MIRASOL RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2018

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, 2018 and 2017 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, 2018 and 2017, 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 26, 2018

Mirasol Resources Ltd.

Consolidated Statements of Financial Position

Canadian Funds
As at

ASSETS		June 30, 2018		June 30, 2017
Current Assets				
Cash and cash equivalents	$	2,892,948	$	4,629,130
Short-term investments *(Note 6)*		23,650,478		16,792,765
Receivables and advances *(Note 7)*		733,591		544,502
		27,277,377		21,966,397
Equipment and Software *(Note 8)*		101,661		103,677
Exploration and Evaluation Assets *(Note 9)*		3,000,762		3,000,762
	$	30,379,800	$	25,070,836
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities *(Note 10)*	$	743,842	$	532,649
Advances from JV Partner *(Note 9)*		67,892		-
		811,734		532,649
EQUITY				
Share Capital *(Note 11)*		57,426,143		48,303,568
Reserves		16,615,061		16,361,942
Accumulated Other Comprehensive loss		(28,122)		(23,438)
Deficit		(44,445,016)		(40,103,885)
		29,568,066		24,538,187
	$	30,379,800	$	25,070,836

Nature of Business *(Note 1)*
Subsequent Event *(Note 14)*

On Behalf of the Board:

“ Stephen C. Nano ” , Director

“ Nick DeMare ” , Director

Mirasol Resources Ltd.

Consolidated Statements of Loss and Comprehensive Loss

For the Years Ended June 30
Canadian Funds

		2018		2017
Operating Expenses				
Exploration expenditures *(Note 9 and 10b)*	$	2,762,028	$	4,105,942
Business development		667,361		297,574
Share-based payments *(Note 11c)*		500,620		711,454
Management fees *(Note 10a)*		478,613		320,473
Office and miscellaneous		307,142		529,691
Marketing and investor communications		241,370		489,116
Director's fees *(Note 10a)*		186,241		135,623
Professional fees *(Note 10b)*		170,141		197,397
Travel		98,369		42,153
Transfer agent and filing fees		40,871		58,549
Depreciation *(Note 8)*		5,229		14,490
		(5,457,985)		(6,902,462)
Interest income		360,756		157,577
Foreign exchange gain (loss)		756,098		(200,762)
		1,116,854		(43,185)
Loss for the Year	$	(4,341,131)	$	(6,945,647)
Other Comprehensive loss to be Reclassified to Profit or Loss in Subsequent Periods				
Exchange differences on translation of foreign operations		(4,684)		(159)
Loss and Comprehensive Loss for the Year		(4,345,815)		(6,945,806)
Loss per Share (Basic and Diluted)	$	(0.09)	$	(0.15)
Weighted Average Number of Shares Outstanding (Basic and Diluted)		49,450,240		47,781,853

Mirasol Resources Ltd.

Consolidated Statement of Changes in Equity

Canadian Funds

	Share Capital Common Shares		Reserves	Accumulated Other Comprehensive Loss	Deficit	Total
	Number	$	$	$	$	$
Balance – June 30, 2016	**44,664,411**	**38,393,240**	**15,418,454**	**(23,279)**	**(33,158,238)**	**20,630,177**
Shares issued – Rights offering	4,166,667	10,000,000	-	-	-	10,000,000
Shares issue costs	-	(492,138)	339,700	-	-	(152,438)
Option exercised *(Note 11b)*	285,000	402,466	(107,666)	-	-	294,800
Share-based payments *(Note 11c)*	-	-	711,454	-	-	711,454
Foreign currency translation adjustment	-	-	-	(159)	-	(159)
Loss for the year	-	-	-	-	(6,945,647)	(6,945,647)
Balance – June 30, 2017	**49,116,078**	**48,303,568**	**16,361,942**	**(23,438)**	**(40,103,885)**	**24,538,187**
Shares issued – Private Placement	4,317,750	8,635,500	-	-	-	8,635,500
Share issue costs	-	(196,090)	-	-	-	(196,090)
Option exercised *(Note 11b)*	388,800	683,165	(247,501)	-	-	435,664
Share-based payments *(Note 11c)*	-	-	500,620	-	-	500,620
Foreign currency translation adjustment	-	-	-	(4,684)	-	(4,684)
Loss for the year	-	-	-	-	(4,341,131)	(4,341,131)
Balance – June 30, 2018	**53,822,628**	**57,426,143**	**16,615,061**	**(28,122)**	**(44,445,016)**	**29,568,066**

Mirasol Resources Ltd.

Consolidated Statement of Changes in Cash flows

For the Years Ended June 30

Canadian Funds

	2018	2017
Operating Activities		
Loss for the year	$ (4,341,131)	$ (6,945,647)
Adjustments for:		
Share-based payments	500,620	711,454
Interest income	(360,756)	(157,577)
Depreciation	5,229	14,490
Depreciation included in exploration expenses	29,562	24,431
Unrealized foreign exchange	91,592	18,531
	(4,074,884)	(6,334,318)
Changes in non-cash working capital items:		
Receivables and advances	166,110	(125,909)
Due from joint venture partners – receivables and advances	-	-
Accounts payable and accrued liabilities	211,193	(251,804)
Advance from joint venture partner	67,892	-
Income taxes received	-	-
Cash used in operating activities	(3,629,689)	(6,712,031)
Investing Activities		
Short-term investments	(6,857,713)	(16,333,765)
Acquisition of exploration and evaluation assets	(61,491)	-
Recovery of exploration and evaluation assets	61,491	-
Interest received	5,197	23,476
Purchase of equipment and software	(32,775)	(77,333)
Cash used in investing activities	(6,885,291)	(16,387,622)
Financing Activities		
Shares issued, net of issuance costs	8,439,410	9,847,562
Exercise of incentive share purchase options	435,664	294,800
Cash provided by financing activities	8,875,074	10,142,362
Effect of Exchange Rate Change on Cash and Cash Equivalents	(96,276)	(18,690)
Change in Cash and Cash Equivalents	(1,736,182)	(12,975,981)
Cash and Cash Equivalents - Beginning of Year	4,629,130	17,605,111
Cash and Cash Equivalents - End of Year	$ 2,892,948	$ 4,629,130
Supplemental Schedule of Non-Cash Investing and Financing Transactions:		
Fair value of options exercised	$ 247,501	$ 107,666
Fair value of bonus warrants	$ -	$ 339,700
Cash and Cash Equivalents Consist of:		
Cash	$ 2,498,954	$ 1,415,944
Cash equivalents	$ 393,994	$ 3,213,186
	$ 2,892,948	$ 4,629,130

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 400 – 725 Granville Street, Vancouver, British Columbia and the head office is located at 910 – 850 West Hastings Street, Vancouver, British Columbia.

Mirasol engages in the acquisition and exploration of 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 estimates that the Company has sufficient working capital to maintain its operations and activities for at least 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 International Financial Reporting 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 26th, 2018.

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, 2018 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%
La Curva Exploraciones S.A.	Mineral exploration	Argentina	100%
Oroaustral Exploraciones 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 transactions and balances have been eliminated upon consolidation.

La Curva Exploraciones S.A and Oroaustral Exploraciones S.A were incorporated as of July 10, 2017 and December 28, 2017 respectively in order to carry out exploration on joint ventured projects.

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, 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, 2018.

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 including the British Virgin Islands 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 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., La Curva Exploraciones S.A., Oroaustral Exploraciones 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.

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 the balance is tested for impairment and 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. JV management fees are included in exploration expenditures on the statement of loss and comprehensive loss.

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.

o) Share Capital

Common shares of the Company are classified as equity. Transactions costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effect.

The Company uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the quoted bid price on the issuance date. The balance, if material, was allocated to the attached warrants. Any fair value attributed to the warrants on exercise is recorded as equity. If the warrants are exercised the related reserves are reclassified from reserves to share capital.

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. Adoption of this standard is not expected to have a significant impact on the Company other than increased disclosure.

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. Adoption of this standard is not expected to have an impact on the Company.

c) IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases.

The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of the standard on the Company.

5. Financial Instruments

Categories of financial instruments

	June 30, 2018	June 30, 2017
Financial assets		
Fair Value Through Profit or Loss		
Cash and cash equivalents	$ 2,892,948	$ 4,629,130
Short-term investments	23,650,478	16,792,765
Loans and receivables		
Receivables and advances	568,692	396,323
	$ 27,112,118	$ 21,818,218
Financial liabilities		
Other financial liabilities		
Advances from JV Partner	$ 67,892	$ -
Accounts payable and accrued liabilities	743,842	532,649
	$ 811,734	$ 532,649

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, 2018	June 30, 2017
Level 1		
Cash and cash equivalents	$ 2,892,948	$ 4,629,130
Short-term investments	$ 23,650,478	$ 16,792,765

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 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 adjusts 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.

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, 2018, 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	1,124,657	128,522	12,059,164	139,740,623
Short-term investments	8,250,001	1,660,252		
Receivables and advances	200,000	-	1,819,899	23,846,893
Accounts payable and accrued liabilities	(13,763)	(95,570)	(4,452,833)	(121,721,852)

Based on the net exposures as at June 30, 2018, 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 $1,273,824 and $168,972, 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 $45,228 and $8,582, 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 interest receivable due from major financial institutions on short term investments. 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, 2018, the Company's financial liabilities consist of accounts payable and accrued liabilities totalling $743,842. 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 and cash equivalents is limited because these investments are generally held to maturity. The applicable rates of interest on such investments range between 0.05% and 3.25%.

(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. Short-term Investments

Short term investments comprise cashable and non-cashable Guaranteed Investment Certificates ("GIC") placed with major Canadian and US financial institutions. Maturity dates of these GIC's are between three to twelve months.

7. Receivables and Advances

		June 30, 2018		June 30, 2017
Goods and services tax receivable	$	10,134	$	7,961
Income taxes recoverable		-		23,991
Interest receivable		199,656		129,345
Prepaid expenses and advances		165,259		116,227
Due from joint venture partners		358,902		266,978
	$	733,951	$	544,502

8. Equipment and Software

		Exploration Equipment		Computer Hardware		Computer Software		Total
Cost								
Balance as at June 30, 2016	$	399,898	$	57,883	$	37,834	$	495,615
Additions for the year		77,333		-		-		77,333
Balance as at June 30, 2017	$	477,231	$	57,883	$	37,834	$	572,948
Additions for the year		-		32,775		-		32,775
Balance as at June 30, 2018	$	477,231	$	90,658	$	37,834	$	605,723
Accumulated Depreciation								
Balance as at June 30, 2016	$	364,670	$	38,924	$	26,756	$	430,350
Depreciation for the year		22,156		5,687		11,078		38,921
Balance as at June 30, 2017	$	386,826	$	44,611	$	37,834	$	469,271
Depreciation for the year (i)		27,122		7,669		-		34,791
Balance as at June 30, 2018	$	413,948	$	52,280	$	37,834	$	504,062
Carrying Amounts								
As at June 30, 2017	$	90,405	$	13,272	$	-	$	103,677
As at June 30, 2018	$	63,283	$	38,378	$	-	$	101,661

(i) Allocated between depreciation expense ($5,229) (2017 - $14,490) and exploration costs ($29,562) (2017- $24,431) 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, 2017	Cost	Recoveries	Balance at June 30, 2018
Chile				
Atlas - Dos Hermanos	$ 171,777	$ -	$ -	$ 171,777
Zeus	-	61,491	(61,491)	-
Argentina				
Santa Rita and Virginia	2,808,819	-	-	2,808,819
Pipeline projects	20,166	-	-	20,166
	$ 3,000,762	$ 61,491	$ (61,491)	$ 3,000,762

	Balance at June 30, 2016	Cost	Recoveries	Balance at June 30, 2017
Chile				
Atlas - Dos Hermanos	$ 171,777	$ -	$ -	$ 171,777
Argentina				
Santa Rita and Virginia	2,808,819	-	-	2,808,819
Pipeline projects	20,166	-	-	20,166
	$ 3,000,762	$ -	$ -	$ 3,000,762

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 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.

ii. Titan Property

The Company holds a 100% interest in the Titan Property in northern Chile. The property was acquired by staking on open ground.

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

On March 25, 2015, the had 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 entitled 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. After the first earn-in, Yamana could earn up to 75% interest.

On April 13, 2018, the agreement was terminated.

b) 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.

The Frontera JV Agreement provided for the Company 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. On March 7, 2017 the Company terminated the agreement.

c) Altazor Property

The Company owns a 100% interest in mining claims of Altazor gold project in Northern Chile.

On November 7, 2017, the Company signed an exploration and option agreement with Newcrest International Pty Limited ("NCM") on the Altazor property whereby, NCM has been granted the option to acquire up to an 80% interest in the property, exercisable in stages over a nine-year, or shorter, earn-in period. The agreement requires NCM to fund US$1.5 million in exploration expenditures and make a US$100,000 option payment (received) in the first year of the option. The Company will serve as operator for exploration during the option period in return for 10% management fee.

NCM can earn up to 51% of the interest of the property by making a one-time US$500,000 cash payment to the Company at the start of the earn in period and by spending an additional US$8.5 million in exploration within the next four years of the agreement.

NCM can earn in stages up to a 75% interest in the property by delivering a positive preliminary economic assessment ('PEA') and a bankable feasibility study ('BFS') (total expenditure capped at US$100 million after the completion of the PEA stage) and by making US$1.3 million cash payments to the Company within the four years after earning the 51% interest.

The Company can retain a participating 25% interest in the project or 20% funded-to production interest with NCM financing the development cost to the production. The agreement is in good standing as of June 30, 2018.

d) Zeus Property

The Company owns a 100% interest in certain mining claims of which now forms part of the Zeus gold project in Northern Chile acquired by way of staking.

During the year ended June 30, 2018, the Company acquired another project by way of option agreement and consolidated to form part of the Zeus project.

The Company can acquire the claims under option agreement by making staged option payments totalling US$2.747 million over 5 years with US$2.45 million of the payments due in the 5th year of the option and incur US$300,000 in exploration expenditures within 3 years. The property owner will retain 1.5% NSR royalty. The Company has a right to buy 0.5% of the royalty for US$3.0 million. Option payments are due as follows:

On signing (paid)	US $12,000
On or before October 10, 2018 (paid)	US $30,000
On or before October 10, 2019	US $50,000
On or before October 10, 2020	US $70,000
On or before October 10, 2021	US $90,000
On or before October 10, 2022	US $2,495,000
Total	US $2,747,000

On February 22, 2018, the Company signed an exploration and option agreement with NCM whereby, NCM has been granted the option to acquire up to an 80% interest in the property, exercisable in stages over a nine-year, or shorter, earn-in period. The agreement requires NCM to fund US$1.5 million in exploration expenditures in the first 18 months and make a US$100,000 option payment (received) upon signing option agreement. The Company will serve as operator for exploration during the option period in return for 10% management fee.

NCM can earn up to 51% of the interest of the property by making a one-time US$400,000 cash payment to the Company at the start of the earn in period and by spending an additional US$8.0 million in exploration within the next four years of the agreement.

