# MIRASOL RESOURCES LTD.

**(An Exploration Stage Company)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2017**

**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, 2017 and 2016, 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, 2017 and 2016 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, 2017

A member of Nexia International

## Mirasol Resources Ltd.
*(An Exploration Stage Company)*

## Consolidated Statements of Financial Position

*Canadian Funds*
*As at*

| ASSETS | | June 30, 2017 | | June 30, 2016 |
|---|---|---|---|---|
| **Current Assets** | | | | |
| Cash and cash equivalents | $ | 4,629,130 | $ | 17,605,111 |
| Short-term investments *(Note 6)* | | 16,792,765 | | 459,000 |
| Receivables and advances *(Note 7)* | | 544,502 | | 284,492 |
| | | 21,966,397 | | 18,348,603 |
| **Equipment and Software** *(Note 8)* | | 103,677 | | 65,265 |
| **Exploration and Evaluation Assets** *(Note 9)* | | 3,000,762 | | 3,000,762 |
| | $ | 25,070,836 | $ | 21,414,630 |
| **LIABILITIES** | | | | |
| **Current Liabilities** | | | | |
| Accounts payable and accrued liabilities *(Note 10)* | $ | 532,649 | $ | 784,453 |
| **EQUITY** | | | | |
| **Share Capital** *(Note 11)* | | 48,303,568 | | 38,393,240 |
| **Reserves** *(Note 11)* | | 16,361,942 | | 15,418,454 |
| **Accumulated Other Comprehensive loss** | | (23,438) | | (23,279) |
| **Deficit** | | (40,103,885) | | (33,158,238) |
| | | 24,538,187 | | 20,630,177 |
| | $ | 25,070,836 | $ | 21,414,630 |

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

On Behalf of the Board:

*“ Stephen C. Nano ”* , Director

*“ Nick DeMare ”* , Director

## Mirasol Resources Ltd.

*(An Exploration Stage Company)*

## Consolidated Statements of Loss and Comprehensive Loss

**For the Years Ended June 30**

*Canadian Funds*

| | | 2017 | | 2016 |
|---|---|---|---|---|
| **Operating Expenses** | | | | |
| Exploration costs *(Note 9 and 10b)* | $ | 4,105,942 | $ | 4,702,827 |
| Share-based payments *(Note 11c)* | | 711,454 | | 316,535 |
| Office and miscellaneous | | 529,691 | | 572,998 |
| Marketing and investor communications | | 489,116 | | 335,920 |
| Management fees *(Note 10a)* | | 320,473 | | 564,305 |
| Business development | | 297,574 | | 105,442 |
| Professional fees *(Note 10b)* | | 197,397 | | 379,423 |
| Director's fees *(Note 10a)* | | 135,623 | | 133,500 |
| Transfer agent and filing fees | | 58,549 | | 20,644 |
| Travel | | 42,153 | | 42,267 |
| Depreciation *(Note 8)* | | 14,490 | | 17,703 |
| | | (6,902,462) | | (7,191,564) |
| Interest income | | 157,577 | | 69,167 |
| Foreign exchange gain (loss) | | (200,762) | | 1,017,394 |
| | | (43,185) | | 1,086,561 |
| **Net Loss for the Year before Income Taxes** | | (6,945,647) | | (6,105,003) |
| Income tax recovery | | - | | 88,000 |
| **Net Loss for the Year** | $ | (6,945,647) | $ | (6,017,003) |
| **Other Comprehensive loss to be Reclassified to Profit or Loss in Subsequent Periods** | | | | |
| Exchange differences on translation of foreign operations | | (159) | | (26,237) |
| **Loss and Comprehensive Loss for the Year** | | (6,945,806) | | (6,043,240) |
| Loss per Share (Basic and Diluted) | $ | (0.15) | $ | (0.14) |
| **Weighted Average Number of Shares Outstanding (Basic and Diluted)** | | 47,781,853 | | 44,334,015 |

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

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

| | Share Capital Common Shares | | Reserves | Accumulated Other Comprehensive Income (Loss) | Deficit | Total |
|---|---|---|---|---|---|---|
| | Number | $ | $ | $ | $ | $ |
| Balance – June 30, 2015 | 44,245,661 | 37,858,186 | 15,146,472 | 2,958 | (27,141,235) | 25,866,381 |
| Bonus shares issued *(Note 10a)* | 300,000 | 372,000 | - | - | - | 372,000 |
| Option exercise *(Note 11c)* | 118,750 | 163,054 | (44,553) | - | - | 118,501 |
| Share-based payments *(Note 11c)* | - | - | 316,535 | - | - | 316,535 |
| Foreign currency translation adjustment | - | - | - | (26,237) | - | (26,237) |
| Loss for the year | - | - | - | - | (6,017,003) | (6,017,003) |
| **Balance – June 30, 2016** | **44,664,411** | **38,393,240** | **15,418,454** | **(23,279)** | **(33,158,238)** | **20,630,177** |
| Shares issued – Rights offering | 4,166,667 | 10,000,000 | - | - | - | 10,000,000 |
| Share issue costs | - | (492,138) | 339,700 | - | - | (152,438) |
| Option exercise *(Note 11c)* | 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 | - | - | - | - | (6,945,806) | (6,945,806) |
| **Balance – June 30, 2017** | **49,116,078** | **48,303,568** | **16,361,942** | **(23,438)** | **(40,104,044)** | **24,538,028** |

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

| | 2017 | 2016 |
|---|---|---|
| **Operating Activities** | | |
| Net loss for the year | $ (6,945,647) | $ (6,017,003) |
| Adjustments for: | | |
| Share-based payments | 711,454 | 316,535 |
| Interest income | (157,577) | (69,167) |
| Depreciation | 14,490 | 17,703 |
| Depreciation included in exploration expenses | 24,431 | 38,942 |
| Unrealized foreign exchange | 18,531 | (884,047) |
| Income tax recovery | - | (88,000) |
| Bonus shares issued | - | 372,000 |
| Write-off of mineral property acquisition costs | - | 58,167 |
| | (6,334,318) | (6,254,870) |
| Changes in non-cash working capital items: | | |
| Receivables and advances | (125,909) | (161,660) |
| Due from joint venture partners – receivables and advances | - | 385,422 |
| Accounts payable and accrued liabilities | (251,804) | (138,808) |
| Income taxes received | - | 3,097,701 |
| Cash used in operating activities | (6,712,031) | (3,072,215) |
| **Investing Activities** | | |
| Short-term investments redeemed/(placed) | (16,333,765) | 741,000 |
| Acquisition of exploration and evaluation assets | - | (229,115) |
| Interest received | 23,476 | 70,056 |
| Purchase of equipment and software | (77,333) | (1,320) |
| Cash provided by (used in) investing activities | (16,387,622) | 580,621 |
| **Financing Activities** | | |
| Shares issued, net of issuance costs | 9,847,562 | - |
| Exercise of incentive share purchase options | 294,800 | 118,501 |
| Cash provided by financing activities | 10,142,362 | 118,501 |
| **Effect of Exchange Rate Change on Cash and Cash Equivalents** | (18,690) | 857,810 |
| **Change in Cash and Cash Equivalents** | (12,975,981) | (1,515,283) |
| Cash and Cash Equivalents - Beginning of Year | 17,605,111 | 19,120,394 |
| **Cash and Cash Equivalents - End of Year** | $ 4,629,130 | $ 17,605,111 |

| | | |
|---|---|---|
| **Supplemental Schedule of Non-Cash Investing and Financing Transactions:** | | |
| Fair value of options exercised | $ 107,666 | $ 44,553 |
| Fair value of bonus warrants | $ 339,700 | $ - |

| | | |
|---|---|---|
| **Cash and Cash Equivalents Consist of:** | | |
| Cash | $ 1,415,944 | $ 757,155 |
| Cash equivalents | $ 3,213,186 | $ 16,847,956 |

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

## 1. Nature of Business

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

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

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

Management 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, 2017.

### 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, 2017 were as follows:

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

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

**b) Significant Accounting Estimates and Judgments**

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

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

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

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

The Company has concluded that impairment conditions do not exist as at June 30, 2017.

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

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

(ii) Valuation of share purchase options: The Company provides compensation benefits to its employees, directors and officers through a stock option plan. The fair value of each option award is estimated on the date of the grant using the Black-Scholes option pricing model. Expected volatility assumption used in the model is based on the historical volatility of the Company's share price. The Company uses historical data to estimate the period of option exercises and their forfeiture rates for use in the valuation model.

The risk-free interest rate for the expected term of the option is based on the yields of government bonds. Changes in these assumptions, especially the volatility and the expected life determination could have a material impact on the Company's profit or loss. All estimates used in the model are based on historical data which may not be representative of future results.

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

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

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

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

### c) Foreign Currencies

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

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

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

The Company's presentation currency is the Canadian Dollar.

### d) Cash and Cash Equivalents

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

### e) Financial Instruments

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

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

### f) Impairment of Financial Assets

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

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

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

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

### g) Impairment of Non-Financial Assets

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

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Non-financial assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized in profit or loss in the period of such reversal.

### h) Equipment and Software

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

The Company provides for depreciation as follows:

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

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.

### j) Provisions

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

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

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

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

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

**k) Income Taxes**

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

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

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

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

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

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

**l) Share-based Payments**

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

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

### m) Loss per Share

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

### n) Comprehensive Income (Loss)

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

## 4. Recent Accounting Pronouncements

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

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

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

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

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

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

c) IFRS 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.

The following new standards and amendments to standards which are applicable to the Company for the current fiscal year have been adopted:

a) IFRS 11 Accounting for acquisition of interest in joint operations amends Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to apply all of the business combinations accounting principles in IFRS 3 and other IFRS, except for those principles that conflict with the guidance in IFRS 11 and to disclose the information required by IFRS 3 and other IFRS for business combinations. The amended IFRS 11 was adopted during the fiscal year with no impact on the Company in its present form.

b) Amendments are made to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture and requires full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations) and requires the partial recognition of gains and losses where the assets do not constitute a business. The amended IFRS 10 and IAS 28 were adopted during the year, the standard had no impact on the Company in its present form.

## 5. Financial Instruments

*Categories of financial instruments*

| | | June 30, 2017 | | June 30, 2016 |
|---|---|---|---|---|
| Financial assets | | | | |
| Fair Value Through Profit or Loss | | | | |
| Cash and cash equivalents | $ | 4,629,130 | $ | 17,605,111 |
| Short-term investments | | 16,792,765 | | 459,000 |
| Loans and receivables | | - | | |
| Receivables and advances | | 396,323 | | 168,151 |
| | $ | 21,818,218 | $ | 18,232,262 |
| Financial liabilities | | | | |
| Other financial liabilities | | | | |
| Accounts payable and accrued liabilities | $ | 532,649 | $ | 784,453 |

### 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, 2017 | | June 30, 2016 |
|---|---|---|---|---|
| Level 1 | | | | |
| Cash and cash equivalents | $ | 4,629,130 | $ | 17,605,111 |
| Short-term investments | $ | 16,792,765 | $ | 459,000 |

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

**b) Management of Capital Risk**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern 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, 2017, 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 | 2,040,840 | 921,080 | 3,982,397 | 17,340,920 |
| Short-term investments | 9,500,000 | 1,974,385 | | |
| Receivables and advances | 205,000 | - | 1,077,621 | 13,159,755 |
| Accounts payable and accrued liabilities | (27,859) | (123,631) | (2,576,622) | (8,352,839) |

Based on the net exposures as at June 30, 2017, 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 $1,526,068 and $276,601, 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 $20,870 and $4,319, 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, 2017, the Company's financial liabilities consist of accounts payable and accrued liabilities totalling $532,649. 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 1.91%.

