2,014	2,751	5,502
Mining rights and fees	2,475	9,519	3,169	12,795
Travel	-	5,484	-	11,259
	5,063	60,127	10,338	232,729
Gorbea Belt – Other Projects				
Camp and general	-	4,631	-	11,677
Consultants and salaries	-	1,730	872	7,235
Geophysics	110	1,321	1,030	6,393
Mining rights and fees	5,610	10,251	9,643	36,706
Travel	-	108	-	108
	5,720	18,041	11,545	62,119
Gorbea Joint Venture Management				
Administration	1,995	-	6,069	-
Consultants and salaries	41,904	-	47,430	-
Travel	-	-	4,283	-
	46,273	-	57,782	-
Total – Properties joint ventured to other companies	75,306	187,454	101,495	646,644

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2015	2014	2015	2014
	$	$	$	$
Chile (Continued)				
Rubi				
Assays and sampling	-	-	381	-
Camp and general	-	21,026	5,180	21,661
Consultants and salary	-	13,809	18,864	21,791
Geophysics	-	-	1,221	-
Mining rights and fees	-	3,346	6,306	5,997
Travel	-	66	397	2,148
Option payment	-	-	-	(54,956)
	-	38,247	32,349	(3,359)
Chile Pipeline Projects				
Assays and sampling	20,900	-	20,902	-
Camp and general	10,783	-	15,190	-
Consultants and salary	110,239	-	109,091	-
Geophysics	5,433	-	11,378	-
Mining rights and fees	31,822	-	45,089	-
Travel	14,458	-	14,734	-
	193,635	-	216,384	-
Total – 100% owned properties	193,635	38,247	248,733	(3,359)
Frontera – Joint Venture				
Camp and general	68	93,646	216	93,818
Consultants and salary	23,034	279,611	42,530	295,331
Geophysics	3,254	69,921	3,762	71,858
Mining rights and fees	101,211	129,735	101,211	130,662
Travel	1,624	39,162	2,136	39,578
Total – Earn-in joint venture on third party projects	129,191	612,075	149,855	631,247
Project Generation	408,573	286,511	831,263	515,264
Operation & Management	171,566	173,728	212,130	292,949
Total Chile	**978,271**	**1,298,015**	**1,543,476**	**2,082,745**
Argentina				
Claudia				
Camp and general	7,369	5,844	13,570	14,567
Consultants and salary	9,566	23,747	19,755	42,022
Mining rights and access fees	48,541	12,082	64,222	26,939
Travel	-	-	2,709	2,825
	65,476	41,673	100,256	86,353

	For the Three Months Ended December 31, 2015 $	2014 $	For the Six Months Ended December 31, 2015 $	2014 $
Argentina (Continued)				
La Curva				
Assays and sampling	-	-	3,549	-
Camp and general	2,819	3,150	5,717	5,521
Consultants and salary	2,352	9,091	16,682	21,468
Mining rights and access fees	2,797	8,292	6,437	9,008
Travel	-	858	1,735	2,271
	7,968	21,391	34,120	38,268
Santa Rita and Virginia				
Assays and Sampling	-	612	-	612
Camp and general	14,530	16,511	29,041	30,173
Consultants and salary	6,315	29,236	18,962	42,514
Mining rights and access fees	16,165	3,093	17,934	8,426
Travel	11	173	338	4,586
	37,021	49,625	66,275	86,311
Argentina Pipeline Projects				
Camp and general	370	6,581	528	9,202
Consultants and salary	10,378	3,773	27,500	18,938
Mining rights and fees	91,405	2,680	148,415	8,991
Travel	-	1,335	62	2,984
	102,153	14,369	176,505	40,115
Total – 100% owned properties	212,618	127,058	377,156	251,047
Project Generation	99,050	69,975	344,687	74,541
Operation & Management	153,443	239,050	259,552	446,171
Total Argentina	**465,111**	**436,083**	**981,395**	**771,759**
Total Exploration Costs	**1,443,382**	**1,734,098**	**2,524,871**	**2,854,504**

Table 2: *Cumulative exploration costs per projects under active exploration*

	Balance at June 30, 2015 $	**Additions $**	**Balance at December 31, 2015 $**
Gorbea Belt – Atlas Project	2,606,219	21,830	2,628,049
Gorbea Belt – Titan Project	3,025,181	10,338	3,035,519
Gorbea Belt – Other Projects	1,844,489	11,545	1,856,034
Gorbea – Joint Venture Management	36,381	57,782	94,163
Rubi	1,197,571	32,349	1,229,920
Chile Pipeline Projects	-	216,384	216,384
Frontera – Joint Venture	1,806,442	149,855	1,956,297
Project Generation	2,550,950	831,263	3,382,213
Operation and Management	1,216,170	212,130	1,428,300
Total Chile Properties	**14,283,403**	**1,543,476**	**15,826,879**
Claudia	5,729,251	100,256	5,829,507
La Curva	1,637,801	34,120	1,671,921
Santa Rita and Virginia	10,287,816	66,275	10,354,091
Argentina Pipeline Projects	5,256,796	176,505	5,433,301
Project Generation	2,533,081	344,687	2,877,768
Operation and Management	6,132,607	259,552	6,392,159
Total Argentina Properties	**31,577,352**	**981,395**	**32,558,747**
Total Exploration Costs	**45,860,755**	**2,524,871**	**48,385,626**