NCM can earn in stages up to a 65% interest in the property by delivering a positive preliminary economic assessment ('PEA') and a bankable feasibility Study ('BFS') (total expenditure capped at US$100 million after the completion of the PEA stage) and by making US$1.3 million cash payments to the Company within the four years after earning the 51% interest.

The Company can retain a participating 25% interest in the project or 20% funded-to production interest with NCM financing the development cost to the production. The agreement is in good standing as of June 30, 2018.

Argentina

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

e) Claudia Property

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

On October 20, 2017, the Company signed a definitive agreement with OceanaGold Corporation ("OGC") whereby, OGC has been granted the option to acquire up to a 75% interest in the property, exercisable in 4 stages over an eight-year, or shorter, earn-in period. The agreement requires OGC to make a first-year commitment of US$1.75 million in exploration expenditures, complete 3,000 metres of drilling, and make a US$100,000 option payment (received) to the Company on signing the Agreement.

The first earn-in option for OGC to earn 51% interest over four years from the date of Agreement requires spending US$10.5 million on exploration, making US$1 million in payments to the Company. The Company will serve as operator for exploration for first year in return for 5% management fee and the Company will retain a 30% funded-to production interest in the property. The agreement is in good standing as of June 30, 2018.

f) La Curva Property

The Company owns a 100% interest in mining claims of La Curva property in the Santa Cruz Province of Argentina.

On May 25, 2017, the Company signed an exploration and option agreement with OGC whereby OGC has been granted the option to acquire up to a 75% interest in the La Curva Project, exercisable in 5 stages over an eight-year, or shorter, earn-in period.

The agreement requires OGC to make a first-year commitment of US$1.25 million in exploration expenditures, complete 3,000 metres of drilling, and make a US$100,000 (received) option payment to the Company on signing the Agreement.

The first earn-in option for OGC to earn 51% interest over four years from the date of Agreement requires spending US$7 million on exploration, making US$1.5 million in payments to the Company. The Company will serve as operator for exploration for first year in return for 5% management fee and the Company will retain a 30% funded-to production interest in the property. The agreement is in good standing as of June 30, 2018.

g) 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.

h) Pipeline Projects:

The Company 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, 2018 resulting in a write-off of $Nil (June 30, 2017 - $Nil).

i) Advances to/from joint venture partners:

The Company is the operator for four joint venture projects. As of June 30, 2018, the Company has $67,892 (2017-$Nil) of unspent exploration advances. Expense reimbursement receivable of $118,467 is included in accounts receivable as of June 30, 2018.

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, 2018		2017
Management compensation (i)	$	501,273	$	514,369
Share-based payments (ii)		261,084		250,749
Director's fees (iv)		186,241		135,623
	$	948,598	$	900,741

(i) Management compensation is included in Management fees (2018 - $272,046; 2017 - $211,804) and in exploration expenditures (2018 - $229,227; 2017 - $302,565).

(ii) Share-based payments represent the expense for the years ended June 30, 2018 *(Note 11c)* and 2017.

(iii) In February 2016, the Company signed Consulting Agreements, effective July 2015, with each of Global Ore Discovery Pty Ltd. ("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 a minimum monthly retainer of Australian Dollar ("AUD") $35,000. 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 for a term expiring on June 30, 2018 and was renewed on a month to month basis upon its expiry and provides for payment of a consulting fee of $25,000 per month. 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 (2017 - $2,100 per month) while the Chairman of the Board of Directors receives an additional $3,000 per month for serving in this capacity (2017 - $3,000). On June 14, 2017, the Chairman of the Board was appointed Executive Chairman and is paid an additional $4,100 per month.

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
Global Ore Discovery Pty Ltd.	Project generation, exploration management and GIS services
Evrim Resources Corp. ("Evrim")	CFO services, office administration support services and office sharing

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

	Year Ended June 30, 2018		2017
Legal fees	$ 189,138	$	226,101
CFO services	101,750		72,588
Office sharing and administration services	49,440		87,316
Project generation, exploration expenses and GIS services	711,619		965,443
	$ 1,051,947	$	1,351,448

The Company had entered into an agreement with Evrim, a company with common management, to share CFO services, Administration services and office space. The Agreement was renewed on a month to month basis upon its expiry on February 28, 2018.

Included in accounts payable and accrued liabilities at June 30, 2018, is an amount of $153,904 (2017 - $149,287) 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) Changes in Share Capital

(i) **Financing**

During the year ended June 30, 2018, the Company completed a non-brokered private placement issuing 4,317,750 units for gross proceeds of $8,635,500. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each full warrant is exercisable into one common share at a price of $3.00 for two years from the closing date.

The Company incurred $126,750 cash finder's fees, $69,340 for regulatory and other related fees.

(ii) **Rights offering**

During the year ended June 30, 2017, 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 expired unexercised on March 23, 2017. The fair value of these bonus warrants was estimated to be $339,700 using the following weighted average assumptions in the Black-Scholes option pricing model.

Expected dividend yield	0.0%
Expected share price volatility	73.06%
Risk-free interest rate	0.58%
Expected life of options	0.5 years

The Company incurred $152,438 of share issuance costs in connection with the rights offering.

(iii) **Options exercised**

During the year ended June 30, 2018, the Company issued 388,800 (2017 - 285,000) shares on exercise of share purchase option for gross proceeds of $435,664 (2017 - $294,800). The options had a fair value of $247,501 (2017 - $107,666).

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, 2018, a total of 5,382,263 options were reserved under the option plan with 3,065,826 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, 2016	2,553,750	$1.07
Granted	740,876	$2.81
Exercised	(285,000)	$1.03
Expired	(25,000)	$1.55
Options outstanding as at June 30, 2017	2,984,626	$1.50
Granted	935,000	$1.70
Exercised	(388,800)	$1.12
Expired / Forfeited	(465,000)	$1.08
Options outstanding as at June 30, 2018	3,065,826	$1.67
Options exercisable at June 30, 2018	2,840,826	$1.68

(ii) Fair value of share purchase options granted

During the year ended June 30, 2018, the Company amended the vesting provisions and adjusted 500,000 options issued during 2015 to 100,000 options. As a result, the Company recognized a credit of $74,805 related to stock-based compensation.

Total share-based payments recognised for the year ended June 30, 2018 amounted to $500,620 (June 30, 2017 - $711,454).

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, 2018	2017
Expected dividend yield	0.0%	0.0%
Expected share price volatility	64.46%	49.19%
Risk-free interest rate	1.57%	0.576%
Expected life of options	2.33 years	2.13 years
Fair value of options granted (per share option)	$0.65	$0.36

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

A summary of the Company's options outstanding as at June 30, 2018 is as follows:

Expiry Date	Exercise price $	Options Outstanding	Weighted Average Remaining Life of Options (years)	Options Exercisable
December 16, 2018	0.88	3,750		3,750
March 23, 2019	0.88	165,000		165,000
August 4, 2019	0.88	142,500		142,500
May 14, 2018*	1.28	238,700		238,700
April 29, 2021	0.88	545,000		545,000
April 29, 2021	1.38	320,000		240,000
August 26, 2019	2.85	715,876		715,876
September 12, 2021	1.80	150,000		70,000
September 12, 2020	1.80	235,000		235,000
December 19, 2020	1.61	200,000		200,000
December 20, 2020	1.65	350,000		285,000
		3,065,826	1.92	2,840,826

* As of June 30, 2018, the options remain outstanding as the Company has an obligation to extend the expiry date pursuant to the terms of the option.

d) Warrants

On June 8, 2018, the Company issued 2,158,875 of share pruchase warrants with an exercise price of $3.00 expirying in twenty-four months. These warrants were outstanding as of June 30, 2018 (2017-Nil). During the year ended June 30, 2017, 500,000 share purchase warrants were granted with an exercise price of $2.40. The share purchase warrants were issued in connection with the Company's Right offering (Note 11 b (i)) and expired on March 23, 2017.

e) Restricted Share Unit ("RSU") Plan

On April 26th, 2018 the shareholders approved a restricted share unit plan (the "RSU Plan"). The RSU plan was also approved by the Board on July 16th 2018 and by the TSX Venture Exchange on July 17, 2018. The RSU Plan provides for the issuance of up to 1,000,000 restricted share units (the "RSUs"). Under the RSU Plan, RSUs may be granted to directors, officers, employees and consultants of the Company (excluding investor relations consultants) as partial compensation for the services they provide to the Company. The RSU Plan is a fixed number plan, and the number of common shares issued under the RSU Plan, when combined with the number of stock options available under the Company's stock option plan, will not exceed 10% of the Company's outstanding common shares. The Company's Compensation Committee and Board of Directors have approved an award of 110,000 RSUs. Subsequent to June 30, 2018, 30,000 RSU's were granted.

12. Segmented Information

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

Total Non-Current Assets		June 30, 2018		June 30, 2017
Canada	$	27,983	$	7,959
Argentina		2,844,780		2,842,013
Chile		229,660		254,467
	$	3,102,423	$	3,104,439

13. Income Taxes

The Company is subject to Canadian federal and provincial tax for the estimated taxable income at a rate of 26%. 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, 2018		Year Ended June 30, 2017
Net loss before income taxes	$	(4,341,131)	$	(6,945,647)
Canadian federal and provincial income tax rates		26.50%		26.00%
Expected income tax recovery based on the above	$	(1,150,400)	$	(1,805,868)
Non-deductible expenses		216,756		220,512
Change in statutory and foreign tax rates		710,673		(54,013)
Tax effect of deferred tax assets for which no tax benefit has been recorded		(2,316,280)		2,865,419
Foreign exchange and other		2,539,251		(1,226,050)
Total income tax recovery	$	-	$	-

In September 2017, the British Columbia (BC) Government proposed changes to the general corporate income tax rate to increase the rate from 11% to 12% effective January 1, 2018 and onwards. This change in tax rate was substantively enacted on October 26, 2017. The relevant deferred tax balances have been re-measured to reflect the increase in the Company's combined Federal and Provincial (BC) general corporate income tax rate from 26% to 27%.

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

		June 30, 2018		June 30, 2017
Unrecognized deferred income tax assets:				
Non-capital losses	$	2,552,000	$	2,182,224
Exploration and evaluation assets		3,639,936		6,359,253
Share issue costs		67,051		31,707
Other		12,154		14,234
Total unrecognized deferred income tax assets	$	6,271,140	$	8,587,418

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, 2018		June 30, 2017	Expiry date Range
Non-capital losses	$	9,403,016	$	7,409,201	See below
Exploration and evaluation assets		12,413,823		18,824,237	Not applicable
Share issue costs		248,336		121,950	2036
Other		45,121		42,533	Not applicable

As at June 30, 2018, an estimated income tax refund of $Nil (2017 - $23,991) is recognized in receivables and advances (Note 7). Income taxes recoverable includes a recovery of $Nil (2017 – $23,991 related to realized capital losses that are carried back and applied against capital gains reported during the year ended June 30, 2013 / 2014.

The Company has non-capital loss carry-forwards of approximately $9,403,016 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:

		Canada		Argentina		Chile
2019	$	-	$	288,009	$	-
2020		-		504,701		-
2021		-		-		-
2022		-		770,576		-
2023		-		39,642		-
2035 to 2038		6,054,954		-		-
No-expiry		-		-		1,745,134
	$	6,054,954	$	1,602,928	$	1,745,134

14. Subsequent Event

On October 17, 2018, the Company signed an exploration and option agreement (the “Agreement”) with Hochschild Mining (“HOC”) on its Indra project in Chile. The Indra project was generated through the generative efforts of the Company.

HOC has been granted the option to acquire up to a 70% interest in the Indra project, exercisable in 5 stages over an eight-year, or shorter, earn-in period.

The Agreement requires HOC to make a minimum spend commitment of US$800,000 in exploration expenditures in the first 18-months of the exploration program, and complete 1,500 metres of drilling within 30 months of the date of the Agreement. In addition, a US$50,000 option payment (received) is to be made to the Company upon signing the Agreement.

The first earn-in option for HOC to earn 51% interest over three years (total 4.5 years) from the date of the Agreement requires spending an additional US$5.2 million on exploration and making two staged payments totalling US$675,000 to the Company. The Company will retain a 30% funded-to production interest in the Indra project.

The Company will serve as operator during the option phase in return for a 10% management fee on values less than US$250,000 and 5% fee on over US$250,000.

On July 17, 2018 a total of 60,000 incentive stock options were granted with an exercise price $1.76 per share for a period of three years. The options vest 50% on grant with the remaining balance vesting in six months.

Management Discussion and Analysis
For Mirasol Resources Ltd.
("Mirasol" or the "Company")

INTRODUCTION

The Management Discussion and Analysis ("MD&A") is prepared as of October 26, 2018 and is intended to supplement Company's annual audited consolidated financial statements for the year ended June 30, 2018 ("Current Period"). 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 the year ended June 30, 2018.

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. The material factors and assumptions used to develop forward-looking information include, but are not limited to, the future prices of gold, silver and copper, success of exploration activities, permitting time lines, currency exchange rate fluctuations, government regulation of mining operations, environmental risks, the estimation of mineral resources, capital expenditures, costs and timing of the development of new discoveries, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage, continued availability of capital and financing, and general economic, market or business conditions.

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, except as may be required by applicable law.

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 occurrences 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 a mineral exploration company focused on the exploration and discovery of Au+Ag and copper (Au, Ag and Cu) deposits via the project generator business model, in the Atacama-Puna region of northern Chile and Argentina, and in the Santa Cruz Province of southern Argentina. These regions are highly prospective and host many large-scale precious and base metal mines, operated by some of the world's largest mining companies (Figure 1). Mirasol believes well-managed and focused exploration can deliver further discoveries within its generative regions and increase shareholder value.

During 2014, the Company recognized that the protracted, industry-wide downturn in exploration expenditures could create a business opportunity for the Company's generative exploration program. While the majority of competitors were inactive, the Mirasol deployed a 3-year countercyclical project generation strategy. This strategy allowed Mirasol to build a large and diverse portfolio of prospective Au, Ag and Cu properties in preparation for an upswing in global exploration spending and the ensuing increase in demand for quality exploration projects.

During 2017, the Company noted that the global precious metal exploration budgets began to increase again. This trend was further signaled by improving demand for Mirasol's projects from leading mid-tier and major precious metal producers. During the Current Period, Mirasol made a strategic decision to focus a higher proportion of its budget on business development, with the objective of maximizing partner-funded exploration spending on the Company's projects.

As a result of the improved demand for projects and the Company's increased business development investments, the company has now secured five Options to Joint Venture ("JVs") deals with both major and mid-tier precious metals producers on its projects in Chile and Argentina, including the recently announced (October 17th, 2018) JV with Hochschild Mining ("HOC") in Chile. Under these agreements, the JV partners fund all exploration and tenure holding costs, make staged option payments, and pay management fees to Mirasol for the JVs that Mirasol operates.