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

## 7. Receivables and Advances

| | | June 30, 2017 | | June 30, 2016 |
|---|---|---|---|---|
| Goods and services tax receivable | $ | 7,961 | $ | 7,374 |
| Income taxes recoverable | | 23,991 | | 23,991 |
| Interest receivable | | 129,345 | | 1,014 |
| Prepaid expenses and advances | | 116,227 | | 84,976 |
| Due from joint venture partners | | 266,978 | | 167,137 |
| | $ | 544,502 | $ | 284,492 |

## 8. Equipment and Software

| | | Exploration Equipment | | Computer Hardware | | Computer Software | | Total |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| Balance as at June 30, 2015 | $ | 398,578 | $ | 57,883 | $ | 37,834 | $ | 494,295 |
| Additions for the year | | 1,320 | | - | | - | | 1,320 |
| Balance as at June 30, 2016 | $ | 399,898 | $ | 57,883 | $ | 37,834 | $ | 495,615 |
| Additions for the year | | 77,333 | | - | | - | | 77,333 |
| Balance as at June 30, 2017 | $ | 477,231 | $ | 57,883 | $ | 37,834 | $ | 572,948 |
| **Accumulated Depreciation** | | | | | | | | |
| Balance at June 30, 2015 | $ | 328,840 | $ | 30,720 | $ | 14,145 | $ | 373,705 |
| Depreciation for the year | | 35,830 | | 8,204 | | 12,611 | | 56,645 |
| Balance as at June 30, 2016 | $ | 364,670 | $ | 38,924 | $ | 26,756 | $ | 430,350 |
| Depreciation for the year (i) | | 22,156 | | 5,687 | | 11,078 | | 38,921 |
| Balance as at June 30, 2017 | $ | 386,826 | $ | 44,611 | $ | 37,834 | $ | 469,271 |
| **Carrying Amounts** | | | | | | | | |
| As at June 30, 2016 | $ | 35,228 | $ | 18,959 | $ | 11,078 | $ | 65,265 |
| As at June 30, 2017 | $ | 90,405 | $ | 13,272 | $ | - | $ | 103,677 |

(i) Allocated between depreciation expense ($14,490) (2016 - $17,703) and exploration costs ($24,431) (2016 - $38,942) on the statement of loss and comprehensive loss.

## 9. Exploration and Evaluation Assets

A reconciliation of capitalized acquisition costs is as follows:

**Acquisition Costs**

| | | Balance at June 30, 2016 | | Change during the year | | 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 |

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

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

### Chile

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

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

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

#### *i. Atlas Property*

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

#### *ii. Titan Property*

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

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

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

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

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

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

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

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

Yamana has made all the option payments due as of June 30, 2017.

### 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. This agreement, referred to as the Frontera JV, covers a portfolio of prospective, early-stage mineral properties located within the area of Mirasol's Miocene Arc generative program, with some of these properties being adjacent to or contiguous with Mirasol's Gorbea Project including Titan and Atlas properties in northern Chile.

The Frontera JV Agreement provides for Mirasol to earn a 51% interest in any, or all, of the exploration properties by expending US$3 million within a four-year period which commenced on December 26, 2012 ($2.04 million spent to date of which the majority is attributable to the Company's commitment). After vesting, each party will contribute in proportion to its equity position. Should a discovery be put into production, a 1.5% NSR is payable by Mirasol to its venture partner from Mirasol's percentage of production, capped at 51% of total production. If either party dilutes below 10% interest, ownership will convert to a 1% NSR. On March 7, 2017 the Company determined to terminate the agreement.

**Argentina**

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

***c) Claudia Property***

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

In February 2016 Mirasol signed an exploration and option agreement with Cerro Vanguardia S.A ("CVSA"). CVSA has been granted the option to acquire up to a 75% interest in the Claudia Project, exercisable in 3 stages over a six-year, or shorter, earn-in period. The first earn-in option for CVSA to earn 51% over a maximum 2-year period, requires spending US$5 million on exploration, making US$1 million in payments to Mirasol and executing an exploration program that includes a minimum of 12,000 m drilling. Mirasol will retain a 25% funded-to-production interest in the Claudia project. On February 10, 2017 the agreement was terminated. A $266,978 (US$ 205,000) payment included in accounts receivable was received subsequent to the yearend from CVSA in-lieu of certain uncompleted exploration commitments.

***d) La Curva Property***

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

On May 25, 2017, the Company announced signing of an exploration and option agreement with OceanaGold Corporation ("OGC") to explore the Company's 100% owned, La Curva gold project, located in Santa Cruz Province, Argentina. OGC has been granted the option to acquire up to a 75% interest in the La Curva Project, exercisable in 5 stages over a 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 Mirasol. Mirasol 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 La Curva project. The agreement is in good standing as of June 30, 2017.

***e) Santa Rita Property and Virginia Zone***

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

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

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

***f) Pipeline Projects:***

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

In order to achieve cost efficiencies certain claims without merit were dropped during the year ended June 30, 2017 resulting in a write-off of $Nil (June 30, 2016 - $58,167).

## 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, 2017 | | 2016 |
|---|---|---|---|---|
| Management compensation (i) | $ | 514,369 | $ | 507,987 |
| Share-based payments (ii) | | 250,749 | | 191,455 |
| Bonus shares(iii) | | - | | 372,000 |
| Director's fees (iv) | | 135,623 | | 133,500 |
| | $ | 900,741 | $ | 1,204,942 |

(i) Management compensation is included in Management fees (2017 - $211,804; 2016 - $187,394) and in Exploration costs (2017 - $302,565; 2016 - $320,593) in the Company's consolidated statements of loss and comprehensive loss.

(ii) Share-based payments represent the expense for the years ended June 30, 2017 (*(Note 11c)* and 2016.

(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. Further, as additional consideration, the Company has agreed to an incentive grant of 255,000 (Issued April 29, 2016) stock options, subject to vesting, to key representatives of Global Ore other than Mr. Nano. The Global Ore contract can be terminated at any time by the Company by paying a fee of AUD $225,000.

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

(iv) The independent directors of the Company are paid $2,100 per month (2016 - $2,100 per month) while the Chairman of the Board of Directors receives an additional $3,000 per month for serving in this capacity (2016 - $3,000). As of June 14, 2017, Dana Prince was appointed Executive Chairman receiving an additional $4,100 per month. The independent directors are also paid for serving on certain special committees of the Board of Directors. There were no special committees during the year ended June 30, 2017.

**b) Transactions with other related parties**

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

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

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

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

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

| | Year Ended June 30, 2017 | 2016 |
|---|---|---|
| Legal fees | $ 226,101 | $ 177,421 |
| Accounting fees | 72,588 | 134,150 |
| CFO services, office sharing and administration | 87,316 | 52,833 |
| Project generation, exploration expenses and GIS services | 965,443 | 798,676 |
| Professional fees | - | 41,200 |
| | $ 1,351,448 | $ 1,204,280 |

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

Included in accounts payable and accrued liabilities at June 30, 2017, is an amount of $149,287 (2016 - $148,450) owing to directors and officers of the Company and to companies where the directors and officers are principals.

## 11. Share Capital

### a) Authorized Share Capital

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

### b) Reconciliation of Changes in Share Capital

(i) **Rights offering**

The Company completed a rights offering for gross proceeds of $10,000,000 on September 19, 2016. Bonus warrants of 500,000 were issued to the guarantors of the rights offering. Each bonus warrant is exercisable at $2.40 and expires on March 23, 2017 (Expired unexercised). 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.

(ii) **Options exercised**

The Company issued 285,000 (2016 -118,750) shares on exercise of share purchase option for gross proceeds of $294,800 (2016 - $118,501). The options had a fair value of $107,666 (2016 - $44,553).

(iii) **Bonus shares**

No bonus shares were issued during the year ended June 30, 2017 (2016- 300,000 with a fair value of $372,000).

### 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, 2017, a total of 4,911,608 options were reserved under the option plan with 2,984,626 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, 2015 | 3,560,300 | $2.31 |
| Granted | 320,000 | $1.38 |
| Exercised | (118,750) | $1.00 |
| Amended | (460,000) | $4.34 |
| Expired | (747,800) | $2.52 |
| Options outstanding as at June 30, 2016 | 2,553,750 | $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 |
| Options exercisable at June 30, 2017 | 2,324,626 | $1.64 |

### (ii) Fair value of share purchase options granted

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

The fair value of these stock options was estimated to be $568,113 using the weighted average assumptions in the Black-Scholes option pricing model noted below.

On December 5, 2016, the Company issued 25,000 options to a consultant with an exercise price of $1.55 for a period of three years from the date of grant. The fair value of these options was estimated to be $13,102 using the following weighted average assumptions in the Black-Scholes option pricing model.

Additional share-based payments expense of $130,239 was recognized in the Company's statement of loss due to vesting of the stock options granted during previous years.

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

The incremental fair value of stock options amended during fiscal 2016 was estimated to be $147,344 using weighted average assumptions in the Black-Scholes option pricing model.

Total share-based payments recognised for the year ended June 30, 2017 amounted to $711,454 (June 30, 2016 - $316,535).

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, 2017 | 2016 |
|---|---|---|
| Expected dividend yield | 0.0% | 0.0% |
| Expected share price volatility | 49.19% | 52.99% |
| Risk-free interest rate | 0.576% | 0.551% |
| Expected life of options | 2.13 years | 2.84 years |
| Fair value of options granted (per share option) | $0.36 | $0.31 |

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

A summary of the Company's options outstanding as at June 30, 2017 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 | 1.46 | 3,750 |
| March 23, 2019 | 0.88 | 190,000 | 1.73 | 190,000 |
| August 4, 2019 | 0.88 | 145,000 | 2.10 | 145,000 |
| September 26, 2017* | 2.34 | 62,500 | 0.24 | 62,500 |
| May 14, 2018 | 1.28 | 472,500 | 0.87 | 472,500 |
| April 29, 2021 | 0.88 | 1,075,000 | 3.83 | 575,000 |
| April 29, 2021 | 1.38 | 320,000 | 3.83 | 160,000 |
| August 26, 2019 | 2.85 | 715,876 | 2.15 | 715,876 |
| | | 2,984,626 | 2.67 | 2,324,626 |

* Expired unexercised subsequent to June 30, 2017

**d) Warrants**

There were no share purchase warrants outstanding as at June 30, 2017 and 2016. 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.