Operations for the Six Months Ended December 31, 2015 as compared to the Six Months Ended December 31, 2014

Net loss for the six months ended December 31, 2015 (the "Current Period") was $1,369,733 or $0.03 per share compared to $5,383,275 during the six months ended December 31, 2014 (the "Comparative Period"), or $0.12 per share, a decrease in net loss of $4,013,542.

During the Comparative Period the Company experienced a significant loss due to the decline in the market value of the Company's investment in the common shares of Coeur Mining Inc. ("Coeur"), acquired by the Company as partial consideration for the sale of its interest in the Joaquin property to Coeur during the 2013 financial year. The market value of 1,087,043 shares of Coeur held by the Company declined from US$9.18 per share to US$3.77 per share (59% decline), resulting in a loss of 6,381,125. The Company sold all such shares during the Comparative Period for cash proceeds of $4,625,381.

The Company also spent more funds in the Comparative Period on exploration as described above and in Table 1 and also on business development activities as a result of Mirasol's evaluation of corporate opportunities. Combined exploration and business development costs as a result were lower in the Current Period by $519,256.

These lower costs in the Current Period described above were offset by higher compensation costs. The fees paid to Mirasol's independent directors, or to companies controlled by them, were higher during the Current Period by $76,155 as a result of the revised director compensation arrangement introduced by the Company during the fourth quarter of the 2015 financial year. In addition to the fees paid as a result of serving on the special committees of the board, the Company's independent directors were paid $2,100 per month during the Current Period compared to $1,000 per month during the Comparative Period. Mirasol also paid $3,000 per month to the chairman of its board of directors during the Current Period (2014 - $Nil). In recognition of the current market conditions, Mirasol hired a dedicated manager of investor relations during the fourth quarter of the 2015 financial year to maintain stakeholder involvement in and awareness of the Company's activities. The compensation for Mirasol's manager of investor relations was $75,000 during the Current Period. The Company also incurred $69,599 in share-based payments during the Current Period as a result of the vesting of stock options granted to the Company's manager of investor relations during the 2015 financial year and due to the recognition of the incremental fair value resulting from the amendment of the terms of the stock options granted in previous years, as described above.

Other costs incurred for the Company's operations during the Current Period remained consistent with those incurred during the Comparative Period.

The Company's gain from foreign exchange was $2,034,292 during the Current Period compared to $1,894,160 during the Comparative Period. As noted above, the Company maintains most of its working capital in US dollars and as a result the Company's results from operations are highly susceptible from change in the value of the US dollar compared to the Canadian dollar.

During the Comparative Period, the Company recorded an income tax recovery of $2,899,572, updating its estimate of income tax refund receivable from the Canada Revenue Agency ("CRA") and also due to its expectation to carry-back the 2015 financial year capital and non-capital losses against the capital gain during the 2013 financial year. During the Current Period, the Company's income tax recovery amounted to $88,000 as a result of further increasing its estimate based on the finalized tax filing for the 2015 financial year. On February 9, 2015, the Company received, inclusive of interest, $3,097,701 from the Canada Revenue Agency.

Operations for the Three Months Ended December 31, 2015 as compared to the Three Months Ended December 31, 2014

Net loss for the three months ended December 31, 2015 (the “Current Quarter”) was $1,358,661 compared to an income of $99,987 during the three months ended December 31, 2014 (the “Comparative Quarter”), an increase in loss of $1,458,648.

The income during the Comparative Quarter was attributable to the recognition of the income tax recovery of $2,899,572 (2015 - $88,000) as noted above. The Company’s total loss from operations during the Comparative Quarter was $2,124,546 (2015 - $1,982,952) and an additional loss was incurred due to the significant decline in the fair value of the Company’s investment in the common shares of Coeur of $1,483,701 (2015 - $Nil). This was offset by a gain from foreign exchange of $794,737 (2015 - $523,187) and the income tax recovery (2015 - $88,000).

The Company’s loss from operations during the Current Quarter was 1,982,952, a decrease of $141,594 from the Comparative Quarter. This was largely attributable to the lower expenditures on exploration costs by $290,715 (2015 - $1,443,383; 2014 - $1,734,098) as a result of the Company’s current joint venture with Yamana on the Gorbea Projects described above. During the Current Period, the Company spent more on generative activities. This decrease was offset by higher costs in the Current Quarter related to business development and compensation costs described above. All other costs for the Company remained consistent with the Comparative Quarter.