During the Current Period the combined partner expenditures on Mirasol's JVs totaled approximately C$9 million, which delivered approximately 9,000 m of exploration drilling at Claudia, Curva and at Gorbea (pre-termination of the JV agreement) and extensive surface geological, geochemical and geophysical exploration programs at Altazor and Zeus to define drill targets.

The Company has also recently announced that it is expanding the company's business and exploration strategy to include self-funded drilling of selected high-grade Au+Ag projects leveraged to near-mine infrastructure and has closed a C$8.6 million non-brokered private placement to fund this exploration. The Company will retain the joint venture business model as the central pillar of the company's business philosophy and as a non-dilutive path to discovery. Our JV efforts will be focused on large, district-scale targets where Mirasol will benefit from partnerships with well-funded producers to explore and develop the resulting discoveries.

The combined outcome of JV partner-funded exploration and income generated from related option payments and management fees allows Mirasol to focus its available treasury on further exploration and business development activities while maximizing the potential for discovery with multiple projects being drill tested.

In Argentina, the Company is monitoring the impact of the recently announced new export tax, and the rapid currency devaluation (inflation). To date this has not had a measurable impact on Mirasol's capacity to operate as a project generator and exploration company in Argentina. Our JV partner in Santa Cruz, OceanaGold Corporation ("OGC"), is continuing with its exploration programs at the Claudia project and has commenced a +2,500 m drill program at the Curva project, planned for completion in the December quarter of 2018.

The Company is also continuing to experience strong broad-based interest in our Argentine projects for potential new joint ventures, from major to mid-tier producers, well funded private and listed junior resource companies. Notably, expressions of interest are being received from in-country precious metal producers as well as from companies that are interested in making new or first-time investments in the country. Our business development team is focusing efforts to convert this interest into new partner investment in our Argentine projects.

The Company continually assesses the investment and operation climate in Argentina and will adjust its activities in the country in response to the evolving investment and operational environment.

Our generative work and JV funded exploration in Chile continues to provide opportunity for discovery in this country and balance to our exposure to Argentina.

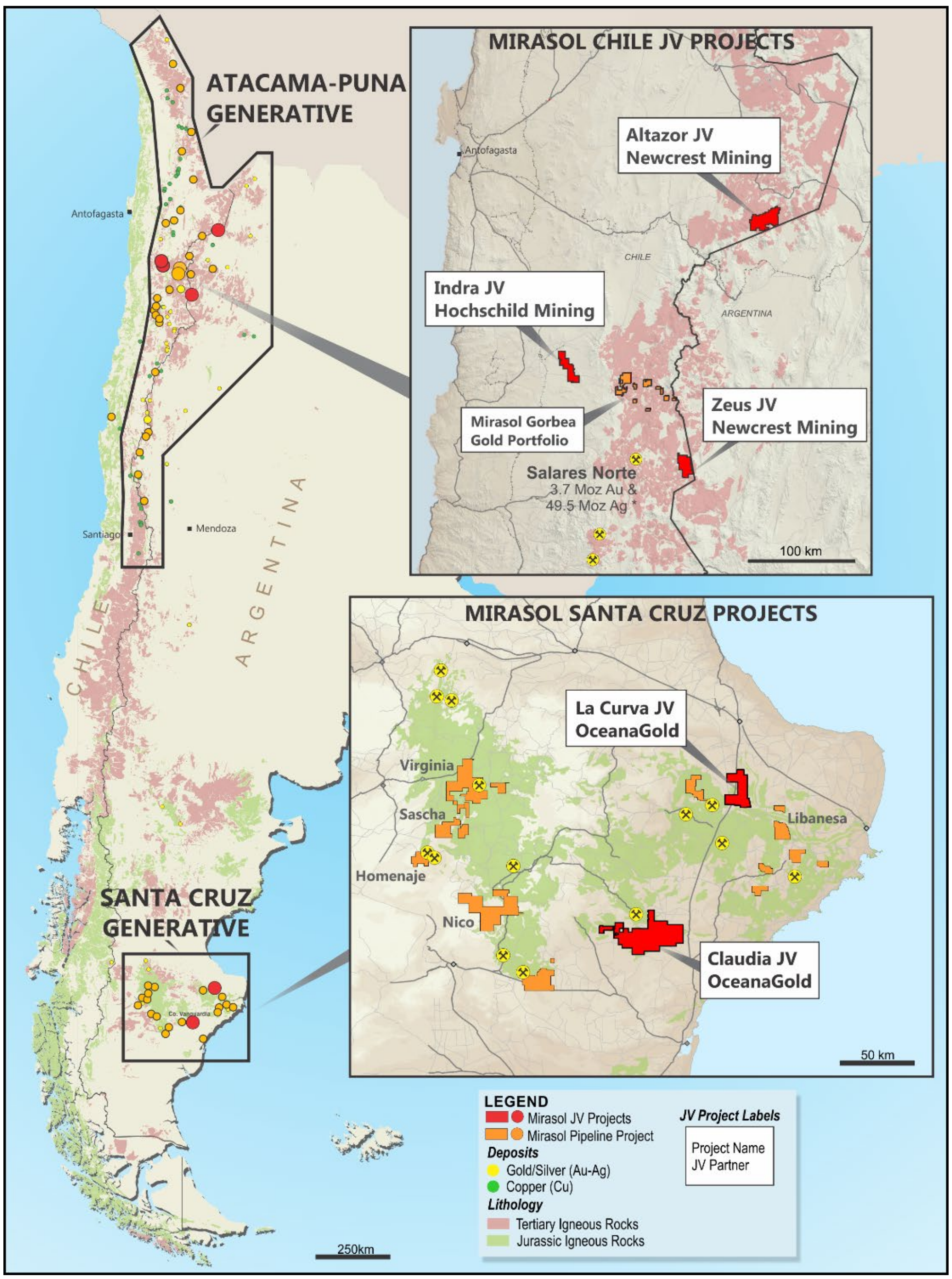

Figure 1: Location of Mirasol's Exploration Projects, Joint Ventures, and Generative Programs.

Financial Condition

Mirasol remains in a strong financial position with cash and short-term investment of $26,543,426 as of June 30, 2018, having raised $8,635,500 through a private placement completed on June 8, 2018. The annual level of spending by the Company is largely determined by its ability to secure financing through the sale of its securities, sales of assets and JV arrangements with its industry partners.

During the Current Period, Mirasol incurred total company-wide net cash expenditures of $4,952,135. The financial statements for the Current Period show a total expenditure of $5,457,985 of which non-cash items such as share-based payments and depreciation totalled to $505,849.

For the Current Period, the total net cash expenditure was distributed between head office corporate spending of $2,190,108 inclusive of officer's salaries, board fees, business development, corporate administration, investor relations and regulatory compliance; and a total net exploration expenditure of $2,762,028. For the Current Period, the Company has accounted for $6,153,915 in exploration reimbursements, $380,845 (US$ 300,000) in option payments and $374,356 in management fees income from JV partners, which are offset against the Company's exploration and in-country management and operating costs.

Mirasol's Exploration Focus

Mirasol is a successful project generator with a mission to create shareholder wealth from resource discovery.

The Company maintains a high-quality portfolio of exploration properties with the potential to deliver an economic discovery by applying innovative, concept-driven geological techniques integrated with detailed field work. Mirasol strategically advances prospects with technical merit by: 1) entering strong JV earn-in deals with major mining companies, reducing exploration risk while conserving the Company's treasury; and /or 2) testing high priority targets with self-funded drill programs where warranted, thereby positioning the Company to monetize its assets in the event of successful exploration results. Mirasol's Joaquin and Virginia Ag discoveries in Argentina are evidence of successful outcomes of these processes. Joaquin was monetized through sale to Coeur d'Alene Mines (now Coeur Mining) in 2012.

Project Generation and Business Development

Until recently, the primary focus of the Company's generative efforts has been the Atacama-Puna Program where Mirasol is exploring world class Tertiary age mineral belts in northern Chile. However, during 2016 the change to a pro-business government in Argentina, encouraged Mirasol to reinitiate exploration on and adjacent to its Santa Cruz projects in Argentina and in some areas stake new claims to consolidate its project portfolio.

During the 2018 financial year, Mirasol focused a larger proportion of its budget on business development activities with the objective of securing new JVs for assets within its property portfolio and other business opportunities to accelerate drill testing of the Company's assets. The focus on business development was timed to coincide with an upturn in demand for projects from precious metal producers, allowing the business development team to secure five new JVs with major and mid-tier mining companies in Chile and Argentina over the last 18 months.

Mirasol is seeing a continuing growth in interest in its Au+Ag and Cu project portfolio from companies seeking new JVs and is focused on securing new agreements during the 2019 financial year.

Chile/Argentina: Atacama – Puna Generative Region

The Company's generative program in the Atacama-Puna region encompasses a 1,700 km-long segment of three north-south oriented prolific mineral belts which run through Chile and Argentina and host many world-class Cu and Au mines and occurrences, and are of differing ages in millions of years (Ma; Figure 2), and from youngest to oldest include:

- Miocene to Pliocene (Mio-Pliocene, 23-5 Ma): High-sulfidation epithermal ("HSE") Au+Ag
- Middle Eocene to Early Oligocene (Eocene-Oligocene 40-28 Ma): Porphyry Cu+Mo
- Paleocene to Early Eocene (Paleocene, 66-53 Ma): Low-intermediate-sulfidation epithermal Au+Ag and porphyry Cu+Mo

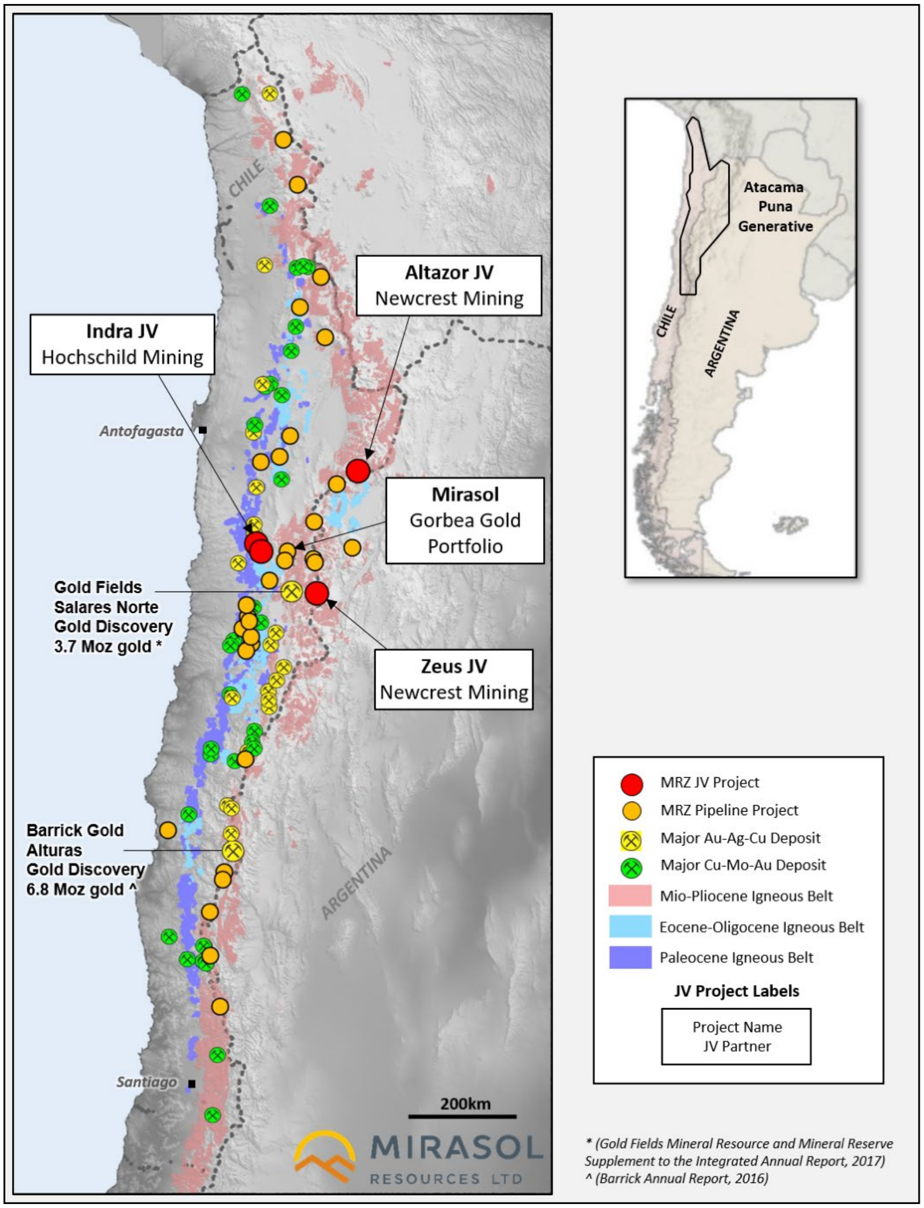

Figure 2: Mirasol's Atacama - Puna Generative Program.

Mirasol uses its proprietary prospectivity analysis techniques to target areas with heightened potential for discovery of quality mineral prospects. The Company also applies a number of risk qualifying filters to both minimize exposure to and/or increase awareness of areas that may have environment and/or community sensitivities.

Following are brief explanations of the three metallogenic belts and Mirasol's target concepts:

Miocene – Pliocene belt

This mineral belt in-particular has been the focus of two recent substantial discoveries of multi-million-ounce HSE oxide Au deposits;

- Alturas deposit, with Inferred resources of 6.8 Moz Au grading 1.0 g/t Au contained within 211 Mt (Barrick 2017 Annual Report; unchanged from 2016).
- Salares Norte deposit, with Indicated + Inferred resources of 3.7 Moz Au at 4.89 g/t Au and 49.5 Moz Ag contained within 23.3 Mt (Gold Fields Ltd. Mineral Resource & Mineral Reserve Supplement 2017).

Alturas and Salares Norte are large-tonnage, near-surface oxidized Au deposits, which are largely concealed beneath geochemically barren, but hydrothermally altered, cap rocks (the "steam heated cap") which obscured earlier recognition of these prospects. Their discoveries were further complicated by their remote location and high elevation. Mirasol is actively exploring for this type of Au deposit at its Atlas and Titan projects in the Gorbea property package and at the Altazor and Zeus projects, where Mirasol recently announced (news release November 21, 2017 and February 26, 2018) the signing of two Option and Farm-in Agreements with a subsidiary of Newcrest Mining Limited ("NCM").

In the Mio-Pliocene belt north of the Maricunga Belt, Mirasol has approximately 116,000 ha of granted exploration claims. In the Mio-Pliocene aged "Southern Porphyry Belt", Mirasol holds exploration rights to approximately 24,000 ha of granted claims and claims applications.