## 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, 2017 | June 30, 2016 |
|---|---|---|
| Canada | $ 7,959 | $ 22,449 |
| Argentina | 2,842,013 | 2,847,637 |
| Chile | 254,467 | 195,941 |
| | $ 3,104,439 | $ 3,066,027 |

## 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, 2017 | | Year Ended June 30, 2016 |
|---|---|---|---|---|
| Net loss before income taxes | $ | (6,945,647) | $ | (6,105,003) |
| Canadian federal and provincial income tax rates | | 26.00% | | 26.00% |
| Expected income tax recovery based on the above | $ | (1,805,868) | $ | (1,587,301) |
| Non-deductible expenses | | 220,512 | | 442,168 |
| Difference between Canadian and foreign tax rates | | (54,013) | | (74,718) |
| Tax effect of deferred tax assets for which no tax benefit has been recorded | | 2,865,419 | | (4,133,264) |
| Foreign exchange and other | | (1,226,050) | | 5,441,115 |
| Total income tax recovery | $ | - | $ | 88,000 |

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

| | | June 30, 2017 | | June 30, 2016 |
|---|---|---|---|---|
| Unrecognized deferred income tax assets: | | | | |
| Non-capital losses | $ | 2,182,224 | $ | 1,122,984 |
| Exploration and evaluation assets | | 6,359,253 | | 4,539,560 |
| Share issue costs | | 31,707 | | 52,796 |
| Other | | 14,234 | | 6,659 |
| Total unrecognized deferred income tax assets | $ | 8,587,418 | $ | 5,721,999 |

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, 2017 | | June 30, 2016 | Expiry date Range |
|---|---|---|---|---|---|
| Non-capital losses | $ | 7,409,201 | $ | 3,776,124 | See below |
| Exploration and evaluation assets | | 18,824,237 | | 13,456,532 | Not applicable |
| Share issue costs | | 121,950 | | 203,063 | 2036 |
| Other | | 42,533 | | 25,554 | Not applicable |

As at June 30, 2017, an estimated income tax refund of $23,991 (2016 - $23,991) is recognized in receivables and advances (Note 7). Income taxes recoverable includes a recovery of $23,991 (2016 – $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 received $3,097,701 and $977,368 inclusive of interest on February 9, 2016 and February 20, 2015 respectively, for its income tax refund for the years ended June 30, 2014 and 2015.

The Company has non-capital loss carry-forwards of approximately $1,982,693 that may be available for tax purposes. The loss carry-forwards are principally in respect of Canadian, Argentine and Chilean operations and expire as follows:

| | | Argentina | | Chile |
|---|---|---|---|---|
| 2019 | $ | 116,190 | $ | - |
| 2020 | | 503,387 | | - |
| 2021 | | 882,125 | | - |
| No-expiry | | - | | 480,991 |
| | $ | 1,501,702 | $ | 480,991 |

## 14. Commitments

a. The Company has entered into a three-year consulting agreement with Global Ore for the provision of geological consulting services. The agreement expires on June 30, 2018 but is subject to early termination provisions including the right of the Company to terminate the agreement upon payment to Global Ore of AUD$ 225,000 *(Note 10 a (iii)).*

b. The Company has entered into a three-year CEO consulting contract with Mr. Nano for the provision of management services. The agreement expires on June 30, 2018 but is subject to early termination provisions, including the right of the Company to terminate the agreement upon paying Mr. Nano one year of consulting fees. The agreement also provides that Mr. Nano is entitled to payment of two years of consulting fees in the event of a change of control event, as defined *(Note 10 a (iii)).*

c. The Company entered into a cost-sharing agreement with Evrim Resources Corp. which expires the earlier of February 28, 2018 or upon the Company giving Evrim six months' notice of termination.

**15. Subsequent Event**

On October 20, 2017, the Company announced signing of the definitive agreement with OCG on Claudia project.

OGC has been granted the option to acquire up to a 75% interest in the Claudia Project, exercisable in 5 stages over a 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 Mirasol. Mirasol 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 Claudia project.

**Form 51-102F1**

**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, 2017 and is intended to supplement the Company's annual audited consolidated financial statements for the year ended June 30, 2017 ("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, 2017.

## 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 gold, silver and copper (Au, Ag and Cu) deposits in the Atacama-Puna region of northern Chile and Argentina, and the Santa Cruz Province in 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 holds 100% of the mineral exploration rights to a large and diverse portfolio of prospective Au, Ag and Cu properties and continues to prospect and evaluate this portfolio. The Company currently has 3 projects under joint venture ("JV") exploration agreement and is actively seeking additional partnerships to explore and drill test its property portfolio. Under these agreements, the JV partners fund all exploration and tenure holding costs which leaves Mirasol's treasury available for further exploration and business development. Mirasol believes well-managed and focused exploration can deliver further discoveries within its generative regions, bringing increases to shareholder value.

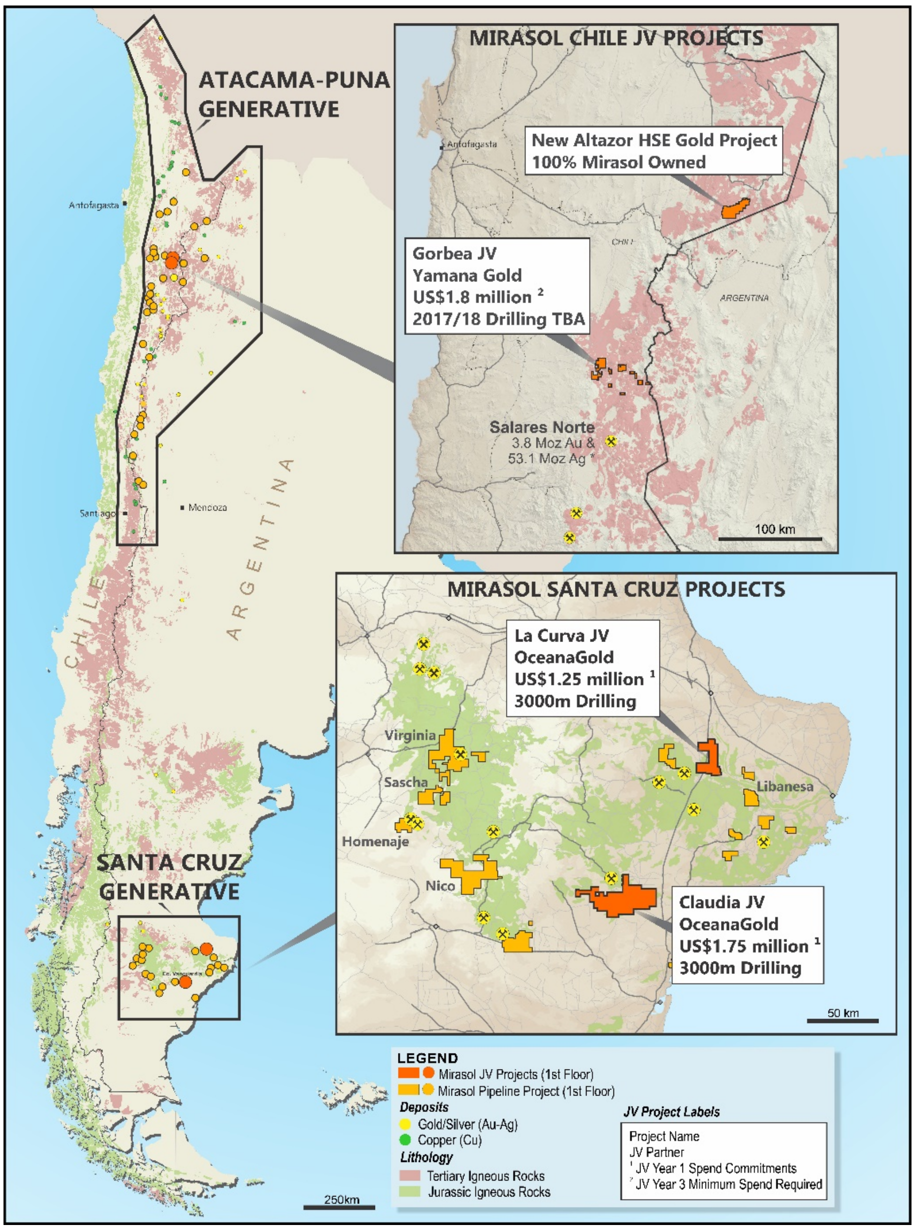


Figure 1: Location of Mirasol's Exploration Projects, Joint Ventures, and Generative Programs.

## Financial Condition

Mirasol remains in a strong financial position with cash and short-term investment of $21,421,895 as of June 30, 2017, having raised $10,000,000 through a rights-offering completed on September 19, 2016. 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 $6,152,087. The financial statements for the Current Period show a total expenditure of $6,902,462 of which non-cash items such as share-based payments and depreciation totalled to $750,375.

For the Current Period, the total net cash expenditure was distributed between head office corporate spend of $2,070,576 inclusive of: officer's salaries, board fees, business development, corporate administration, investor relations and regulatory compliance; and a total exploration expenditure of $4,105,942. For the Current Period, the Company has accounted for $1,313,721 in option payments and exploration reimbursements from JV partners, which is offset against the Company's exploration and in-country management and operating costs.

## Mirasol's Exploration Focus

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

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

## Project Generation and Business Development

The primary focus of the Company's generative efforts has been the Atacama-Puna Program focused on the world class Tertiary age mineral belts in northern Chile.

In response to improving investment climate in Argentina, the Company re-initiated project generation and project exploration activities in the Santa Cruz Province, staking new claims to consolidate its positions in mineral districts where the Company holds well positioned, key claims. Mirasol's business development team is aggressively pursuing additional JV deals to accelerate drill testing of these projects with the goal of making significant discoveries.

### 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, of differing ages (millions of years, Ma), which run through Chile and Argentina and host many world-class Cu and Au mines and deposits (Figure 2).