Selected Quarterly Information

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 $
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)
4th Quarter 2014	Nil	(3,013,516)	(0.07)	(0.07)
3rd Quarter 2014	Nil	(2,505,598)	(0.06)	(0.06)

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 also, the loss incurred in the 3rd quarter of 2015 financial year was also considerably lower than the other quarters. During the 3rd quarter of the 2015 financial year, the Company also 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.

The variation in the losses incurred by the Company during the periods prior to the 2nd quarter for the 2015 financial year are primarily due to the change in the fair value of the common shares of Coeur.

Please also see above for a discussion comparing the Company's results during the three and six months ended December 31, 2015 with the three and six months ended December 31, 2014, respectively.

LIQUIDITY

The Company's net working capital as at December 31, 2015 was $21,643,942 compared to a net working capital of $22,915,977 at June 30, 2015. During the Current Period, the Company received $385,422 from Yamana, as described above, in connection with its option agreement for an equity interest in the Gorbea Projects. The cash and short-term investment and current receivable and advances balance at December 31, 2015 were $22,341,393 compared to $23,839,238 at June 30, 2015. As at December 31, 2015 current liabilities were $697,451 compared to $923,261 at June 30, 2015. The main use of cash during the Current Period was for the Company's exploration and administrative activities. On February 9, 2016, the Company received $3,097,701 from the Canada Revenue Agency.

On February 29, 2016, the Company has 44,245,661 shares issued and outstanding. The Company also has 2,352,500 incentive stock options outstanding with a current weighted average exercise price of $1.02, which if exercised, would allow the Company to raise approximately $2.41 million.

Investing Activities

The Company received interest on its guaranteed investment certificates of $29,392 during the six months ended December 31, 2015 (2014 - $19,953). During the Comparative Period, the Company also disposed of its investment in the common shares of Coeur for cash proceeds of $4,625,381.

Financing Activities

The Company did not engage in financing activities either during the Current or the Comparative Period.

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 $22 million on December 31, 2015, the Company believes it has 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 believes it will be able to raise equity capital as required in the long term but recognizes there will be risks involved that may be 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 CEO, Exploration Manager, and the independent directors was as follows:

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2015	2014	2015	2014
	$	$	$	$
Management compensation	132,827	113,599	265,902	248,911
Director's fees	39,600	3,645	79,200	13,645
	172,427	117,244	345,102	262,556

Ongoing contractual remuneration during the Current Period, included within management compensation is as follows: CEO: $150,000; and Exploration Manager: $115,902.

In February 2016 the Company signed Consulting Agreements, effective July 2015, with each of Global Ore consultants 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 (as soon as practicable) of 255,000 stock options, subject to vesting, to key representatives of Global Ore other than Mr. Nano. The Global Ore contract contains Industry standard restraint of trade clauses in the event a renewal contract is not negotiated. The 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 shall be issued, subject to receipt of TSX Venture Exchange (“TSXV”) acceptance, and will be subject to escrow restrictions whereby 100,000 will be released upon TSXV acceptance; 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.

The Company has an arrangement whereby the independent directors of the Company are paid $2,100 per month while the Chairman of the Board of Directors receives an additional $3,000 per month for serving in this capacity. During the reporting period, the independent directors were also compensated for serving on other 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:

Related Party	**Relation**	**Nature of transactions**
Miller Thomson	Corporate Secretary is a Partner	Legal services
Avisar Chartered Professional Accountants	CFO is a Partner	Financial reporting and tax compliance
Chase Management Ltd.	Director is the President	Consulting services
Global Ore	CEO is a Director	Project generation, exploration management and GIS services

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:

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2015	2014	2015	2014
	$	$	$	$
Legal fees	49,924	69,549	90,849	154,792
Accounting fees	54,350	37,250	87,350	61,250
Consulting fees	-	7,596	-	23,150
Professional fees	12,300	3,000	24,600	14,000
Exploration costs and project management fees	199,888	296,481	403,814	553,626
	316,462	413,876	606,613	806,818

Included in accounts payable and accrued liabilities at December 31, 2015 is an amount of $206,613 (June 30, 2015 - $317,081) owing to directors and officers of the Company and to companies where the directors and officers are principals.

SIGNIFICANT 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, 2015. The Company did not adopt any significant new accounting policies during the reporting period.

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.

In preparing the Company's condensed interim consolidated financial statements for the six months ended December 31, 2015, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended June 30, 2015.

FINANCIAL INSTRUMENTS

The Company's financial instruments as at December 31, 2015 consist of cash and cash equivalents, interest receivable, and accounts payable and accrued liabilities. The fair value of all these instruments approximates their carrying value. There are no off-balance sheet financial instruments.

The Company's exposure to risk is primarily related to the fluctuation of foreign exchange rates on its financial instruments. The Company operates in Canada, Argentina and Chile and a portion of its transactions 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.

Capital Management

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 4 of the interim condensed consolidated financial statements for the six months ended December 31, 2015 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.