Middle Eocene – Early Oligocene belt

The Eocene-Oligocene belt hosts many giant porphyry Cu mines such as Escondida, Chuquicamata and Collahuasi that significantly contribute to the annual Cu production in Chile. This Cu belt is considered a "mature exploration terrain" but it is also recognized as prospective for future Cu discoveries. The continued prospectivity of this belt is attributed to its extensive post-mineral cover, and in some cases, its "geochemically barren" alteration caps concealing a substantial proportion of the most productive and logistically accessible segments of the belt. While Cu was not previously considered a core commodity for Mirasol, a number of factors point toward possible supply deficits. Mirasol considers the supply shortfall as a driver for increased demand for Cu exploration projects and accordingly, Mirasol has staked new claims and expanded existing claims holdings in this belt to secure quality exploration ground to build a pipeline of Cu exploration projects.

Mirasol presently holds approximately 42,000 ha in the Cu-rich Eocene-Oligocene belt, including the Rubi and Odin projects.

Paleocene to Early Eocene belt

This belt hosts significant mines, including BHP's Spence porphyry Cu+Mo mine, and Yamana Gold's (YRI) El Peñón, a high-grade, low-sulfidation epithermal ("LSE") Au+Ag deposit. El Peñón is the largest precious metal mine in the Paleocene belt with contained metal of 7 Moz Au and 188 Moz Ag (reserves, resources and historic production; SNL Metals & Mining – December 31, 2017). Here, Mirasol is targeting large-scale multi-million ounce epithermal Au+Ag and large porphyry Cu deposits. Mirasol is actively exploring for this type of Au deposit at its Indra project where Mirasol recently announced the signing of an Option and Earn-in Agreements with HOC (news release August 29 and 30, 2018 and October 17th, 2018). Mirasol presently controls approximately 35,000 ha of granted exploration claims in Paleocene belt.

Mirasol Projects in Atacama-Puna

Mirasol's portfolio of projects and JVs in Atacama-Puna Generative Region include:

- Altazor-NCM JV: Altazor is an HSE Au + project covering 33,200 ha located in an underexplored section of the Mio-Pliocene age mineral belt. Mirasol has completed a first-pass reconnaissance sampling over approximately 50% of the project area and reported the results on October 11, 2017. The results show comparable geology, alteration patterns and Au ppb level anomalous assays in soil and rock chip samples to those recorded/reported from surface sampling at Gold Fields' Salares Norte Project, which has a geological setting analogous to that at Altazor in the Mio-Pliocene mineral belt of Chile.

  On November 21, 2017 Mirasol announced the signing of an Option and Farm-in Agreement with Newcrest International Pty Limited. The JV agreement grants NCM the right to acquire up to an 80% interest in the Altazor project by making US$ 10 million in exploration expenditures, delivering a feasibility study and, at Mirasol's request, funding to commercial production the Company's 20% retained project equity. The first-year spending commitment of US$ 1.5 million has been directed to an aggressive property wide surface exploration and geophysics program for drill target definition. NCM is also required to pay US$ 1.9 million in staged option payments to Mirasol over the duration of the agreement.

- Zeus-NCM JV: Zeus is a gold project covering 18,500 ha that is located 40 km east-south-east of the Salares Norte project. Zeus presently hosts two recognized breccia Au targets: Artemisa and Apollo. Au grades from rock chip sampling ranging to 1.28 g/t Au have been found in a prospective high-level epithermal breccia setting at Apollo. The reconnaissance stage exploration results from both prospects are considered very encouraging for this early stage of exploration work.

  On February 26, 2018, Mirasol announced the signing of an Option and Farm-in Agreement with NCM. The JV agreement grants NCM the right to acquire up to an 80% interest in the Zeus project by making US$ 9.5 million in exploration expenditures, delivering a feasibility study and, at Mirasol's request, funding to commercial production the Company's 20% retained project equity. NCM is also required to pay US$ 1.0 million in staged option payments to Mirasol over the duration of the agreement and committed to spending US$ 1.5 million over the first 18 months. On April 24, 2018, Mirasol announced the beginning of a US$ 750,000 surface exploration program on the project.

- Indra-HOC JV: Indra is a 21,000 ha epithermal precious metals project is located in the Paleocene Age Mineral Belt, 5 km south of the 1.37 Moz Au equivalent El Guanaco Au + mine in northern Chile (reserves, resources and historic production; SNL Metals & Mining – December 31, 2017). The project is interpreted to host the upper levels of a large epithermal Au+Ag system. The project is characterized by a large carbonate+silica vein and breccia system with weakly anomalous Au+Ag rock chip assays and strongly anomalous epithermal path finder geochemistry.

  On August 29, 2018, Mirasol announced the signing of a Letter of Intent ("LOI") for a JV with HOC. The LOI gives HOC the right to acquire, in multiple stages, up to 70% of the project by completing a series of exploration and development milestones and making staged option payments. Mirasol can elect to contribute its 30% of development expenditures or exercise an option for HOC to finance 100% of the development costs through to production, in this latter scenario, Mirasol would retain a 25% interest in the project and HOC's interest would be increased to 75%. HOC is also required to pay US$ 725,000 in staged option payments to Mirasol over the duration of the agreement and committed to spending US$800,000 over the first 18 months. On October 17, 2018, Mirasol announced the signing of a definitive agreement and the beginning of a surface exploration program on the project.

- Gorbea: Nine precious metal properties totaling approximately 22,200 ha, including the Atlas project, were under JV agreement with Yamana Gold ("YRI"), (news release March 26, 2015). In April 2018, YRI advised the company of its decision to terminate the Gorbea JV (news release April 13, 2018). Over the term of the JV, YRI invested approximately C$ 10 million on exploration at Gorbea, drilling over 11,600 m of targets focused within the Atlas and Titan projects.
- Rubi project: Rubi is located in the El Salvador Cu-Au mining district, Chile, and hosts the Lithocap, Zafiro and Puertozuelo porphyry Cu targets. The El Salvador district hosts large-scale porphyry Cu mines operated by Codelco, the Chilean national mining company. Mirasol has continued to expand its claims holdings to secure possible extensions and new prospect areas, resulting in a total claims area of 26,000 ha.
- Odin project: Odin is located 20 km north of the giant Escondida Cu mine. The Odin claims cover a previously unexplored Mirasol-generated conceptual porphyry Cu mineralization target, concealed by a strongly altered geochemically barren lithocap. In Q1, Mirasol reported the expansion of claims at Odin from 900 to 5,700 ha (news release July 25, 2017).
- Generative Prospect Portfolio: As of the end of September 2018, and in addition to Gorbea, Altazor, Zeus, Rubi and Odin; Mirasol holds approximately 112,000 ha of 100% owned Au, Ag, Cu prospects in 28 areas of claims, which provide a prospect "pipeline". These claims have been staked as part of the Company's ongoing project generation program in the region.

Argentina: Santa Cruz Province Generative Region

The Company's generative program in Argentina is focussed in Santa Cruz Provence and encompasses the area of the Deseado Massif, a 60,000 sq-km region of upper-middle Jurassic age volcanics which are recognized as an under-explored terrain with high potential for hosting low- and intermediate-sulfidation epithermal Au and Ag deposits.

The Santa Cruz Province hosts seven operating Au+Ag mines with the recent commissioning of the Cerro Morro mine operated by YRI. Five of the mines are owned and operated by international, mid-tier to major sized, precious metal producing companies. Mineralization in Santa Cruz typically occurs in high-grade vein systems with both Low Sulfidation Epithermal ("LSE") and Intermediate Sulfidation Epithermal ("ISE") styles. These deposits are mined by both open-pit and bulk-method underground mining techniques.

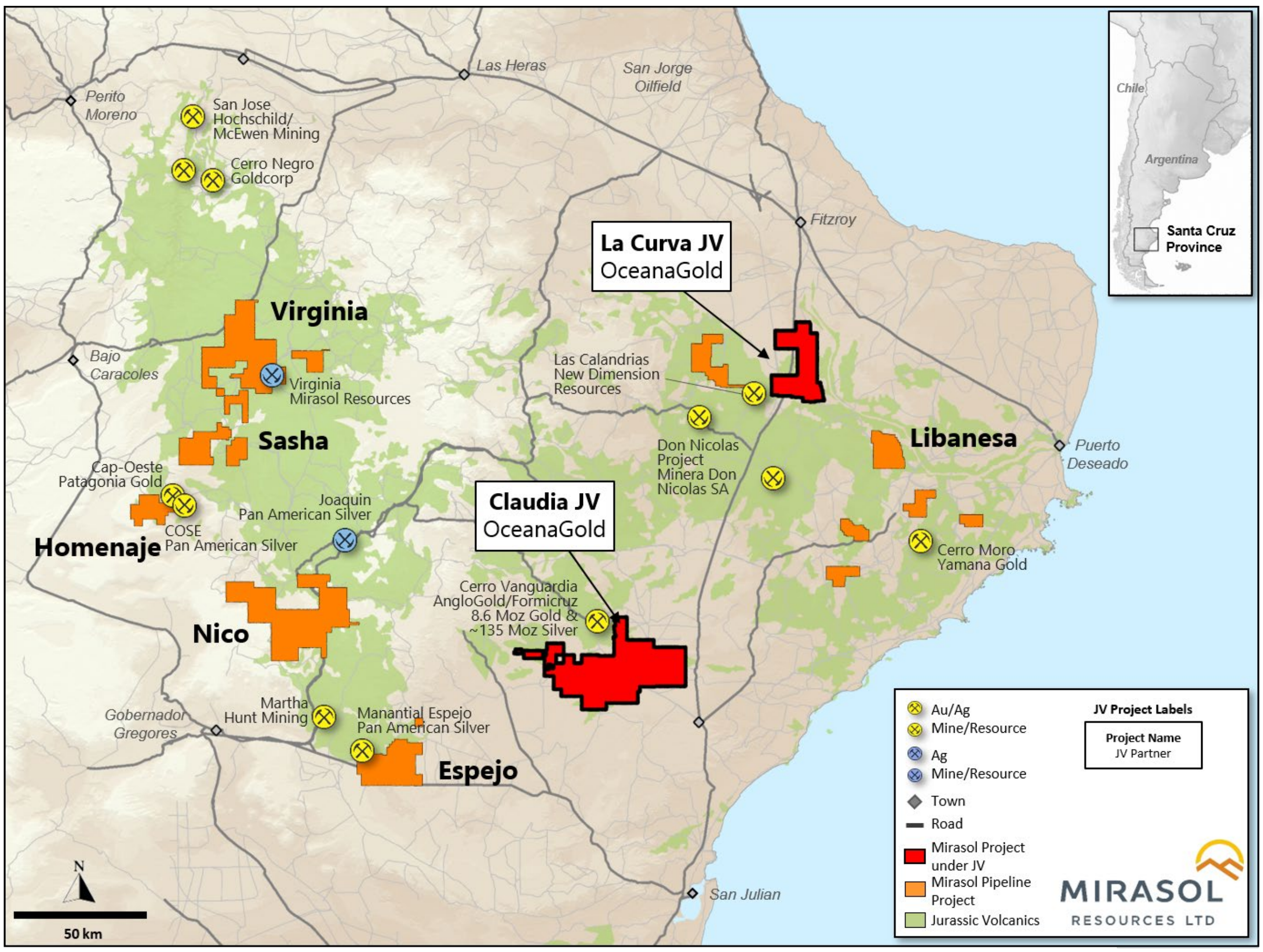

Figure 3: Santa Cruz Project Portfolio.

Mirasol has been exploring in Santa Cruz for over 10 years and has a successful track record of targeting, securing and delivering attractive, district-scale projects to precious metal producers as demonstrated by the discovery of two Ag deposits: Joaquin, sold to JV partner Coeur Mining in 2012; and Virginia which remains 100% owned by the Company.

The Company's strategy in Santa Cruz since December 2016, has been to focus on consolidating claims holdings around key mineral districts where Mirasol already has established projects and where the Company's exploration has confirmed the presence of and potential for, large-sized precious metal systems.

On June 8, 2018, the Company closed a private placement to raise funds to expand its exploration strategy and accelerate the drill testing of high grade near mine infrastructure projects in the Company's portfolio. The self-funded drill testing of these properties will give Mirasol greater deal making leverage and a better position to monetize its assets in the event of positive exploration results. The Company believes that its new strategy can accelerate the path to discovery and the potential for shareholder wealth creation.

Mirasol Projects in Santa Cruz

Mirasol's portfolio of projects in Santa Cruz comprises (Figure 3):

- Claudia-OGC JV: The large Claudia Au+Ag project (approximately 102,000 ha) comprises several drill-ready prospects and is contiguous with the world-class Cerro Vanguardia Au+Ag district operated by Cerro Vanguardia S.A., a 92.5 % owned subsidiary of Anglo Gold Ashanti ("CVSA").

  A definitive JV option agreement was signed with OceanaGold Corporation on October 20, 2017, granting OGC the right to earn up to 75% of the project by spending US$ 10.5 million in exploration expenditures, delivering a feasibility study, a decision to mine and funding Mirasol's 25% project equity position to commercial production. If OGC elects to stay in the JV to the 51% earn-in, OGC will have paid Mirasol US$ 1 million in staged cash payments. Further, OGC will make a one-off payment to Mirasol of US$ 250,000 if the Au+Ag ounces in a non-NI 43-101 compliant mineral inventory, outlined in the Curahue prospect Io Vein preliminary block model by Mirasol's previous JV partner CVSA, are included by OCG within the PEA, or feasibility stage, declaration of resources. OGC and Mirasol completed a first field exploration program at Claudia and reported drill results and new target definition on September 17, 2018

- La Curva-OGC JV: The La Curva Au project with 36,100 ha includes three priority drill-ready prospects along the La Castora trend and a series of other early stage prospects in the Curva West area.

  On May 18, 2017, Mirasol signed a definitive JV option agreement with OGC for a JV to explore the La Curva project in Santa Cruz Argentina for LSE Au+Ag mineralization. The agreement grants OGC the right to earn up to 75% of the project by spending US$ 7.0 million in exploration expenditures, delivering a feasibility study, a decision to mine and funding Mirasol 25% project equity position to commercial production. If OGC elects to stay in the JV to the 51% earn-in, OGC will have paid US$ 1.5 million in staged cash payments. On October 26, 2017, OGC and Mirasol announced that they initiated a 2,500 m diamond core drill ("DDH") program to test a series of drill targets along the Castora Au + Trend. Results from the program were announced on February 28, 2018 and September 19, 2018.

- Nico: The project is an ISE Au+Ag target located 85 km from the Pan American Silver Manantial Espejo Ag+Au combination open-pit and underground mine. During the Current Period, Mirasol reported "bonanza" high-grade Au+Ag results from sampling the Company's newly discovered Aurora and Resolution vein zones. Best results to-date from surface chip sampling of oxidized typically sub-meter veins containing 35.09 g/t Au and 2,095 g/t Ag (at Aurora), and 12.28 g/t Au and 6,181 g/t Ag (at Resolution). Saw-cut channel, and geophysical survey were completed on the Resolution prospect to define drill targets (see new release from July 5, July 12 and August 27, 2018). On March 2, 2018, the Company also reported the delineation of a new Au+Ag vein corridor at the Vittoria Vein Trend.