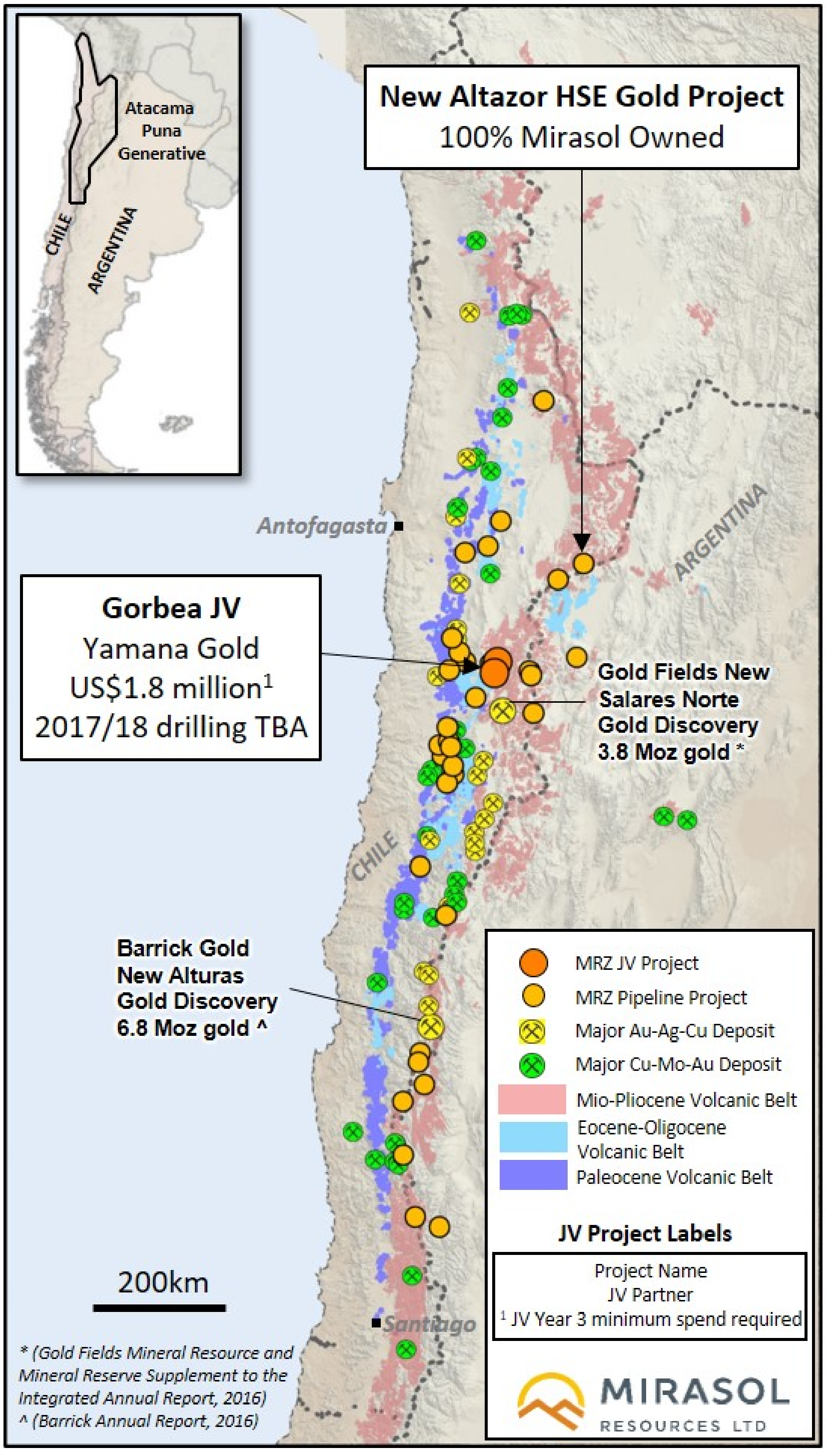


Figure 2: Mirasol's Atacama - Puna Generative Program.

The Company's exploration is focused on three mineral belts where the Company is targeting specific deposit types;

- 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

Mirasol uses proprietary prospectivity analysis techniques to target areas with heightened potential for discovery of quality mineral deposits. The Company also applies risk filters to minimize exposure to areas that may have environment and/or community sensitivities.

Mio-Pliocene belt: This belt in-particular has been the focus of recent discoveries of multi-million-ounce HSE oxide Au deposits;

- Alturas deposit, with an Inferred resource of 6.8 M oz Au at 1.00g/t Au (Barrick Annual Report 2016).
- Salares Norte deposit, with a resource of 3.8 M oz Au at 4.6 g/t Au and 43.8 M oz Ag at 53.1 g/t Ag (Gold Fields Mineral Resource and Mineral Reserve Supplement to the Integrated Annual Report, 2016).

Alturas and Salares Norte are large-tonnage, near-surface oxide Au resources which are believed to be bulk-minable. Both are largely concealed beneath geochemically barren, but altered, cap rocks (the "steam heated cap") which obscured recognition of these prospects. Discovery was 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 JV with Yamana Gold ("YRI") and recently announced the first season results from its new Altazor project.

In the Mio-Pliocene belt north of the Maricunga Belt, Mirasol has approximately 67,000 ha of granted exploration claims. In the Mio-Pliocene aged "Southern Porphyry Belt", Mirasol holds exploration rights to approximately 38,000 ha of granted claims and claims applications.

Eocene - Oligocene belt: In 2016, Chile produced 5.5 million metric tonnes of Cu, making it the world's largest copper producer. The Eocene-Oligocene belt hosts many giant porphyry Cu mines such as Escondida, Chuquicamata and Collahuasi that significantly contribute to this annual Cu production. This Cu belt is considered a "mature exploration terrain" but it is also recognized as prospective for further 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 has not been considered a core commodity for Mirasol to date, a number of factors point toward possible supply deficits starting in 2018 and Mirasol considers the potential supply shortfall as a driver for increased demand for Cu exploration projects. Accordingly, Mirasol has begun staking new claims and expanding existing claims holdings in this belt to secure quality exploration ground to build a pipeline of Cu exploration projects.

Mirasol holds approximately 37,000 ha in the Cu-rich Eocene-Oligocene belt, including the Rubi project, the Odin project and two additional project generation properties.

Paleocene belt: The Paleocene belt hosts significant mines including BHP's porphyry Cu+Mo Spence mine and YRI's high-grade, low sulfidation epithermal (LSE) Au+Ag El Peñón mine. El Peñón is the largest precious metal mine in the Paleocene belt with a metal endowment (contained metal reserves, resources and historic production – source SNL Metals & Mining) of 7.8 M oz Au and 227 M oz Ag. Mirasol is targeting large multi-million ounce epithermal Au+Ag and large porphyry Cu deposits in this belt.

In the Paleocene belt of Chile, Mirasol holds approximately 55,500 ha of granted exploration claims.

Portfolio of 100% owned projects Atacama-Puna Generative Region:

- Nine precious metal properties totaling approximately 23,084 ha, including the Atlas project which are subject to the Company's Gorbea – YRI JV (the "Gorbea-YRI JV") agreement (news release March 26, 2015), exploring for HSE Au deposits in the Mio-Pliocene age mineral belt. The JV agreement grants YRI the option to acquire up to a 75% interest in the Gorbea projects by making US$ 10 million in exploration expenditures, delivering a feasibility study, a decision to mine and at Mirasol's request, funding to commercial production for the Company's 25% retained project equity. YRI is also required to pay US$ 2 million in staged option payments to Mirasol over the initial 4 years of the agreement.

- The Altazor project which covers 22,860 ha is HSE gold project located in an underexplored section of the Mio-Pliocene age mineral belt. Mirasol completed a first pass reconnaissance sampling over approximately 50% of the project area and reported the results on October 11, 2016. The surface results show comparable ppb level anomalous gold assay in soils and rock chips to those recorded at surface at the Salares Norte Project.
- The Rubi project, located in the El Salvador Cu-Au mining district, Chile, hosts the Lithocap, Zafiro and Puertozuelo porphyry Cu targets. Mirasol has continued to expand its claims holdings to secure possible extensions and new prospect areas, resulting in a total claims area of 25,980 ha. The El Salvador district hosts large-scale porphyry Cu mines operated by Codelco, the Chilean national mining company.
- The Odin project 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 Q3, Mirasol reported the expansion of claims at Odin from 900 to 5,667 ha (news release July 25, 2017).
- As of late September 2017, in addition to Gorbea, Altazor, Rubi and Odin; approximately 120,000 ha of 100% Mirasol owned Au, Ag, Cu projects in 30 claims areas, "pipeline" projects that have been staked in alignment with the Company's active project generation strategy in the region.

**Argentina: Santa Cruz Province Generative Region**

The Company's generative region in Santa Cruz encompasses the Deseado Massif, a 60,000 sq. km area of upper middle Jurassic age volcanics that are recognized as under-explored terrain for epithermal Au and Ag deposits.

The Santa Cruz Province hosts four operating multi-million-ounce Au+Ag mines and an additional large deposit at advanced development stage. These 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 LSE and intermediate sulfidation epithermal (ISE) styles. These deposits are exploited via bulk-minable open pit and underground mining techniques.

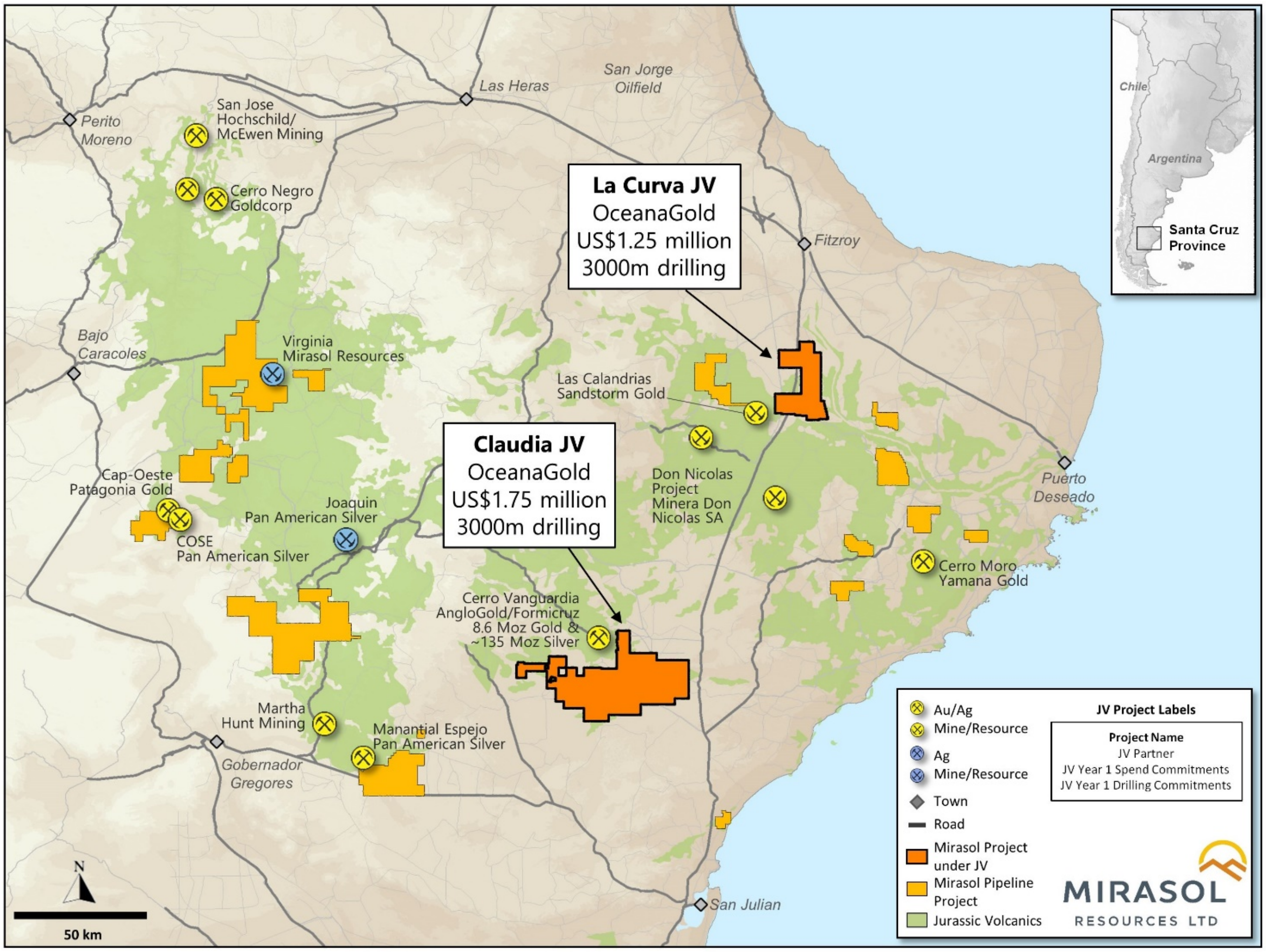

Figure 3: Santa Cruz Project Portfolio.