- Virginia: At this epithermal Ag project, Mirasol has outlined high-grade Ag mineralization in seven separate deposits (as vein shoots). Mirasol's work at Virginia has delineated an initial open pit constrained NI 43-101 compliant mineral resource of Indicated resources totalling 11.9 Moz Ag grading 310 g/t Ag, and additional Inferred resources totalling 3.1 Moz Ag grading 207 g/t Ag. Mirasol's claims holdings have recently been expanded to 70,000 ha where encouraging reconnaissance float rock sampling returned assays grading up to 6,586.3 g/t Ag, outlining a series of aligned float blocks that may indicate the presence of undiscovered high grade Ag veins under thin post mineral cover.

- Exploration portfolio: The Company's portfolio of additional quality precious metal properties totaling approximately 125,000 ha, contains a number with drill-ready Au+Ag targets, including the Homenaje, Sascha and Libanesa projects.

HIGHLIGHTS FOR THE PERIOD JULY 1, 2017 TO OCTOBER 26, 2018

Exploration Financial Summary

The Company's total exploration costs include generative exploration, property retention costs of the exploration project portfolio, costs associated with preparing projects for joint venture, in-country operation and management, and local value added taxes (VAT). For the Current Period Mirasol invested $1,509,158 (Table 3) on exploration in Chile and $1,252,870 in Argentina. The Company received $6,153,915 in cost recoveries for the Current 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. Mirasol earned $374,356 of management fee income during the period.

Mirasol also received JV option payments of US $550,000 comprised of:

- In October 2017, a Claudia JV signing payment from OGC of US$ 100,000
- In December 2017, an Altazor JV signing payment from NCM of US$ 100,000
- In February 2018, a Zeus JV signing payment from NCM of US$ 100,000

  In August 2018, a La Curva JV first anniversary option payment of a US$ 200,000 from OGC signalling the continuation of JV into its second year of exploration.

- In October 2018, an Indra JV signing payment from HOC of US$ 50,000.

Corporate Matters

On December 19 and 20 of 2017, the Company granted a total of 550,000 incentive stock options under its incentive stock option plan to the employees and consultants, directors and officers. The options are exercisable at $1.61 and $1.65 respectively for a period of three years from the date of grant.

On September 12, 2017, the Company granted 385,000 incentive stock options under its incentive stock option plan to certain officers, employees and consultants. All the options are exercisable at $1.80 per share, with 235,000 options being exercisable for a period of three years from the date of grant, and 150,000 options, which are subject to certain vesting restrictions, being exercisable for a period of four years from the date of grant.

On April 30, 2018, the Company announced the results of its 2017 Annual General Meeting of shareholders, which was held on April 26, 2018. The shareholders of the Company represented at the Meeting elected Stephen C. Nano, Nick DeMare, Borden R. Putnam III, Dana H. Prince, John Tognetti and Patrick C. Evans as directors of the Company for the ensuing year. Further, shareholders also approved: (i) the re-appointment of Davidson & Company as the Company's independent auditor; and (ii) the Amended and Restated Equity Incentive Plan, as described in the Information Circular prepared for the Meeting.

On May 2, 2018, the Company announced a non-brokered private placement of up to 2,500,000 Units of the Company ("Units") at a price of $2.00 per Unit, to raise aggregate gross proceeds of up to $5,000,000. Each Unit consisted of one common share and one-half of one non-transferable common share purchase warrant (each whole warrant, a "Warrant"). Each warrant is exercisable into one additional common share of the Company for a period of 24 months from closing at an exercise price of $3.00 per share. A substantial portion of the proceeds from the sale of the Units will be used to further explore and test certain prospective Au+Ag projects in the Santa Cruz Province, Argentina, and the balance will be used for general working capital.

On June 8, 2018, the Company announced the closing of the non-brokered private placement. The placement was over-subscribed, and the Company issued 4,317,750 Units at a price of $2.00 per unit and received gross proceeds of $8,635,500.

On June 29, 2018, the Company announced the appointment of Mathew Lee as Chief Financial Officer effective July 1, 2018.

On July 17, 2018, the Company announced the appointment of Jonathan Rosset as Vice-President Corporate Development and the grant of 60,000 stock options and 110,000 restricted share units ("RSUs") under its Equity Incentive Plan to certain officers, employees and consultants. The options are exercisable at $1.76 per share for a period of three years from the date of grant and are subject to vesting whereby 50% shall be vesting immediately and the balance shall vest in six months, subject to certain contractual conditions.

The RSUs are also subject to vesting whereby 50% shall vest on the date that new contracts are entered into with each recipient, and the balance shall vest 12 months thereafter. The RSUs entitle the holder to be issued one common share for each vested RSU. The Company currently has 3.1 million options allocated of the 5.4 million options available under the Company's Options Plan.

JOINT VENTURE, BUSINESS DEVELOPMENT AND EXPLORATION ACTIVITIES FOR THE PERIOD JULY 1, 2017 TO OCTOBER 26, 2018

Joint Venture Activities

Altazor-NCM JV: Altazor Au project, northern Chile

On November 21, 2017, the Company announced that it signed an Option and Farm-in Agreement with Newcrest International Pty Limited, a subsidiary of NCM for the Altazor Au + project in northern Chile. NCM has the right to acquire, in multiple stages, up to 80% of the Mirasol owned Altazor project by completing a series of exploration and development milestones and making cash payments to Mirasol. The agreement includes the following key terms:

<u>Option phase</u>:

- A US$ 100,000 cash payment upon signing the agreement;
- NCM has a minimum commitment to spending US$ 1.5 million in the first-year exploration program;
- Mirasol will operate the project during the Option phase (1st year) and will receive a 10% management fee; and
- At the end of the first year, NCM will have the right to exercise the farm-in phase of the agreement.

JV farm-in phase:

- Stage 1: If NCM elects to exercise the option to farm-in, NCM will make a cash payment to Mirasol of US$ 500,000, and will have the right to earn 51% of the Project over a 4-year period (total 5 years) by spending an additional US$ 8.5 million (total US$ 10 million);
- Stage 2: If NCM elects to proceed to Stage 2 of the farm-in, it will make a cash payment to Mirasol of US$ 650,000 and have the right to earn 65% of the Project over an additional 2-year period (total 7 years), by funding the delivery of a positive preliminary economic assessment ("PEA"), in accordance with NI 43-101 on a resource of not less than 1,000,000 ounces of Au + at a cut-off grade of 0.30 grams per tonne (g/t);
- Stage 3: If NCM elects to proceed to Stage 3 of the farm-in, it will make a cash payment to Mirasol of US$ 650,000 and have the right to earn 75% of the Project over an additional 2-year period (total 9 years) by funding the lesser of either: (i) additional expenditures after the completion of Stage 2 of US$ 100 million; or (ii) the delivery of a positive bankable Feasibility Study (BFS), in accordance with NI 43-101;
- Stage 4: After completion of Stage 3, Mirasol can elect to contribute its proportionate share (25%) of further development expenditures or exercise a financing option requiring NCM to finance Mirasol's share of the development costs through to production in exchange for a further 5% interest in the Project. If Mirasol exercises the financing option: (i) Mirasol's interest will be reduced from 25% to 20% and NCM's interest will be increased from 75% to 80%, and (ii) the loan will have an interest rate of LIBOR + 3% and will be repaid from 70% of Mirasol's share of dividends and be secured against the shares of the Mirasol subsidiary that holds the interest in the Project and its right to dividends.

Exploration Program Results

Mirasol's initial reconnaissance sampling has been completed over approximately 50% of the project area in 2017. A total of 216 stream sediment, 395 soils and 933 rock chip samples have been collected and returned low-level but significantly anomalous Au, Ag, Cu, Pb, Zn and epithermal path finder element assays, from sampling in the vicinity, and of mapped breccia bodies (news release October 11, 2017). The Altazor surface results show comparable ppb level anomalous Au + assay in soils and rock chips to those recorded at surface at Gold Field's Salares Norte Project, which lies in a geological setting analogous to Altazor.

The JV has completed an approximately US$1.5 million surface exploration program at Altazor since commencement of the JV in November 2017. This program included geological mapping and rock chip sampling, alteration modeling with Hyperspectral alteration technology, a project-wide magnetics and soil survey and a large-area Controlled Source Audio-Magnetotellurics (CSAMT) geophysical survey.

Analysis of exploration data is currently being completed. Results and exploration plans for the coming southern hemisphere summer campaign will be reported in the December quarter of 2018. The JV has recently staked an additional 10,000 ha of claims covering potential extension of the Altazor alteration system, bringing the total area covered by the project to approximately 32,000 ha. NCM assembled a new Chile based exploration team and has elected to take operatorship of the exploration program from July 1, 2018. This has freed Mirasol exploration and management teams up to peruse new project opportunities for the Company.

Zeus-NCM JV: Zeus Au project, northern Chile

On February 26, 2018, the Company announced the signing of an Option and Farm-in Agreement with Newcrest International Pty Limited for the Company's Zeus Au+Ag project in northern Chile.

NCM has the right to acquire, in multiple stages, up to 80% of the Mirasol-owned Zeus Project by completing a series of exploration and development milestones and making cash payments to Mirasol.

The agreement includes the following key terms in addition to NCM funding the underlying Option agreement detailed in the next section.

<u>Option phase</u>:

- A US$ 100,000 cash payment upon signing the agreement;
- NCM has a minimum commitment to spending US$ 1.5 million in the first 18-month exploration program;
- Mirasol will operate the project during the Option phase and will receive a 10% management fee; and
- At the end of the Option phase, NCM will have the right to exercise the farm-in phase of the agreement.

<u>Farm-in phase</u>:

- Stage 1: If NCM elects to exercise the option to farm-in, NCM will make a cash payment to Mirasol of US$ 400,000 and will have the right to earn 51% of the Project over a 4-year period (total 5.5 years) by spending an additional US$ 8 million (total US$ 10 million); During the Stage1 period, NCM will incur a minimum USD$ 750,000 per year in exploration expenditure.
- Stage 2: If NCM elects to proceed to Stage 2 of the farm-in, it will make a cash payment to Mirasol of US$ 500,000 and have the right to earn 65% of the Project over an additional 2-year period (total 7.5 years), by funding the delivery of a positive preliminary economic assessment ("PEA"), in accordance with NI 43-101 on a resource of not less than 1,000,000 ounces of Au + at a cut-off grade of 0.30 grams per tonne (g/t);
- Stage 3: If NCM elects to proceed to Stage 3 of the farm-in, it will have the right to earn 75% of the Project over an additional 2-year period (total 9.5 years) by funding the lesser of either: (i) additional expenditures after the completion of Stage 2 of US$ 100 million; or (ii) the delivery of a positive bankable Feasibility Study (BFS), in accordance with NI 43-101;
- Stage 4: After completion of Stage 3, Mirasol can elect to contribute its proportionate share (25%) of further development expenditures or exercise a financing option requiring NCM to finance Mirasol's share of the development costs through to production in exchange for a further 5% interest in the Project. If Mirasol exercises the financing option: (i) Mirasol's interest will be reduced from 25% to 20% and NCM's interest will be increased from 75% to 80%, and (ii) the loan will have an interest rate of 12-month LIBOR + 3% and will be repaid from 70% of Mirasol's share of dividends and be secured against the shares of the Mirasol subsidiary that holds the interest in the Project and its right to dividends.

Underlying Ladera Option agreement

- 2,500 ha of claims that form part of the 18,480 ha Zeus project is controlled by Mirasol via a 5-year option to purchase agreement with the underlying property owner.
  The remainder of the project is 100% owned by Mirasol. On its election, Mirasol can acquire 100% of these claims by making staged option payments totalling US$ 2.75 million over the 5 years with US$ 2.45 million of the payments due in the 5th year of the option.

- The property owner will retain 1.5% NSR royalty; Mirasol has a right to buy 0.5% of that royalty for US$ 3.0 million. These option payments are being funded by NCM as part of the Mirasol – NCM Zeus option agreement.

Exploration Program Results

A US$ 750,000 surface exploration program was announced on April 24, 2018. The program focus was on the known breccia bodies of the Apollo and Artemisa prospects, and included detailed mapping, gridded systematic soil and rock chip sampling geochemistry, CoreScan alteration mapping and 32 line-km of CSAMT geophysics.

Analysis of exploration data is currently being completed. Results and exploration plans for the coming southern hemisphere summer campaign will be reported in the December quarter of 2018. NCM assembled a new Chile based exploration team and has elected to take operatorship of the exploration program from July 1, 2018. This has freed Mirasol exploration and management teams up to peruse new project opportunities for the Company. Zeus hosts two breccia-hosted Au + targets: Artemisa and Apollo (news release January 16, 2018):

- Artemisa: Mirasol's exploration has outlined an 800 m diameter zone of advanced argillic alteration developed in a breccia where reconnaissance level soil sampling has defined a low-level coincident Au+Ag+As+Cu+Pb+Sb+Mo geochemical anomaly, which overlies the edge of the mapped breccia body.
- Apollo: Mirasol has identified a 0.6 x 1.2 km crescent-shaped zone of advanced-stage argillic and intermediate-argillic altered pyroclastic breccias and epiclastic sediments which outcrop through an erosional window through post-mineral (late) lava flows. Mirasol interprets this alteration to be hosted within a phreatomagmatic breccia and flow-dome complex, which, while poorly exposed, presents a geological setting favorable for hosting HSE occurrences. Mirasol has undertaken initial mapping, rock chip sampling and alteration modelling from 218 samples collected throughout the Apollo "alteration window". Assay results show wide-spread strongly anomalous Ag, As, Ba, Hg, Sb, with 38 of 218 samples collected in the altered window returning Au assays in the range 0.1 to 1.28 g/t Au.

Indra-HOC JV: Indra Precious Metals project, Northern Chile

On October 17, 2018, the Company announced the signing of an Option and Earn-in Agreement with HOC for the Company's Indra precious metals project in northern Chile. HOC has the right to acquire, in multiple stages, up to 70% of the Mirasol-owned Indra project by completing a series of exploration and development milestones and making cash payments to Mirasol. The agreement includes the following key terms:

Option phase:

- A US$ 50,000 cash payment upon signing the agreement;
- A minimum commitment for HOC to spend US$ 800,000 in the first 18-month exploration program and to drill a minimum 1,500m within 30 months of the date of the agreement;
- Mirasol will operate the Project during the Option phase and will receive a 10% management fee from exploration contracts with values of less than US$ 250,000 and 5% from contracts with values of more than US$ 250,000; and
- At the end of the 18-month period, HOC will have the right to exercise the earn-in phase of the agreement.

Earn-in phase:

- Stage 1: If HOC elects to exercise the option to earn-in, HOC will have the right to earn 51% of the project over a 3-year period (total 4.5 years) by spending no less than US$ 5.2 million (total US$ 6 million) and making two staged payments totalling US$ 675,000;
- Stage 2: If HOC elects to proceed to Stage 2 of the earn-in, HOC will have the right to earn 60% of the project over an additional 3-year period (total 7.5 years), by funding the delivery of a positive preliminary economic assessment, in accordance with NI 43-101 on a resource of not less than 1,000,000 ounces of Au + at a cut-off grade of 0.50 grams per tonne (g/t);
- Stage 3: If HOC elects to proceed to Stage 3 of the earn-in, HOC will have the right to earn 70% of the project over an additional 3-year period (total 10.5 years) by funding the delivery of a feasibility study, in accordance with NI 43-101;
- Stage 4: After completion of Stage 3, Mirasol can elect to contribute its proportionate share (30%) of further development expenditures or exercise a financing option requiring HOC to finance Mirasol's share of the development costs through to production in exchange for a further 5% interest in the project. If Mirasol exercises the financing option Mirasol's interest will be reduced from 30% to 25% and HOC's interest will be increased from 70% to 75%.

  The LOI contains other customary terms including extension rights to increase the duration of each stage 1, 2 or 3 for cash payments to Mirasol and 2% NSR dilution royalty, triggered upon dilution of a party's interest to 10% or below, if the agreement proceeds beyond 51% earn-in.

Exploration Program Results

The Indra project was staked by Mirasol as an outcome of the Company's Atacama – Puna Generative exploration program and encompasses what Mirasol interprets may be the upper levels of a large epithermal Au-Ag system. Mirasol has identified a limited number of prospect pits at Indra estimated to be from the 1900's however, there is no evidence of modern exploration at the project despite year-round access and its location adjacent to an operating mine (see news release August 30, 2018).

The project is located in Paleocene Age Mineral Belt of northern Chile. The Belt hosts a number of world class mines, including YRI's El Penon (LSE) Au–Ag mine (6.95 Moz Au and 188.1 Moz Ag) and BHP Billiton's Spence porphyry-copper mine (14 Mt of Cu) (reserves, resources and historic production; SNL Metals & Mining – June 30, 2018).

The project hosts the following encouraging prospects:

- Agni, with a large chalcedony and opal silica alteration system and associated silica – barite structures; and
- Indra, with a large carbonate-silica vein and vein-breccia zone.

The initial program comprises of detailed geological mapping and surface rock and trench geochemical sampling, along with a 2,100 line km ground magnetic and additional electrical geophysical surveys to define drill targets at the project.

On October 17, 2018, Mirasol announced that it initiated work on the Indra project. Mirasol is operating the Indra exploration program and currently has a team of 3 geologists, field technicians and a geophysical crew undertaking detailed mapping, reconnaissance and progressing the ground magnetics survey.

This phase of the exploration program is scheduled to be completed during the December quarter of 2018 and is designed to identify focus areas for potential trenching and deep penetrating geophysics prior to drill testing.

Gorbea-YRI JV Termination: Gorbea Au Belt, northern Chile

On April 13, 2018 the Company announced the termination of the Gorbea Joint Venture with YRI. Since inception of the JV Agreement, YRI has incurred exploration expenditures in-excess of C$ 10 million on the properties which includes 11,640 m of drilling; YRI has also made US $580,000 in option payments to Mirasol.

Exploration Program Results

During the 2017-2018 exploration season (third year of JV) YRI re-commenced drilling at Atlas with a seven-hole, 2,600 m DDH program (see news release November 14, 2017), and initiated reconnaissance level surface exploration at the Ventura, Orion and Siro projects.

On September 11, 2017, the Company reported results from the second season of drilling by YRI at the Atlas Project. The best results from this drill campaign include:

- 1.07 g/t Au and 1.78 g/t Ag over 114.1 m (including 2.49 g/t Au and 3.08 g/t Ag over 36 m; DDH 15); and
- 0.32 g/t Au and 0.81 g/t Ag over 45.8 m (DDH 16).

Information gathered from the second season of exploration indicate that the mineralization at Atlas is hosted in a cluster of phreatomagmatic and hydrothermal breccia bodies that when combined, outline a larger breccia complex. Preliminary geological models show mineralization identified at Atlas is hosted in both the breccia bodies and in stratabound zones of vuggy silica developed in the wall rock adjoining the breccia.

Yamana drilling at the Atlas project through to the end of the second season outlined precious metal mineralization at the SHZ prospect over an area of 650 x 125 m and a vertical depth in excess of 200 m (see Table 1; news release September 11, 2017). The SHZ mineralized zone is open at depth and laterally in all directions beyond the area of current drilling. As defined to-date, the top of mineralization is located between approximately 255 to 310 m depth beneath altered cap rocks, a characteristic in-common with other recent, HSE Au discoveries elsewhere on this same mineral belt in Chile.

Results from the 2017-2018 third season of drilling and surface exploration, were reported to Mirasol at termination of the YRI JV. An integrated analysis of all results generated by the JV is in progress and will be reported along with the Company's future plans for the Gorbea Project during the December 2018 quarter.

Table 1: Atlas Key DDH Intersections to Date (as at September 2017)

Hole Number	Including interval	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)	AuEq60 (g/t)	AuEq60 Gram x Metre	Reported
CLATDH0015		305.0	347.0	42.0	0.15	0.42	0.16	6.7	This News Release
		347.0	**461.1**	**114.1**	**1.07**	**1.78**	**1.10**	**125.5**	This News Release
	inc.	**412.0**	**448.0**	**36.0**	**2.49**	**3.08**	**2.54**	**91.5**	This News Release
CLATDH0016		430.0	475.8	45.8	0.32	0.81	0.33	15.1	This News Release
CLATRD0002		22.0	46.0	24.0	0.18	13.09	0.40	9.5	March 21, 2016
CLATRD0004		230.0	244.0	14.0	0.06	150.11	2.56	35.9	March 21, 2016
CLATRD0007		440.0	446.0	6.0	0.87	1.17	0.89	5.3	April 25, 2016
		458.0	488.0	30.0	0.67	5.08	0.76	22.7	April 25, 2016
	inc.	470.0	488.0	18.0	0.90	7.43	1.02	18.4	April 25, 2016
		556.0	**596.0**	**40.0**	**1.38**	**17.88**	**1.68**	**67.3**	April 25, 2016
	inc.	**556.0**	**584.0**	**28.0**	**1.82**	**22.04**	**2.19**	**61.2**	April 25, 2016
CLATRD0009		276.0	302.0	26.0	0.04	13.66	0.27	6.9	April 25, 2016
CLATRD0010		468.0	522.0	54.0	0.35	5.46	0.44	23.9	April 25, 2016
	inc.	472.0	482.0	10.0	1.02	6.18	1.12	11.2	April 25, 2016
		560.0	628.0	68.0	0.17	9.90	0.33	22.7	April 25, 2016

NOTES

1. Manually selected intervals typically > 0.1 g/t gold and/or >10g/t silver
2. Intervals presented in this table have been limited to those with a Gram Metre interval greater than 5 gm
3. Bolded intervals are those with a Gram Metre interval greater than 50 gm
4. AuEq60 Gram Metre Interval is Calculated using AuEq60 (g/t) x intersection Interval (m)
5. Gold Equivalent grade (AuEq60) is calculated using following formula: Gold + (Silver / 60)

La Curva-OGC JV: La Curva Au Project, Santa Cruz, Argentina

Mirasol's exploration at the Curva project outlined three priority drill ready prospects, the Cerro Chato, Loma Arthur and SouthWest prospects. The geological setting of the La Curva project is prospective for high-grade LSE breccia/sheeted veinlet, and fissure vein styles of Au+Ag mineralization.

Mirasol signed an LOI with OGC on January 24, 2017 (see news release January 30, 2017), and the definitive JV option agreement signed on May 18, 2017 and the first JV option payment of US$ 100,000 was received by Mirasol (news release May 25, 2017). Mirasol operates this JV and is receiving a 5% management fee.

The JV completed 2,550 m of drilling in the first JV year at the Castora trend. On October 9, 2018 the JV commenced second season drilling with a + 2,500 m drill program at the project to follow-up and test additional targets at the Castora Trend and to test new targets at the Curva West prospect.

Exploration Program Results

On February 28, 2018, Mirasol announced the results from the first season of drilling at Curva. The 18-hole, 2,550 m, DDH program provided an initial test of three prospects on the Castora Trend: Cerro Chato, Loma Arthur and SouthWest. Drilling intersected widespread pervasive argillic alteration, silicification and Au+Ag mineralization indicative of a large LSE Au+Ag system (Table 2).

Highlights include:

- 0.48 g/t Au and 2.1 g/t Ag over 47.9 m (CC-DDH-01)
- 0.61 g/t Au and 2.7 g/t Ag over 106.2 m (SW-DDH-02)

Presently, two distinct stages of Au mineralization are recognized: Stage 1) broad zones (up to 106.2 m downhole) of lower-grade, early quartz+pyrite mineralization; and Stage 2) an overprinting phase of higher-grade multi-pulse epithermal veins and veinlets with individual assays up to 12.72 g/t Au and 145.4 g/t Ag over 0.8 m (SW-DDH-02). The better DDH intersections include:

- 0.72 g/t Au and 2.6 g/t Ag over 0.8 m (including 6.12 g/t Au and 18.6 g/t Ag over 19.65 m); and 1.24 g/t Au and 2.0 g/t Ag over 5.75 m (including 5.99 g/t Au and 5.9 g/t Ag over 0.85 m; CC-DDH-01)
- 1.22 g/t Au and 0.7 g/t Ag over 13 m (including 1.81 g/t Au and 0.7 g/t Ag over 7.4 m; LA-DDH-04).
- 2.33 g/t Au and 31.1 g/t Ag over 6.2 m (including 6.88 g/t Au and 84.9 g/t Ag over 1.8 m), and 0.82 g/t Au and 2.2 g/t Ag over 26.7 m (including 3.5 g/t Au and 11.3 g/t Ag over 1.45 m; SW-DDH-02).

Preliminary geological interpretation suggests the Castora Trend prospects represent a series of intrusive flow dome related maar diatreme breccias.

On September 19, 2018, Mirasol announced the receipt of the US$ 200,000 option payment confirming that OCG will continue into the 2nd year of the La Curva JV. OGC has met the first-year minimum JV commitments spending approximately US$ 1.50 million to the end of May 2018 (against US$ 1.25 million committed) and drilling 3,020 m at the Castora Trend (see news release May 25, 2017). A follow-up deep stratigraphic drill hole was also completed to test for the presence of permissive hosts rocks a depth at the Cerro Chato prospect. Additional surface work also confirmed the presence of a prospective geological environment for epithermal Au+Ag mineralization at the undrilled Curva West and the Castora Trend SouthWest prospects.

Table 2: La Curva JV, Castora Trend Length-weighted Averaged Assay Composites
(February 2018)

La Curva JV: Castora Trend Phase 1 Down Hole Drill Intersections with a Gold Equivalent Gram x Metre Product ≥ 5 Gram Metres

Down Hole Intersection at 0.1 AuEq60 g/t cut off

Hole Number	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	AuEq60 g/t	AuEq60 x Interval
CC-DDH-001	16.10	64.00	47.90	0.48	2.1	0.52	24.83
	93.25	119.20	25.95	0.47	1.1	0.49	12.74
CC-DDH-002	40.75	65.10	24.35	0.55	2.3	0.58	14.24
	111.35	141.20	29.85	0.34	2.6	0.38	11.32
CC-DDH-003	16.90	23.00	6.10	2.24	0.9	2.26	13.77
	26.00	84.00	58.00	0.21	8.4	0.35	20.25
CC-DDH-004	17.00	35.70	18.70	0.30	1.0	0.31	5.82
CC-DDH-005	35.50	63.90	28.40	0.51	1.8	0.54	15.38
	94.50	129.00	34.50	0.33	1.7	0.36	12.41
CC-DDH-006	25.30	52.00	26.70	0.20	0.8	0.21	5.63
CC-DDH-007	133.00	161.00	28.00	0.31	1.7	0.34	9.44
LA-DDH-001	14.00	49.20	35.20	0.25	1.3	0.27	9.63
LA-DDH-003	22.00	45.00	23.00	0.58	1.7	0.61	13.96
LA-DDH-004	25.50	41.50	16.00	1.02	0.9	1.04	16.57
SW-DDH-002	28.00	43.10	15.10	1.03	14.0	1.26	19.01
	74.20	180.40	106.20	0.61	2.7	0.65	69.55
SW-DDH-005	88.00	140.00	52.00	0.41	3.0	0.46	23.86

Down Hole Intersection at 0.3 AuEq60 g/t cut off

Hole Number	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	AuEq60 g/t	AuEq60 x Interval
CC-DDH-001	38.60	58.25	19.65	0.72	2.6	0.77	15.06
	109.25	115.00	5.75	1.24	2.0	1.27	7.31
CC-DDH-002	45.60	59.50	13.90	0.81	2.6	0.85	11.88
	120.00	132.60	12.60	0.59	3.9	0.65	8.19
CC-DDH-003	17.80	20.00	2.20	6.02	1.0	6.04	13.28
	50.20	56.50	6.30	0.60	31.8	1.13	7.13
CC-DDH-005	39.00	45.15	6.15	0.83	3.7	0.89	5.47
	96.00	106.00	10.00	0.52	1.8	0.55	5.55
LA-DDH-003	31.50	41.70	10.20	0.92	3.4	0.97	9.89
LA-DDH-004	25.50	38.50	13.00	1.22	0.7	1.23	15.97
SW-DDH-002	28.00	34.20	6.20	2.33	31.1	2.85	17.65
	101.90	111.00	9.10	1.00	4.2	1.07	9.75
	120.35	123.60	3.25	2.04	10.3	2.21	7.18
	129.65	135.00	5.35	2.00	7.3	2.12	11.34
	140.50	167.20	26.70	0.82	2.2	0.86	22.99
SW-DDH-005	116.00	135.00	19.00	0.53	2.0	0.56	10.68

Down Hole Intersection at 1.0 AuEq60 g/t cut off

Hole Number	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	AuEq60 g/t	AuEq60 x Interval
CC-DDH-001	54.70	55.50	0.80	6.12	18.6	6.43	5.14
	109.25	110.10	0.85	5.99	5.9	6.09	5.18
CC-DDH-002	52.00	57.00	5.00	1.35	2.6	1.39	6.96
CC-DDH-003	17.80	19.00	1.20	10.56	1.7	10.59	12.71
LA-DDH-003	33.50	37.40	3.90	1.80	0.6	1.81	7.06
LA-DDH-004	25.50	32.90	7.40	1.81	0.7	1.82	13.48
SW-DDH-002	28.00	29.80	1.80	6.88	84.9	8.29	14.92
	105.50	107.00	1.50	3.35	6.2	3.45	5.18
	120.35	123.60	3.25	2.04	10.3	2.21	7.18
	129.65	133.00	3.35	2.83	10.9	3.01	10.10
	140.50	143.70	3.20	2.04	3.6	2.10	6.71
	155.00	156.45	1.45	3.50	11.3	3.69	5.35

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 down hole intersection length (m)

3) Intervals are calculated at the stated AuEq60 (g/t) cut off but may include up to a maximum individual intersection of up to 2.0m below the stated cutoff grade

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Claudia-OGC JV: Claudia Au+Ag Project, Santa Cruz, Argentina

The large Claudia project adjoins the southern boundary of CVSA's Cerro Vanguardia mining property. Mirasol's exploration has outlined five large-scale epithermal Au+Ag vein prospects at Rio Seco, Laguna Blanca, Ailen, Cilene and Curahue. At Curahue, six separate vein trends have been identified: Io, Europa, Ganymede, Callisto, Sinope and Themisto, along a 15 km corridor (news release July 27, 2015). A series of drill ready targets are defined at Rio Seco, Ailen and the large Curahue zone.