Mirasol has been successfully exploring in Santa Cruz for over 10 years and has been involved in the discovery of two Ag deposits: “Joaquin”, sold to JV partner Coeur Mining in 2012; and the Virginia project which remains 100% owned by the Company.

The Company’s strategy in Santa Cruz over recent years has been to focus upon consolidating claims holdings around key mineral districts where Mirasol already has established projects and the Company’s exploration has confirmed the presence of and potential for, large-sized precious metal systems. Due to the improved investment climate in Argentina, Mirasol has successfully recommenced staking new projects in Santa Cruz.

Portfolio of 100% owned projects, Santa Cruz (Figure 3):

- The large Claudia Au+Ag project with a series of drill-ready prospects, which are contiguous with the world-class Cerro Vanguardia Au+Ag district operated by Cerro Vanguardia S.A. (CVSA), a 92.5 % owned subsidiary of AngloGold Ashanti. On September 6, 2017, Mirasol announced the signing of a Letter of Intent (“LOI”) (“Claudia-OGC LOI”) with OceanaGold (“OGC”) for a JV to explore the Claudia project for LSE Au+Ag mineralization. The definitive JV option agreement was signed 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 it will pay US$ 1 million in staged cash payments. Further, it will make a one-off payment to Mirasol 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 OGC resources. OGC and Mirasol are preparing a field exploration program, which anticipates to further drill test the project in early calendar 2018.

- The La Curva Au project, 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 January 30, 2017, Mirasol announced the signing of an LOI (the "La Curva-OGC LOI") with OGC for a JV to explore the La Curva project in Santa Cruz Argentina for LSE Au+Ag mineralization. The definitive JV option agreement was signed on May 18, 2017, granting 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 it will pay US$ 1.5 million in staged cash payments. On October 26, 2017, OGC and Mirasol announced that they initiated a 2,500m diamond core drill program to test a series of drill targets along the Castora Gold Trend.
- The Nico project is an ISE Au+Ag target located 85 km from Pan American Silver's Manantial Espejo mine. During the Current Period, Mirasol has reported bonanza grade Au+Ag sampling from the newly discovered Aurora and Resolution vein zones. Best results to date from surface chip sampling of oxidized typically sub metre vein rock chip samples of 35.09 g/t Au and 2,095.0 g/t Ag from Aurora and 4.79 g/t Au and 6,181.4 g/t Ag from Resolution.
- The Virginia epithermal Ag project, where Mirasol has outlined high-grade Ag mineralization in seven separate deposits (as vein shoots). Virginia contains an initial, open pit constrained NI 43-101 mineral resource estimate comprised of Indicated resources totalling 11.9 M oz Ag @ 310 g/t Ag, and Inferred resources totalling 3.1 M oz Ag @ 207 g/t Ag. Mirasol's claims holdings have expanded to 63,282 ha where encouraging reconnaissance rock float sampling has returned assays up to 1,084 g/t Ag.
- Exploration rights to a portfolio of 9 additional quality precious metal properties totaling approximately 132,000 ha, a number with drill-ready Au+Ag targets, including the Homenaje, Sascha and Libanesa projects.

## HIGHLIGHTS FOR THE PERIOD JULY 1, 2016 TO OCTOBER 26, 2017

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 $2,371,719 (Table 3) on exploration in Chile and $2,001,201 in Argentina. The Company received $364,939 in cost recoveries for the Current Period; claims fees, salaries of Mirasol employees seconded to the JV programs and other operational costs that are covered by the JV partners under the terms of the JV agreements. Mirasol also received JV option and exit payments of US$ 805,000 comprised of;

- In January 2017, a Curva JV signing payment from OGC of US$ 100,000
- In May 2017, the 3rd Gorbea JV option payment from YRI of US$ 400,000
- In September 2017, a Claudia JV exit payment from CVSA of US$ 205,000
- In October 2017, a Claudia JV signing payment from OGC of US$ 100,000

**Corporate Matters**

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

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

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

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

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

On March 2, 2017, Mirasol held its Annual General Meeting of shareholders. 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. Dana Prince, the Chairman of the Board, stated that Timothy Heenan, a long-serving director and co-founder of the Company, did not stand for re-election at the Meeting. Mr. Prince thanked Mr. Heenan for his devotion and past contributions as a director, and stated that he looked forward to his continued service to the Company in the role as Country Manager, based in Mendoza, Argentina.

Subsequent to the Meeting, the board appointed the following officers of the Company: Stephen C. Nano, President and CEO; Dana H. Prince, Chairman; Mahesh Liyanage, CFO; Timothy Heenan, Country Manager; and Gregory C. Smith, Corporate Secretary (news release March 6, 2017). On June 14, 2017, Dana H. Prince was appointed executive Chairman and Patrick Evans was appointed as the Chairman of the compensation committee.

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 of 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.

The Company currently has 3 million options allocated of the 4.9 million options available under the Company's Options Plan. 500,000 Bonus Warrants were issued in relation to the Rights Offering. These warrants expired unexercised as of March 23, 2017.

## EXPLORATION AND BUSINESS DEVELOPMENT ACTIVITIES FOR THE PERIOD APRIL 1, 2017 TO OCTOBER 26, 2017

### Joint Venture Activities

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

Business Development

- The JV entered its third year on May 10, 2017, with YRI making the third option payment to Mirasol of US$ 400,000 and paying the 2017 claims fees of US$ 160,000, signalling they intend to continue with the JV for another year.
- Since inception, March 2015, through to early June 2017, YRI has reported exploration spend of approximately US$ 5.2 million against the US$ 10 million spend required to trigger 51% earn-in.
- YRI advised Mirasol of its plan to increase its 2017 Gorbea JV exploration budget by an additional US$ 700,000. These funds will be directed to drilling at the Atlas Steam Heated Zone and other new targets at the project (news release September 11, 2017).

Exploration

- Results from the second season of drilling by YRI (news release September 11, 2017) were reported, including best down-hole intersection to date from the Atlas project hosted in oxidized HSE vuggy silica breccia:

    - 114.1 m at 1.07 g/t Au and 1.78 g/t Ag, including 36 m at 2.49 g/t Au and 3.08 g/t Ag (hole 15)
    - 45.8 m at 0.32 g/t Au and 0.81 g/t Ag (hole 16)

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

Business Development

- On May 18, 2017, the Definitive JV Option Agreement with OGC was signed and the 1st JV option payment of US$ 100,000 was received by Mirasol.
- The JV includes the following principal terms:
    - A first-year exploration spend commitment of US$ 1.25 million and completion of 3,000 m drilling.
    - Mirasol is the operator for the first year, and will charge a 5% operating fee.
    - An earn-in to 51% after an exploration spend of US$ 7 million and US$ 1.5 million staged cash payments over four years.
    - An earn-in to 60% by OGC funding and delivering a Preliminary Economic Assessment (PEA) in accordance with NI 43-101 on an inferred resource of not less

than 500,000 oz Au-equivalent within two years after the first earn-in.
    - An earn-in to 65% by OGC funding and delivering a feasibility study in accordance with NI 43-101 within an extra two years.
    - An earn-in to 70% within the two-year Feasibility study period when the Feasibility Study is suitable to be submitted to a substantial, recognized financial institution as a basis for securing project finance for the development and operation of mining activities on the Project and a decision to mine is approved by OGC's board.
    - A 75% interest if Mirasol elects for OGC to provide financing for Mirasol's share of mine development.

- La Curva has three priority drill ready prospects along the "La Castora" trend. Mirasol has designed the first drill program with OGC and announced on October 26, 2017, the start of a 2,500 m diamond core drill program.

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

Business Development

- Mirasol signed an 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.
- Key terms include:
    - First year exploration spend commitment by OGC of US$ 1.75 million that includes a minimum 3,000 m drilling.
    - OGC option to earn 51% over a 4-year period by making cumulative exploration investment 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.

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

Business Development

- 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 notified Mirasol in February 2017 that it was terminating the Claudia - CVSA JV after only 11 months (initiated February 2016).
- During the 11-month JV period, CVSA spent approximately US$ 1.89 million and drilled 64 holes totalling 7,500 m. The majority of drilling was completed in the Curahue prospect with 39 RC holes (3,500 m) and 22 DDH holes (3,450 m). Much of the property remains untested.

**Other Business Development Activities**

Mirasol has seen an increase in interest in the Company's drill-ready projects in Argentina and Chile from mid-tier to major precious metal producers. This is interpreted to reflect the early signs of improvement in the metals market. More importantly for Mirasol, the improving investment climate in Argentina was largely due to the shift to a pro-foreign investment-oriented government in December 2015. Mirasol has been preparing for the improvement in the precious metals market via its counter-cyclical investment strategy in project generation during the recent downturn and consequently has a strong portfolio of projects to bring forward for JV. The Company is responding to the increased interest by focusing more resources into business development activities to secure additional JV's for our drill-ready projects.

Since the beginning of January 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 a number of its Chilean projects including;

- Paleocene Belt: Indra Ag+Au Project
- Eocene-Oligocene Belt: Odin and Rubi Cu Projects
- Santa Cruz: Nico Au Ag Project

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

**Project Exploration Activities on 100% owned Mirasol**

**Exploration: Chile**

Odin Cu Project, Atacama Puna

- Mirasol expanded the claims at Odin from 900 to 5,660 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.
- Mirasol identified a conceptual target for large-scale porphyry Cu mineralization which has not been tested by previous explorers (news release March 2, 2017)

Rubi Cu Project, Atacama Puna

- 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 holes 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).

Altazor Au Project, Atacama Puna

- Mirasol's first pass reconnaissance sampling has been completed over approximately 50% of the project area during the recent exploration season. A total of 216 stream sediment, 395 soil 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 of the mapped breccia bodies (news release October 11, 2017).
- The Altazor surface results show comparable ppb level anomalous gold assay in soils and rock chips to those recorded at surface at Gold Field's Salares Norte Project.

All projects are 100% owned by Mirasol. Odin and Altazor are new projects generated and staked by Mirasol as a result of its Atacama-Puna Generative program.