Mirasol signed a LOI, dated August 31, 2017, with OGC with respect to an option joint venture agreement for the Claudia Project. On October 20, 2017, the Definitive JV Option Agreement with OGC was signed and the 1st option payment of US$ 100,000 was received by Mirasol.

<u>Key terms include</u>:

- First year exploration spending commitment by OGC of US$ 1.75 million that includes a minimum 3,000 m of drilling.
- OGC option to earn 51% over a 4-year period by making cumulative exploration investments totaling US$ 10.5 million, plus staged option payments to Mirasol of US$ 1 million.
- OGC options to earn 60%, 65% and 70% over two additional 2-year periods (cumulative 8 years) by delivering a preliminary economic assessment and feasibility study that is "bankable" and delivering a decision to mine, both prepared in accordance with NI 43-101.
- Mirasol will receive a one-off payment of US$ 250,000 if the ounces of Au+Ag in a non-NI 43-101 compliant mineral inventory, outlined in the Curahue prospect Io Vein preliminary block model by Mirasol's previous JV partner CVSA, are included in the PEA or feasibility stage resources.
- At decision to mine, Mirasol can elect to fund its pro-rata 30% share of the mine development costs or require OGC to finance Mirasol's proportion of the development costs for a further 5% of the project, with Mirasol retaining 25% of the project and OGC owning 75% of the project.
- OGC has the option to extend each of the 60% and 70% earn-in stages by one year per earn-in stage by making one-off payments to Mirasol.
- Mirasol will operate the JV during the first year and will be paid a 5% fee to cover administrative and overhead costs.

Exploration Program Results

On September 17, 2018 Mirasol reported the first season exploration results for the Claudia-OCG JV. Highlights from exploration include:

- Drilling Results: Since inception of the OGC Joint Venture 12 diamond core holes (DDH) totaling 2,529 m have been drilled, testing targets at the Curahue and Cilene prospects. Assays from the Curahue prospect, Europa and Io trends include 0.6 m at 0.08 g/t Au and 610.0 g/t Ag, and 0.55 m at 1.15 g/t Au and 22.9 g/t Ag; and from the Cilene prospect 0.9 m at 1.95 g/t Au and 5.7 g/t Ag;
- Geophysical Surveys: A combined 114.5 line-km of gradient array and IP electrical geophysics surveys have been completed at the Rio Seco, Curahue and Cilene prospects;
- Geophysical Models: 3D models have been generated from existing ground magnetics and from combined new and existing electrical geophysical data sets for the NW end of Curahue and for Rio Seco;

- Reconnaissance: Prospecting of the large property package has progressed with rock chip sampling returning Au + assays up to 7.26 g/t Au and 124 g/t Ag from extensions or new vein and veinlet zones at Europa and Themisto Trends at Curahue, and new Volcan prospect located 7 km to the east of the Cerro Vanguardia Mine;

Integrated analysis of this season's data with existing data, is providing new geological insight into the controls on mineralization at the Curahue and Rio Seco prospects, guiding exploration program design for Southern Hemisphere spring and summer exploration season.

Claudia-CVSA JV Termination: Claudia Au+Ag Project, Santa Cruz, Argentina

On August 31, 2017, the Company announced completion of the exit process from the JV agreement with Cerro Vanguardia S.A ("CVSA"). Mirasol received a US$ 205,000 payment from CVSA in-lieu of certain uncompleted exploration commitments. CVSA had completed 7,526 m of drilling and spent $US 1.97 million and developed a preliminary block model for the Io vein structure outlining a small non-NI 43-101 Au+Ag mineral inventory.

Business Development Activities

Since the beginning of July 2017, Mirasol has signed confidentiality agreements, distributed data sets and conducted field reviews with selected Au and Cu companies to secure potential new JV's for many of its projects including;

- Santa Cruz: Nico and Sascha Au Ag Projects, Libanesa, Homenaje and Virginia Ag Projects in Argentina.
- Eocene-Oligocene Belt: Odin and Rubi Cu Projects in Chile.
- Mio Pliocene Belt: Gorbea Project and other Mio-Pliocene pipeline projects in Chile and Argentina.

The Company is also focusing its exploration activities on its Mio-Pliocene "pipeline" properties to advance them to drill-ready status in preparation for JV.

Project Exploration Activities On 100% Owned Mirasol Claims

Exploration: Chile

<u>Odin Cu Project, Atacama Puna</u>

Mirasol expanded the claims at Odin from 900 to 5,667 ha, securing significant extensions to the district scale alteration system previously reported at the project (news release July 25, 2017).

Mirasol expanded reconnaissance rock chip sampling outward from the original Odin target into the new claims. Initial results have returned encouraging Cu + Mo + Au assays. These areas will be the focus of future exploration.

<u>Rubi Cu Project, Atacama Puna</u>

Mirasol completed field evaluation and targeting programs at Rubi identifying three large-scale Cu + Mo + Au targets at the Lithocap, Zafiro, and Portezuelo prospects. The targets were defined by integrated analysis, including re-logging of drill samples and the re-interpretation of geophysics and geochemistry from previous JV partner exploration at Rubi. This was combined with recent Mirasol geological mapping, rock chip sampling and target vector modelling from field-based measurements of alteration minerology (news release July 24, 2017).

The Company has systematically consolidated claims holdings at Rubi over the past 12 months and has expanded the claim area to a total of nearly 26,000 ha (news release July 24, 2017).

Exploration: Argentina

Nico Au Ag Project, Santa Cruz

Mirasol has been actively exploring the Nico project and reporting results throughout the Current Period.

On August 8, 2017, Mirasol reported that reconnaissance mapping and sampling at the Nico claims, approximately 12 km to the east of the Aurora prospect, led to the discovery of a new high-grade epithermal vein at the Resolution prospect where reconnaissance rock chip sampling returned assays ranging to 4.79 g/t Au and 6,181 g/t Ag. This mineralization is contained within oxidized veins and veinlets of a grey, chalcedonic silica with localized zones of banded saccharoidal silica and breccia textures all hosted within dacitic subvolcanic rocks (news release August 8, 2017).

On March 2, 2018, Mirasol announced the upgrade of the Resolution Trend, upon receipt of additional Ag+Au rock chip assay results of up to 5.73 g/t Au and 528 g/t Ag, identifying new parallel vein echelon mineralized structures with intervening zones of sheeted and stockwork veinlets. At that time and as defined by anomalous Ag+Au rock chip assays, the Resolution Trend was a 1.25 km long zone, defined by parallel 0.1 to 1.0 m wide veins and intervening stockwork veinlets, that combine up to 80 m wide zones of veining and stockwork.

On July 5, 2018, Mirasol announced that a 1.7 sq-km, 100 m line-spacing geophysical survey outlined a 1.4 km long chargeability anomaly coincident with the down-dip projection of the previously reported high-grade Ag+Au bearing vein breccias (see news releases, March 2, 2018 and August 8, 2017). Geological mapping outlined a prospective setting of outcropping mineralized structures with a defined cumulative strike length in excess of 1.5 km, hosted within a porphyritic sub-volcanic dacite dome unit

On July 12, 2018, the Company reported systematic rock chip outcrop and float sampling returns of “bonanza” grade Ag+Au assays from a 1.2 km long section of Resolution Trend. Assay results support recently reported anomalous electrical geophysics survey results from the Resolution Trend include these highest grades from outcrop samples (see news release July 5, 2018):

- 1,435.9 g/t Ag and 1.37 g/t Au (25.3 g/t AuEq60[1]) and 456.9 g/t Ag and 1.76 g/t Au (9.4 g/t AuEq60).
- 2,332.3 g/t Ag and 9.62 g/t Au (48.5 g/t AuEq60) and 1,484.7 g/t Ag and 8.15 g/t Au (32.9 g/t AuEq60)

On August 27, 2018, the Company announced the receipt of 208 rock chip samples from the Resolution Prospect that returned assays of up to 544.9 g/t Ag and 0.87 g/t Au, with the top 79 Ag samples averaging 127.6 g/t Ag. These samples were collected from structures peripheral to the core of the prospect and expand the known area of mineralization.

In addition, saw-cut channel samples from the Resolution Main and peripheral structures return length-weighted average assays that include 1.34 m at 155 g/t Ag and 0.04 g/t Au (2.6 g/t AuEq60), 0.7 m at 369.5 g/t Ag and 1.41 g/t Au (7.6 g/t AuEq60) and 0.3 m at 950 g/t Ag and 4.27 g/t Au (20.1 g/t AuEq60) at an AuEq60 1.0 g/t cut off. 55 rock chip samples of oxidized vein-breccia from these trends, averaged 44.46 g/t Ag and 4.03 g/t Au and (4.8 g/t AuEq60), with a peak assay of 454.1 g/t Ag and 21.40 g/t Au (28.9 g/t AuEq60).

[1] AuEq60 is the sum of the value of Au + and Ag in a given interval represented as a Au + equivalent g/t value calculated via the formula: Au assay in g/t + (Ag assay in g/t ÷ 60)

Mirasol also completed reconnaissance exploration work at the Aurora prospect identifying new high-grade Ag+Au vein-breccia trends. To date, 9 priority targets have been defined at the Aurora prospect. The work completed comprised geological mapping, detailed ground magnetics and rock chip sampling, which defined a system of structurally-hosted epithermal silica-iron oxide breccias and chalcedonic silica veinlets, developed in multiple interpreted mineralized trends over a 4.0 by 2.1 km area (news releases August 27, 2018, June 12, 2017 and July 5, 2017).

A new Ag+Au vein corridor was delineated at the Vittoria Vein Trend, that to date has been traced over a 1.6 km strike length. The Vittoria Vein Trend as known to date, ranges from sub-meter to locally up to 10 m wide trend, characterized by multiple parallel 0.3-0.5 m wide chalcedonic quartz vein outcrops and sub-cropping blocks, that have returned rock chip assays of up to 1.44 g/t Au and 174 g/t Ag. (news release March 2, 2018).

Mirasol increased the area of the Nico Project by staking of new claims to secure extensions of the volcanic complex interpreted to relate to the mineralization, bringing the total project area to over 77,700 ha (news release August 8, 2017).

On September 25, 2018 Mirasol recommenced exploration at the Nico project for the 2018-19 southern hemisphere summer exploration season. Mirasol's field teams are engaged in detailed mapping and sampling of the Aurora prospect, with geophysical teams planned to start IP pole dipole survey of key zones at this prospect in late October 2018. The Company will complete an integrated analysis of the Aurora and Resolution prospects to identify targets for potential drill testing.

<u>Virginia Ag Project, Santa Cruz</u>

The Virginia high-grade, Ag vein zone was discovered by Mirasol in late 2009. 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 as previously reported (Figure 4; and see news release February 7, 2013). The mineral resource estimate contains Indicated resources totalling 11.9 Moz Ag at 310 g/t, and Inferred material totalling 3.1 Moz Ag at 207 g/t, all contained within seven outcropping veins of high-grade Ag mineralization (see news release January 28, 2015).

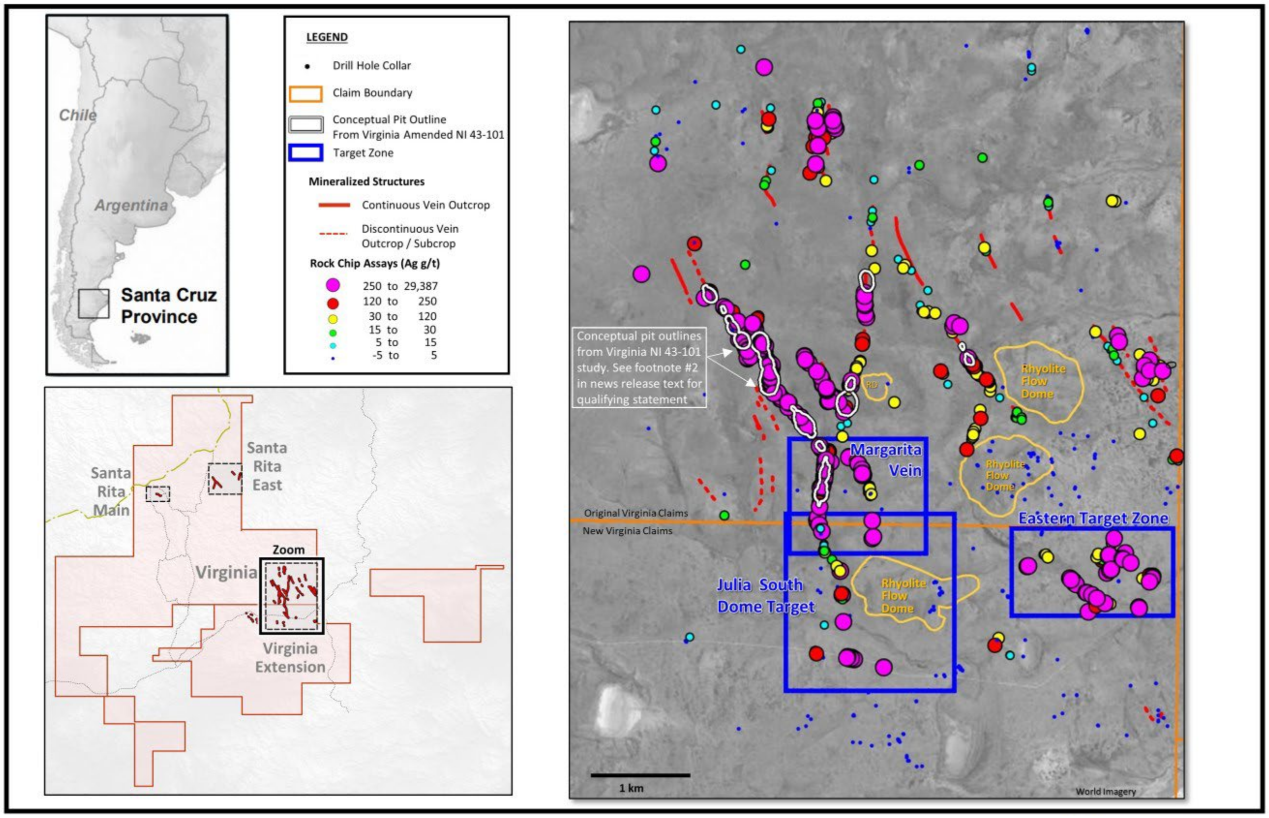

Figure 4: Virginia expanded Claims and new sampling, May 2018.