**Exploration: Argentina**

Nico Project, Santa Cruz

- Mirasol completed an exploration program at the Aurora prospect. The work 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. A total of 1,113 rock-chip samples have been collected to-date and with assays ranging up to 35.09 g/t Au and up to 2,095 g/t Ag (news release June 12, 2017 and July 5, 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 of up to 6,181.4 g/t Ag and up to 4.79 g/t Au. The mineralization reports to oxidized veins and veinlets of grey chalcedonic silica with localized zones of banded saccharoidal silica and breccia textures hosted in dacitic subvolcanic (news release August 8, 2017).
- Mirasol also increased and the area of the Nico Project by staking of new claims to secure extensions of the volcanic complex related to the mineralization, bringing the total project area to over 53,000 ha (news release August 8, 2017).

## MINERAL PROPERTIES

The following is a brief description of the key and most active mineral properties owned by the Company.

**Chile: The Gorbea Au Belt, Gorbea-YRI JV (Atlas and Titan Projects)**

The Gorbea - YRI JV comprises nine 100%-owned claim blocks totalling approximately 23,084 ha and includes the Atlas and Titan HSE Au and Ag projects in the Mio-Pliocene Belt of Northern Chile. The Atlas and Titan projects contain large precious metal bearing HSE systems which have some similarities to recent discoveries by Barrick Gold and Gold Fields at the Alturas and Salares Norte projects, respectively. There are seven other early-stage exploration prospects covering portions of prospective alteration systems within the Gorbea Belt JV.

In March 2015, Mirasol signed a joint venture agreement with YRI where the first earn-in option to 51% requires a spending commitment of US$ 10 million and cash payments of US$ 2 million over 4 years. YRI can earn 65% of the Gorbea projects by delivering an NI 43- 101 compliant preliminary economic assessment with a resource of +1 million ounces of Au (at a 0.3 g/t Au cut off); and earn 75% interest by delivering a NI 43-101 compliant feasibility study, taking a decision to mine and by providing Mirasol a loan to production for its 25% equity position (news release dated March 15, 2016 for information on historical exploration and further details of the Letter Agreement with YRI).

During the last drill season (October 2016 to April 2017), YRI completed 2,558 m of diamond core drilling in seven holes at the Atlas project. Total drilling completed since inception of the Gorbea JV in May 2015 is over 8,704 m, and YRI's total exploration spend to June 2017 is approximately US$ 5.2M, against the US$ 10 M required to trigger the 51% earn-in milestone over a maximum of 4 years. In addition, on May 12, 2017 YRI made a US$ 400,000 option payment to Mirasol Resources to continue the JV into its third year (see news release May 30, 2017).

YRI also recently advised Mirasol that it has increased its 2017 Gorbea JV exploration budget by an additional US$ 700,000. The additional exploration funds will be directed to drilling at the Atlas Steam Heated Zone and other new targets at the project. YRI is planning to re-commence drilling at Atlas for the southern hemisphere 2017 spring field season in October.

Drilling to-date at Atlas has outlined a precious metal mineralization (the "Steam Heated Zone") in an area of 650 m by 125 m by over a 200 m vertical interval. The Steam Heated Zone may represent a body of Au+Ag mineralization that as defined to date is open to depth and laterally in all directions outside the area of current drilling. As currently known, the top of mineralization is located between approximately 255 to 310 m depth beneath altered cap rocks, which is a characteristic in-common with other recent, HSE gold discoveries elsewhere on this same mineral belt in Chile.

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

- 114.1 m at 1.07 g/t Au and 1.78 g/t Ag, including 36 m at 2.49 g/t Au and 3.08 g/t Ag (hole 15)
- 45.8 m at 0.32 g/t Au and 0.81 g/t Ag (hole 16)

The intersection in hole 15 starts from 347 m down hole. Hole 16 is interpreted to have drilled across the top of this same breccia body. Drill holes 15 and 16 were drilled toward each other ("scissor holes") from the NW and SE to cross each other at depth, testing a zone beneath an area of coincident outcropping breccia, weakly anomalous soil geochemistry and a geophysical anomaly that lies midway between drill holes 7 and 10 from last season's drilling. Holes 7 and 10 returned the best results from the 2015-16 drill campaign including 40 m at 1.38 g/t Au, with 28 m at 1.82 g/t Au. The mineralization at Atlas is interpreted to be oxidized to depths of more than 400 m downhole. Deep oxidation is considered a positive feature at Atlas as it may suggest the potential for favourable metallurgical characteristics of the mineralization at the project.

Gold and silver mineralization in holes 15 and 16 is hosted in a multiphase breccia body characterized by intense quartz-alunite+/- jarosite alteration with vuggy silica breccia clasts and a phase of late-stage translucent barite hosting visible gold. This style of mineralization is typical of HSE Au+Ag deposits elsewhere in the same belt of mineralization in Chile.

Information gathered from this season's exploration indicates 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.

Results from the 2016-2017 drilling are summarized in Table 1 (news release September 11, 2017).

Table 1: Atlas Key Downhole Intersections to Date. 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 | September 11, 2017 |
| | | **347.0** | **461.1** | **114.1** | **1.07** | **1.78** | **1.10** | **125.5** | September 11, 2017 |
| | inc. | **412.0** | **448.0** | **36.0** | **2.49** | **3.08** | **2.54** | **91.5** | September 11, 2017 |
| CLATDH0016 | | 430.0 | 475.8 | 45.8 | 0.32 | 0.81 | 0.33 | 15.1 | September 11, 2017 |
| 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 presentated in this table have been limited to those with a Gram Metre interval greater than 5 gm
3. Bolder intervals are those with a Gram Meter 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)

### Argentina: La Curva (La Curva-OGC JV)

The La Curva Au project with 36,100 ha was staked in 2006 by Mirasol as part of its regional generative program. Mirasol has undertaken an extensive exploration and geophysical program at the property over a number of years and has outlined three priority drill ready prospects, the Cerro Chato, Loma Arthur and SouthWest prospects (news releases; January 23, 2014, February 24, 2009 and April 11, 2008). These are situated along the 6 km "La Castora" Au trend and are characterized by coincident large-scale outcropping alteration, IP geophysical anomalies, and wide-spread anomalous rock chip assays ranging up to 66.8 g/t Au. Additionally, a series of prospects in La Curva West area warrant further exploration to define additional drill targets.

The geological setting of the La Curva project is prospective for breccia/sheeted veinlet, and high-grade epithermal vein styles of 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 (news release May 25, 2017). On October 26, 2017, the Company announced the start of a 2,500 m diamond core drilling drill program, planned to deliver an initial shallow, 17 hole test of the Castora Trend targets (news release October 26, 2017).

Mirasol has recently identified a 300 m-long zone of Au+Ag bearing epithermal veinlets which crosscut a well-developed barren silica cap at the Cerro Chato prospect (news release February 21, 2017). The veinlets assay up to 10.76 g/t Au and 24 g/t Ag, and directly overlie a portion of a 1.2 km-long IP geophysical resistivity anomaly centred at shallow depths beneath the barren silica cap. Mirasol's geologists interpret the veinlets as possible indications of "geochemical leakage" from a concealed zone of Au+Ag mineralization. Cerro Chato hosts a number of features indicative of the presence of concealed high-grade vein and bulk mineable stockwork Au+Ag mineralization marking this as a priority drill target. These include; a large-area of alteration evidenced by the silica cap, the structural fabric of Au+Ag veinlets, and a large-scale IP resistivity anomaly mapping out a potentially concealed zone of stockwork and veining.

**Argentina: Claudia Au Ag Project**

The large Claudia project (approximately 106,084 ha) comprises exploration claims located in the south-central part of Santa Cruz Province adjoining the southern boundary of AngloGold Ashanti's Cerro Vanguardia mining property. Mirasol's exploration of the Claudia property has outlined five large-scale epithermal Au+Ag vein prospects at Rio Seco, Laguna Blanca, Ailen, Cilene and Curahue, with a series of drill ready targets at Rio Seco, Ailen and the large Curahue zone. At Curahue, six separate vein trends have been identified; Io, Europa, Ganymede, Callisto, Sinope and Themisto, over a 15 km-long corridor (July 27, 2015).

In February 2016, Mirasol signed an exploration and option agreement with CVSA (news release March 1, 2016). In February 2017, CVSA notified Mirasol it would terminate the Claudia-CVSA JV (see news release, February 17, 2017). CVSA had completed 7,526 m of drilling and spent $US 1.97 million and developed a preliminary block model for the Io vein structure outlining a small non-NI 43 101 Au+Ag mineral inventory. In August 2017 Mirasol reported the completion of the exit process from the joint venture option agreement with CVSA. and received the full exploration data (news release August 31, 2017). In addition, Mirasol has received a US$ 205,000 payment from CVSA in-lieu of certain uncompleted exploration commitments.

Mirasol subsequently signed an LOI with OGC, dated August 31, 2017 (news release September 6, 2017) with respect to an option joint venture agreement for the Claudia Project, where OCG will have the right to acquire up to 75% of the Claudia project through a series of exploration and cash payment commitments. The Definitive agreement was signed on October 20, 2017 (news release October 23, 2017).

During the Claudia-CVSA JV, the vast majority of drilling targeted the Io vein zone at the Curahue prospect (see news releases May 9, and July 26, 2016). The CVSA RC program (39 holes totalling 3,543 m) was completed on June 29 and was primarily focused upon the "Io" trend (26 holes) with sections of the Europa (6 holes), Calisto (4 holes) and Sinope (3 holes) trends also tested. Diamond drilling started immediately and encompassed 22 DDH holes for 3,450 m at Curahue (21 holes at "Io" and 1 hole at Europa) and 3 holes for 560 m at the Rio Seco Prospect.

Phase I drill results were for 18 of the 26 RC holes that provided a shallow test of the 2 km long "Io" vein zone (see news release July 26, 2016). RC assay results (Table 2) have defined both narrow zones of higher-grade and multiple broad zones of lower grade Au+Ag mineralization. RC drilling was used by CVSA to provide a rapid test of the Curahue prospect. The majority of mineralized intervals from reported RC holes were collected from below the water table resulting in wet sampling, which under some circumstances, can compromise sampling and may produce smearing of samples. Given these possible uncertainties, caution in interpreting these results is advised until confirmation is provided by the diamond drill core results.

Phase II drill results included the outstanding RC and all DDH assays from the "Io" trend (see news release December 16, 2016). At the northwest end of the "Io" vein zone, a 600 m-long body of mineralization is defined. Preliminary interpretations of the shape of the body suggests mineralization remains open to the northwest and southeast. Assay results from Phase II drilling (Table 2) show 0.6 to 1.8 m wide zones of higher-grade Au+Ag within a broader zone of lower-grade mineralization that ranges in width from a few metres to a maximum true width of up to 60 m wide. Mineralization starts within a few metres of surface, as bedrock is covered by thin, unconsolidated post-mineral gravel cover, and has been tested to depths of 135 m below surface. The preliminary interpretation of the "Io" Zone suggests the mineralized body may dip 60° to 80° SW.

The scout drilling at Europa and Rio Seco returned anomalous Au and Ag assays that Mirasol thinks warrant further exploration work. The Themisto trend and Laguna Blanca, Alien and Cilene prospects were not drill tested by CVSA. Mirasol remains fully committed to advancing exploration at the Claudia Project and will undertake a comprehensive review of all new technical information generated by CVSA before reporting on further plans for the Project.

Table 2: Claudia: Curahue prospect, Io Trend- Phase I and II Length-weighted average downhole drill intersections

## Table 1: High grade drill hole intervals (manually chosen)

| Hole Number | From (m) | To (m) | Interval (m) | Au (g/t) | Ag (g/t) | AuEq60 (g/t) | AuEq60 Gram Metre |
|---|---|---|---|---|---|---|---|
| IODDH-1 | 117 | 117.6 | 0.6 | 1.5 | 1448.1 | 25.6 | 15.4 |
| IODDH-2 | 154.5 | 156 | 1.5 | 0.1 | 297.6 | 5.1 | 7.6 |
| IODDH-3 | 179.4 | 180 | 0.6 | 0.2 | 314.0 | 5.4 | 3.2 |
| IODDH-4 | 34.0 | 34.5 | 0.5 | 3.5 | 85.9 | 5.0 | 2.5 |
| | 75.0 | 76.0 | 1.0 | 0.0 | 375.6 | 6.3 | 6.3 |
| IODDH-9 | 49.2 | 50.4 | 1.2 | 2.7 | 381.3 | 9.1 | 10.9 |
| | 55.5 | 56.5 | 1.0 | 5.6 | 199.6 | 8.9 | 8.9 |
| | 76.0 | 76.5 | 0.5 | 3.3 | 329.0 | 8.8 | 4.4 |
| | 77.5 | 78.9 | 1.4 | 3.6 | 239.5 | 7.6 | 10.7 |
| IODDH-14 | 39.0 | 39.8 | 0.8 | 0.7 | 256.4 | 5.0 | 4.0 |
| | 42.6 | 44.4 | 1.8 | 0.4 | 213.8 | 4.0 | 7.1 |
| IODDH-16 | 16.05 | 16.6 | 0.6 | 0.1 | 343.6 | 5.9 | 3.2 |
| IODDH-20 | 25.1 | 25.7 | 0.6 | 11.7 | 1224.4 | 32.1 | 19.3 |
| IODDH-23 | 24.7 | 26 | 1.3 | 3.8 | 197.3 | 7.1 | 9.2 |
| IORC-26 | 47 | 48 | 1 | 0.10 | 262.68 | 4.47 | 4.5 |
| IORC-27 | 18.5 | 19 | 0.5 | 3.29 | 148.90 | 5.77 | 2.9 |
| | 35.5 | 36.5 | 1 | 2.24 | 207.04 | 5.69 | 5.7 |
| | 44.5 | 45 | 0.5 | 0.88 | 266.88 | 5.33 | 2.7 |
| | 54.5 | 55 | 0.5 | 4.63 | 134.60 | 6.87 | 3.4 |
| IORC-28 | 32 | 33 | 1 | 5.19 | 82.65 | 6.57 | 6.6 |
| IORC-34A | 58.5 | 59 | 0.5 | 0.72 | 368.33 | 6.86 | 3.4 |
| IORC-38 | 13 | 13.5 | 0.5 | 7.35 | 448.93 | 14.83 | 7.4 |
| IORC-40 | 38 | 38.5 | 0.5 | 1.36 | 365.89 | 7.46 | 3.7 |
| IORC-41 | 40 | 41 | 1 | 2.44 | 266.14 | 6.88 | 6.9 |
| | 80 | 81 | 1 | 5.15 | 580.58 | 14.82 | 14.8 |
| IORC-55 | 46.5 | 47.0 | 0.5 | 0.9 | 250.1 | 5.1 | 2.5 |
| | 47.5 | 49.0 | 1.5 | 0.9 | 168.5 | 3.7 | 5.5 |
| | 52.5 | 53.5 | 1.0 | 2.0 | 348.5 | 7.8 | 7.8 |
| IORC-58 | 50 | 51 | 1 | 4.58 | 180.47 | 7.59 | 7.6 |

Notes:

1) Gold Equivalent (AuEq60) is calculated using following formula: Gold + Silver / 60
2) AuEq60 Gram Metre interval is calculated using: AuEq60 (g/t) x intersection length (m)
3) Intervals presented are selected using the stated combined AuEq60 (g/t) cut off breaks to calculate length weighted average intersections including up to 1m with a minimum 0.1 g/t AuEq60 grade
4) Collar Names
    1) IODDH = Io Diamond Drilling
    2) IORC = Io Reverse Circulation Drilling

## Table 2: Intervals calculated at 1 g/t AuEq60 cutoff with greater than 5 gram metre product

| Hole Number | From (m) | To (m) | Interval (m) | Au (g/t) | Ag (g/t) | AuEq60 (g/t) | AuEq60 Gram Metre |
|---|---|---|---|---|---|---|---|
| IODDH-1 | 116.6 | 118.2 | 1.6 | 0.7 | 598.6 | 10.7 | 17.1 |
| IODDH-2 | 154.5 | 156.7 | 2.2 | 0.1 | 224.3 | 3.9 | 8.5 |
| IODDH-3 | 53.0 | 55.1 | 2.1 | 1.3 | 82.2 | 2.7 | 5.6 |
| IODDH-4 | 75.0 | 76.0 | 1.0 | 0.0 | 375.6 | 6.3 | 6.3 |
| IODDH-9 | 48.6 | 51 | 2.4 | 1.6 | 218.7 | 5.2 | 12.6 |
| | 55.5 | 57.7 | 2.2 | 2.9 | 135.8 | 5.2 | 11.3 |
| | 75 | 78.9 | 3.9 | 1.9 | 166.4 | 4.7 | 18.2 |
| IODDH-14 | 42.6 | 45.0 | 2.4 | 0.3 | 177.8 | 3.3 | 7.9 |
| IODDH-16 | 15.0 | 16.6 | 1.6 | 0.3 | 176.9 | 3.2 | 5.2 |
| IODDH-20 | 19.9 | 22.5 | 2.6 | 1.0 | 79.3 | 2.3 | 6.1 |
| | 24.0 | 27.0 | 3.0 | 3.2 | 332.6 | 8.7 | 26.1 |
| IODDH-23 | 9.0 | 13.0 | 4.0 | 1.1 | 88.0 | 2.6 | 10.5 |
| | 23.1 | 26.2 | 3.1 | 2.2 | 117.4 | 4.2 | 13.0 |
| IORC-26 | 40.0 | 44.0 | 4.0 | 0.17 | 100.35 | 1.85 | 7.4 |
| | 66.5 | 72.5 | 6.0 | 0.19 | 56.13 | 1.13 | 6.8 |
| IORC-27 | 35.5 | 38.0 | 2.5 | 1.16 | 165.63 | 3.92 | 9.8 |
| | 42.0 | 46.5 | 4.5 | 0.67 | 80.13 | 2.01 | 9.0 |
| | 52.5 | 55.5 | 3.0 | 1.57 | 44.50 | 2.32 | 7.0 |
| IORC-28 | 31.5 | 36.0 | 4.5 | 2.33 | 70.90 | 3.51 | 15.8 |
| | 49.0 | 52.5 | 3.5 | 0.59 | 102.86 | 2.30 | 8.1 |
| IORC-34A | 57.5 | 59.5 | 2.0 | 0.54 | 152.96 | 3.09 | 6.2 |
| IORC-38 | 13.0 | 14.5 | 1.5 | 2.95 | 167.41 | 5.74 | 8.6 |
| IORC-40 | 29.5 | 31.5 | 2.0 | 1.27 | 76.03 | 2.54 | 5.1 |
| | 36.0 | 42.0 | 6.0 | 0.96 | 88.39 | 2.44 | 14.6 |
| IORC-41 | 37.5 | 41.5 | 4.0 | 1.22 | 118.03 | 3.19 | 12.8 |
| | 43.5 | 47.0 | 3.5 | 0.39 | 65.46 | 1.48 | 5.2 |
| | 53.0 | 60.5 | 7.5 | 0.62 | 78.97 | 1.94 | 14.6 |
| | 64.0 | 67.0 | 3.0 | 0.52 | 80.50 | 1.87 | 5.6 |
| | 69.5 | 82.5 | 13.0 | 0.81 | 105.20 | 2.56 | 33.3 |
| | 89.5 | 96.0 | 6.5 | 0.16 | 81.22 | 1.52 | 9.9 |
| IORC-44 | 39.5 | 49.0 | 9.5 | 0.53 | 64.89 | 1.61 | 15.3 |
| | 53.0 | 56.5 | 3.5 | 0.44 | 80.97 | 1.79 | 6.3 |
| IORC-55 | 43.0 | 49.0 | 6.0 | 0.6 | 109.5 | 2.4 | 14.3 |
| | 50.5 | 54.5 | 4.0 | 0.8 | 133.6 | 3.1 | 12.2 |
| IORC-58 | 43.5 | 56.0 | 12.5 | 1.38 | 102.55 | 3.08 | 38.5 |
| | 61.0 | 67.0 | 6.0 | 0.94 | 128.39 | 3.08 | 18.5 |
| | 68.0 | 71.5 | 3.5 | 0.75 | 74.67 | 2.00 | 7.0 |