On March 29, 2016, Mirasol filed an amended technical report on SEDAR dated February 29, 2016. The Amended Report addressed specific technical comments received from the BC Securities Commission ("BCSC") following their routine review of technical disclosure. The base case Mineral Resource estimate contained in the Original Report remains unchanged in the Amended Report.

Mirasol's holdings at Virginia were consolidated and preliminary prospecting south of the limit of Mirasol drilling on the newly acquired claims identified quartz vein and vein breccia "float", scattered along a 2 km trend (news release September 14, 2016).

During the Current Period prospecting and reconnaissance mapping on the newly acquired claims resulted in the discovery of additional high-grade Ag mineralization (news release May 10, 2018). Surface Ag mineralization at Margarita was extended over a 450 m strike-length. The newly recognized Julia South Dome Trend is defined by intermittent vein and vein-breccia subcrop and float samples which extend 2.15 km south from the limits of drilling defining the resources at Virginia. The new East Zone target covers a 1.2 km x 600 m area where rock chip sampling of subcropping epithermal vein-breccia and aligned float blocks have returned high-grade Ag assays.

Detailed exploration, including surface electrical geophysics, trenching and shallow drilling are required to further test these new target areas to confirm if shallow cover is concealing undiscovered Ag veins that are the source of the float.

Other Properties

Mirasol holds several additional drill-ready and early-stage exploration properties, which are prospective for Au and/or Ag and Cu mineralization in southern Argentina and northern Chile.

RESULTS OF OPERATIONS

Table 3: *Exploration expenditures per projects under active exploration (following page)*

	For the Twelve Months Ended June 30, 2018	2017
CHILE		
Yamana Gorbea - Joint Venture		
Camp and general	46,011	540
Contractors and consultants	107,399	108,145
Geophysics	-	3,256
Mining rights and fees	11,064	239,127
Exploration costs recovered	-	(209,550)
Travel & accommodation	6,970	4,689
Option Income	-	(545,664)
Resource Studies	5,574	-
Professional fees	5,851	361
	182,869	(399,096)
Altazor - Joint Venture		
Assays and sampling	98,779	-
Camp and general	114,383	-
Contractors and consultants	530,338	-
Exploration costs recovered	(1,696,669)	-
Geophysics	416,730	-
Management fees	154,243	-
Mining rights and fees	106,687	-
Professional fees	1,240	-
Travel & accommodation	162,591	-
Resource Studies	33,774	-
Option income	(126,040)	-
	(203,944)	-
Zeus - Joint Venture		
Assays and sampling	35,229	-
Camp and general	240,934	-
Contractors and consultants	158,669	-
Exploration costs recovered	(759,113)	-
Geophysics	138,539	-
Professional fees	198	-
Management fees	69,010	-
Mining rights and fees	44,328	-
Option Income	(66,762)	-
Resource Studies	75,565	-
Travel & accommodation	15,484	-
	(47,919)	-
Total - Properties joint ventured to other companies	**(68,994)**	**(399,096)**

	For the Twelve Months Ended June 30, 2018	2017
Chile Pipeline Projects		
Assays and sampling	29,212	61,417
Camp and general	22,087	58,512
Contractors and consultants	166,077	383,393
Geophysics	565	5,469
Mining rights and fees	351,488	306,932
Travel & accommodation	20,552	51,345
	589,981	867,068
Rubi		
Assays and sampling	824	7,020
Camp and general	2,719	15,154
Contractors and consultants	13,341	207,219
Geophysics	-	8,089
Mining rights and fees	186,335	225,206
Travel & accommodation	1,041	13,333
	204,260	476,021
Total - 100% owned properties	**794,241**	**1,343,089**
Frontera - Joint Venture		
Assays and sampling	-	461
Camp and general	8	-
Contractors and consultants	-	38,722
Environmental	-	-
Geophysics	48	452
Mining rights and fees	-	41,380
Travel & accommodation	-	633
	56	81,648
Total - Earn-in joint venture on third party projects	**56**	**81,648**
Project Generation	11,043	796,156
Management Fee Income	(223,253)	-
Corporate Operation & Management - Chile	996,065	549,921
Total Chile	**1,509,158**	**2,371,718**

	For the Twelve Months Ended June 30, 2018	2017
Claudia - Joint Venture		
Assays and Sampling	75,629	379
Option income	(126,552)	-
Camp and general	266,217	12,494
Contractors and consultants	342,261	88,333
Drilling	572,498	-
Environmental	11,947	9
Exploration costs recovered	(1,667,369)	(422,367)
Geophysics	29,761	-
Interest	53	-
Mining rights and fees	199,766	194,882
Management fees	70,488	-
Professional fees	4,719	5,109
Travel & accommodation	44,261	9,861
	(176,321)	(111,300)
La Curva - Joint Venture		
Assays and Sampling	97,823	9,325
Camp and general	306,606	15,352
Contractors and consultants	460,662	145,787
Exploration costs recovered	(2,030,764)	-
Environmental	8,941	5,493
Geophysics	-	8,825
Management fees	80,615	-
Option Income	-	(136,140)
Drilling	733,654	-
Interest	133	-
Mining rights and fees	61,036	17,641
Professional fees	6,026	42,154
Travel & accommodation	52,903	5,344
	(222,365)	113,781
Total - Properties joint ventured to other companies	**(398,686)**	**2,481**

	For the Twelve Months Ended June 30, 2018	2017
Santa Rita and Virginia		
Assays and sampling	-	27,359
Camp and general	28,800	83,732
Contractors and consultants	16,588	91,312
Mining rights and fees	33,903	39,208
Environmental	2,783	-
Travel & accommodation	8	5,300
	82,082	246,911
Argentina Pipeline Projects		
Assays and sampling	108,374	66,084
Camp and general	47,992	83,552
Contractors and consultants	139,615	264,993
Environmental	11,374	1,011
Geophysics	6,214	14,140
Mining rights and fees	119,668	127,751
Professional fees	1,060	133,565
Travel & accommodation	44,952	34,374
	479,249	725,470
Total - 100% owned properties	**561,331**	**972,381**
Project Generation	57	18,925
Management Fee Income	(151,103)	-
Corporate Operation & Management - Argentina	1,241,269	740,437
Total Argentina	**1,252,870**	**1,734,226**
Total Exploration and Evaluation Costs	**2,762,028**	**4,105,942**

FOR THE YEAR ENDED JUNE 30, 2018, AS COMPARED TO THE YEAR ENDED JUNE 30, 2017

The Company's net comprehensive loss for the year ended June 30, 2018 ("2018") was $4,345,815 or $0.09 per share compared to $6,945,806 or $0.15 per share for the year ended June 30, 2017 ("2017"), a decrease of $2,599,991.

The reason for the decrease in net loss during 2018 is due to decrease in exploration expenditures and redirection of resources towards business development goals of the Company.

The Company's total operating expenses were $5,457,985 in 2018 compared to $6,902,462 in 2017.

As presented in Table 3 above, the Company incurred exploration costs of $2,762,028 in 2018, compared to $4,105,942 in 2017. Reduction in generative exploration and increased JV project management in Argentina and Chile during 2018 resulted in reduction in exploration expenses.

Stock-based payments and depreciation are non-cash items. Excluding the above and the exploration cost, the Company incurred $2,190,108 in 2018 compared to $2,070,576 in 2017. The increase of $119,532 is attributable to the increase in management fees, directors fees and business development redirection of company objectives.

Reductions in transfer agent and filing fees, marketing and office and miscellaneous in 2018 compared to 2017, were attributable to reduction in rates and the services obtained and efficient cost management.

The Company also recorded a foreign exchange gain of $756,098 during 2018 compared to the loss of $200,762 in 2017. The periodic 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.

FOURTH QUARTER ANALYSIS

The Company carried out its limited generative exploration work during the fourth quarter. The net loss for the quarter ended June 30, 2018 ("Current Quarter") was $14,623 compared to net loss $1,388,787 for the quarter ended June 30, 2017 (Comparative Quarter). As for the current quarter the reason for the decrease in the loss is due to decrease in exploration expenditures and gain on the foreign exchange during the quarter.

The operating cost for the Current Quarter was less than the Comparative quarter due to a decrease in the exploration costs, marketing and investor communications and office and miscellaneous related to the operations. Allocation of resources to business development, professional fees and director's fees resulted in an increase in the related costs during the Current Quarter compared to the Comparative Quarter.

During the fourth quarter, the Company completed a non-brokered private placement. The placement was over-subscribed, and the Company issued 4,317,750 Units at a price of $2.00 per unit and received gross proceeds of $8,635,500.

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, 2018, 2017 and 2016.

	2018 $	2017 $	2016 $
Sales	-	-	-
Income (loss) for the Year	(4,341,131)	(6,945,647)	(6,017,003)
Earnings (loss) per share – Basic	(0.09)	(0.15)	(0.14)
Earnings (loss) per share – Diluted	(0.09)	(0.15)	(0.14)
Total Assets	30,379,800	25,070,836	21,414,630
Total Long-term Liabilities	-	-	-
Dividends Declared	-	-	-

The following table sets out selected unaudited quarterly financial information of the Company 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 2018	Nil	(14,623)	(0.001)	(0.001)
3rd Quarter 2018	Nil	(1,491,031)	(0.03)	(0.03)
2nd Quarter 2018	Nil	(1,010,958)	(0.02)	(0.02)
1st Quarter 2018	Nil	(1,824,519)	(0.04)	(0.04)
4th Quarter 2017	Nil	(1,388,787)	(0.03)	(0.03)
3rd Quarter 2017	Nil	(1,789,281)	(0.04)	(0.04)
2nd Quarter 2017	Nil	(1,669,075)	(0.03)	(0.03)
1st Quarter 2017	Nil	(2,098,504)	(0.05)	(0.05)

The Company's quarterly results will vary primarily in accordance with the Company's exploration and business development 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.

INVESTING ACTIVITIES

Company continued to invest Canadian, Australian and US dollars in interest-bearing financial instruments maturing up to one year. The total amount invested was CAD$23,650,478. The Company received interest income of $360,756 during 2018 compared to $157,577 in 2017.

FINANCING ACTIVITIES

During 2018, the Company completed a private placement for gross proceeds of $8,635,500. The Company in the prior year end 2017 completed a rights offering for gross proceeds of $10,000,000.

CAPITAL RESOURCES AND LIQUIDITY

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. The Company applies the Project Generator model where it seeks and presents partners with an option to joint venture the Company'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 $26 million on June 30, 2018, 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 several 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:

The remuneration of management and independent directors was as follows:

	Year Ended June 30, 2018	Year Ended June 30, 2017
Management compensation (i)	$ 501,273	$ 514,369
Share-based payments (ii)	261,084	250,749
Director's fees (iv)	186,241	135,623
	$ 948,598	$ 900,741

(i) Management compensation is included in Management fees (2018 - $272,046; 2017 - $211,804) and in exploration expenditures (2018 - $229,227; 2017 - $302,565).

(ii) Share-based payments represent the expense for the years ended June 30, 2018 *(Note 11c)* and 2017.

(iii) In February 2016, the Company signed Consulting Agreements, effective July 2015, with each of Global Ore Discovery Pty Ltd. ("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 a minimum monthly retainer of Australian Dollar ("AUD") $35,000. 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 for a term expiring on June 30, 2018 and was renewed on a month to month basis upon its expiry and provides for payment of a consulting fee of $25,000 per month. 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 (2017 - $2,100 per month) while the Chairman of the Board of Directors receives an additional $3,000 per month for serving in this capacity (2017 - $3,000). On June 14, 2017, Dana Prince was appointed Executive Chairman and is paid an additional $4,100 per month.

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
Chase Management Ltd.	Professional fees
Global Ore Discovery Pty Ltd.	Project generation, exploration management and GIS services
Evrim Resources Corp. ("Evrim")	CFO services, office administration support services and office sharing

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

	Year Ended June 30, 2018	2017
Legal fees	$ 189,138	$ 226,101
CFO services	101,750	72,588
Office sharing and administration services	49,440	87,316
Project generation, exploration expenses and GIS services	711,619	965,443
	$ 1,051,947	$ 1,351,448

The Company had entered into an agreement with Evrim, a company with common management, to share CFO services, Administration services and office space. The Agreement was renewed on a month to month basis upon its expiry on February 28, 2018.

Included in accounts payable and accrued liabilities at June 30, 2018, is an amount of $153,904 (2017 - $149,287) 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, 2018. 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.

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

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 the balance is tested for impairment and 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. JV management fees are included in exploration expenditures on the statement of loss and comprehensive loss.

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. Adoption of this standard is not expected to have a significant impact on the Company other than increased disclosure.

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. Adoption of this standard is not expected to have an impact on the Company.

c) IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases.

   The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of the standard on the Company.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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, 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, 2018.

    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 including the British Virgin Islands are financed entirely by its Canadian Parent and therefore act as its extension. The Company has therefore determined that the functional currency of all its subsidiaries is the Canadian Dollar, similar to the Parent.

FINANCIAL INSTRUMENTS

The Company's financial instruments as at June 30, 2018, consist of cash and cash equivalents, interest receivable, accounts payable and accrued liabilities and advances from joint venture partners. The fair value of all these instruments 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 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, 2018, 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	1,124,657	128,522	12,059,164	139,740,623
Short-term investments	8,250,001	1,660,252		
Receivables and advances	200,000	-	1,819,899	23,846,893
Accounts payable and accrued liabilities	(13,763)	(95,570)	(4,452,833)	(121,721,852)

Based on the net exposures as at June 30, 2018, 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 $1,273,824 and $168,972, 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 $45,228 and $8,582, 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 interest receivable due from major financial institutions on short term investments. 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, 2018, the Company's financial liabilities consist of accounts payable and accrued liabilities totalling $743,842. 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 and cash equivalents is limited because these investments are generally held to maturity. The applicable rates of interest on such investments range between 0.05% and 3.25%.

(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.

The Company appointed a special treasury committee comprising of three board members to consider management's recommendations to mitigate the exposure to foreign currency risk. The committee accepted the consideration that the management maintain a ratio of 70:15:15 for US$: CAD$: AUD$ of the treasury whenever practical.

MANAGEMENT OF CAPITAL RISK

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, 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 adjusts it considering 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. 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.

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 the Company's operating expenses is provided above, in the Company's consolidated statements of (income) loss of the audited annual consolidated financial statements for the period ended June 30, 2018 that is available on the Company's website at www.mirasolresources.com or on its SEDAR company page accessed through www.sedar.com.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 53,837,628 issued and outstanding common shares. In addition, the Company has 3,096,876 options outstanding that expire through December 20th, 2020, and 2,158,875 warrants outstanding that expire through June 1st, 2020. The Company had 15,000 of the 30,000 RSU's granted outstanding as of the date of the MD&A. Details of issued share capital are included in Note 11 of the audited consolidated financial statements for the years ended June 30, 2018 and 2017.

APPROVAL

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

ADDITIONAL INFORMATION

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