## Table 3: Intervals calculated at 0.3 g/t AuEq60 cutoff with greater than 5 gram meter product

| Hole Number | From (m) | To (m) | Interval (m) | Au (g/t) | Ag (g/t) | AuEq60 (g/t) | AuEq60 Gram Metre |
|---|---|---|---|---|---|---|---|
| IODDH-1 | 116.6 | 120.0 | 3.4 | 0.5 | 317.4 | 5.8 | 19.6 |
| IODDH-2 | 153.0 | 157.7 | 4.7 | 0.1 | 117.5 | 2.0 | 9.6 |
| IODDH-3 | 48.8 | 57 | 8.2 | 0.6 | 42.0 | 1.3 | 10.3 |
| | 136.6 | 143 | 6.4 | 0.4 | 27.4 | 0.9 | 5.7 |
| | 177 | 182.3 | 5.3 | 0.1 | 65.0 | 1.2 | 6.3 |
| IODDH-4 | 16 | 24 | 8 | 0.3 | 25.4 | 0.7 | 5.6 |
| | 75 | 78 | 3 | 0.0 | 141.1 | 2.4 | 7.2 |
| IODDH-9 | 42 | 58.3 | 16.3 | 0.7 | 76.0 | 2.0 | 32.8 |
| | 63 | 78.9 | 15.9 | 0.5 | 77.2 | 1.8 | 28.7 |
| IODDH-14 | 32.3 | 48.0 | 15.7 | 0.4 | 63.1 | 1.4 | 22.0 |
| IODDH-16 | 15.0 | 18.6 | 3.6 | 0.2 | 96.5 | 1.8 | 6.3 |
| IODDH-19 | 46.6 | 57.0 | 10.4 | 0.2 | 41.9 | 0.9 | 9.6 |
| IODDH-20 | 18.7 | 28 | 9.3 | 1.4 | 134.6 | 3.6 | 33.9 |
| IODDH-22 | 30.6 | 41.4 | 10.8 | 0.3 | 24.3 | 0.7 | 8.0 |
| IODDH-23 | 9 | 13.8 | 4.8 | 1.0 | 75.1 | 2.2 | 10.7 |
| | 23.1 | 27 | 3.9 | 1.8 | 96.6 | 3.4 | 13.4 |
| IORC-26 | 38.00 | 44.50 | 6.50 | 0.15 | 68.72 | 1.30 | 8.5 |
| | 46.50 | 59.50 | 13.00 | 0.10 | 42.68 | 0.81 | 10.5 |
| | 63.00 | 77.00 | 14.00 | 0.15 | 45.54 | 0.91 | 12.7 |
| IORC-27 | 16.50 | 25.00 | 8.50 | 0.57 | 37.58 | 1.19 | 10.1 |
| | 30.00 | 57.50 | 27.50 | 0.56 | 48.33 | 1.37 | 37.7 |
| | 63.50 | 72.00 | 8.50 | 0.19 | 37.28 | 0.81 | 6.9 |
| IORC-28 | 22.00 | 36.00 | 14.00 | 0.98 | 43.91 | 1.71 | 23.9 |
| | 38.50 | 44.50 | 6.00 | 0.66 | 12.63 | 0.87 | 5.2 |
| | 45.50 | 53.50 | 8.00 | 0.37 | 58.26 | 1.34 | 10.7 |
| IORC-34A | 54.00 | 65.00 | 11.00 | 0.25 | 50.22 | 1.08 | 11.9 |
| IORC-35 | 16.00 | 25.00 | 9.00 | 0.47 | 14.73 | 0.72 | 6.5 |
| IORC-38 | 12.00 | 15.00 | 3.00 | 1.61 | 89.94 | 3.11 | 9.3 |
| IORC-40 | 27.00 | 34.00 | 7.00 | 0.56 | 60.09 | 1.56 | 10.9 |
| | 36.00 | 42.00 | 6.00 | 0.96 | 88.39 | 2.44 | 14.6 |
| IORC-41 | 32.50 | 99.00 | 66.50 | 0.42 | 64.74 | 1.50 | 99.8 |
| IORC-44 | 36.50 | 63.50 | 27.00 | 0.34 | 54.09 | 1.24 | 33.5 |
| IORC-55 | 34.0 | 55.0 | 21.0 | 0.4 | 69.0 | 1.5 | 32.5 |
| IORC-58 | 30.00 | 38.00 | 8.00 | 0.08 | 41.49 | 0.77 | 6.2 |
| | 43.00 | 82.50 | 39.50 | 0.70 | 74.89 | 1.95 | 77.0 |

### Argentina: Virginia Project

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

In the 2015 financial year, Mirasol reported an initial mineral resource estimate for the Virginia project. The report presents a conceptual, open-pit constrained, mineral resource estimate focused exclusively on the high-grade vein/breccia component of the mineralization as previously reported (Figure 4; and see news release February 7, 2013). The mineral resource estimate contains Indicated resources totalling 11.9 million oz Ag at 310 g/t, and Inferred material totalling 3.1 million oz Ag at 207 g/t, all contained within seven outcropping veins of high-grade Ag mineralization (see news release January 28, 2015).

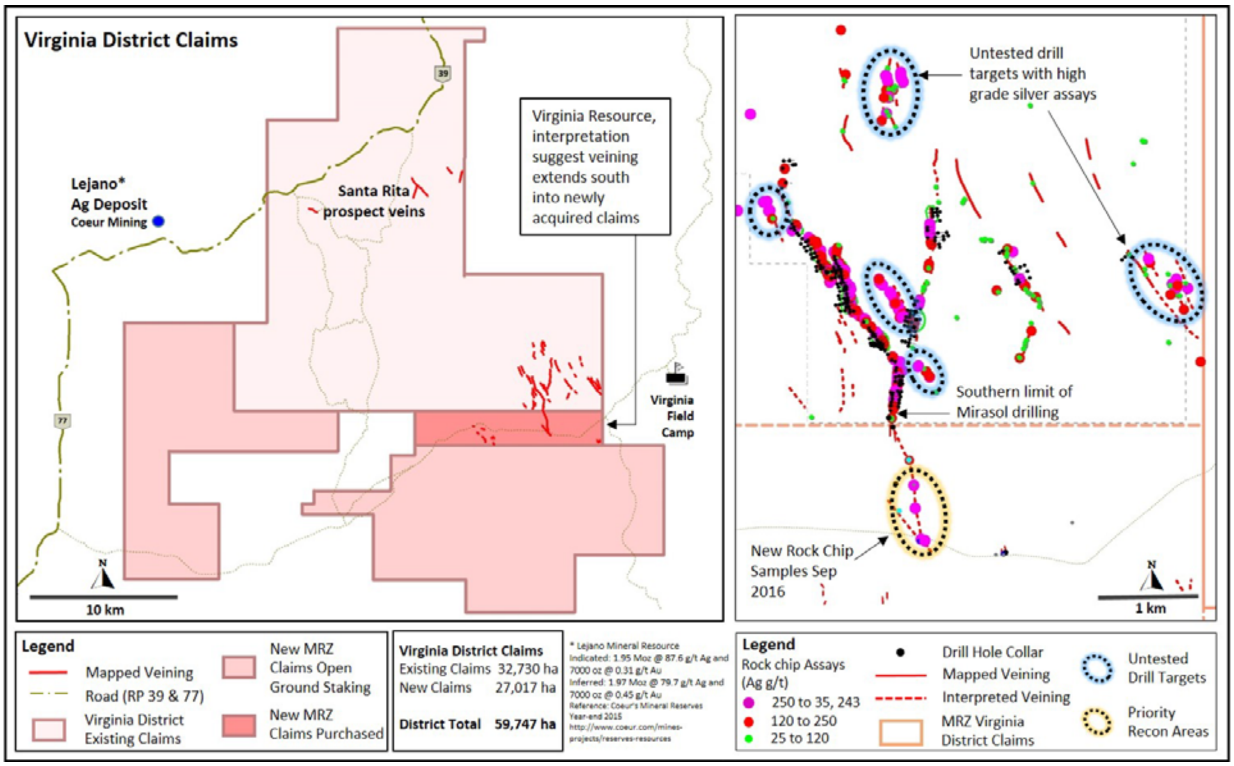


Figure 4: Virginia expanded Claims and new sampling, September 2016.

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 via open ground staking and the purchase of mineral rights from a privately-owned prospecting company bringing the total area of contiguous claims controlled by Mirasol to 59,747 ha, (news release September 14, 2016). This is now expanded by further claims staking to 63,282 ha. Preliminary prospecting south of the limit of Mirasol drilling on the newly acquired claims, has identified quartz vein and vein breccia float scattered along a 2 km-trend. The samples of float rock have epithermal textures, similar to those which characterize the outcropping Virginia vein zone. Results from 11 rock float samples collected along this trend include six samples with assays ranging from 50.0 to 1,084 g/t Ag (average 369 Ag g/t.) Field work and geochemical assays received to date suggest that the new claims may host previously unrecognized soil-covered extensions of the Virginia Ag system.

In October 2016, Mirasol mobilized geological teams to Virginia to begin systematic exploration of the new claims. The scope of the work included further prospecting, geological mapping, geochemical sampling, and gradient array electrical geophysics. Gradient-array surveys completed by Mirasol's geophysics team proved to be an effective predictive tool for mapping covered vein extensions and defining targets for the original Virginia drill programs (Figure 4). This geophysical technique will again be used to explore for the potential covered southern extension of the Virginia vein zone in the new claims.

**Other Properties**

Mirasol holds a number of 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*

| | For the Twelve Months Ended June 30, 2017 | 2016 |
|---|---|---|
| **CHILE** | | |
| Gorbea Belt - Atlas Project | | |
| Camp and general | 459 | 134 |
| Contractors and consultants | 33,422 | 47,669 |
| Geophysics | 1,145 | 2,382 |
| Mining rights and fees | 97,722 | 8,509 |
| Travel & accommodation | 559 | 309 |
| | 133,307 | 59,003 |
| Gorbea Belt - Titan Project | | |
| Camp and general | - | 1,113 |
| Contractors and consultants | 6,328 | 9,641 |
| Geophysics | 913 | 4,680 |
| Mining rights and fees | 43,090 | 6,812 |
| Travel & accommodation | - | - |
| | 50,331 | 22,246 |
| Gorbea Belt - Other Projects | | |
| Camp and general | - | 52 |
| Contractors and consultants | 10,086 | 1,184 |
| Geophysics | 1,198 | 4,706 |
| Mining rights and fees | 98,108 | 18,248 |
| Travel & accommodation | - | 66 |
| | 109,392 | 24,256 |
| Yamana Gorbea - Joint Venture | | |
| Assays and sampling | - | 1,215 |
| Administration | - | 2,581 |
| Camp and general | 81 | 2,910 |
| Contractors and consultants | 58,309 | 136,527 |
| Geophysics | - | 1,089 |
| Professional fees | 361 | - |
| Mining rights and fees | 207 | 98 |
| Travel & accommodation | 4,130 | 5,793 |
| Recovery of costs | (209,550) | (110,714) |
| Option payment | (545,664) | (201,064) |
| | (692,126) | (161,565) |
| **Total - Properties joint ventured to other companies** | **(399,096)** | **(56,060)** |
| Rubi | | |
| Assays and sampling | 7,020 | 382 |
| Camp and general | 15,154 | 5,054 |
| Contractors and consultants | 207,219 | 24,824 |
| Professional fees | - | 500 |
| Geophysics | 8,089 | 5,219 |
| Mining rights and fees | 225,206 | 132,538 |
| Travel & accommodation | 13,333 | 908 |
| | 476,021 | 169,425 |

| | For the Twelve Months Ended June 30, 2017 | 2016 |
|---|---|---|
| Chile Pipeline Projects | | |
| Assays and sampling | 61,417 | 142,832 |
| Administration | - | 6,131 |
| Camp and general | 58,512 | 52,348 |
| Contractors and consultants | 383,393 | 375,682 |
| Geophysics | 5,469 | 44,113 |
| Mining rights and fees | 306,932 | 178,380 |
| Travel & accommodation | 51,345 | 57,634 |
| | 867,068 | 857,120 |
| **Total - 100% owned properties** | **1,343,089** | **1,026,545** |
| Frontera - Joint Venture | | |
| Assays and sampling | 461 | - |
| Camp and general | - | 75 |
| Contractors and consultants | 38,722 | 53,889 |
| Environmental | - | - |
| Geophysics | 452 | 6,394 |
| Mining rights and fees | 41,380 | 175,474 |
| Travel & accommodation | 633 | 2,872 |
| Total - Earn-in joint venture on third party projects | 81,648 | 238,704 |
| Project Generation | 796,156 | 1,361,613 |
| Corporate Operation & Management - Chile | 549,921 | 481,760 |
| **Total Chile** | **2,371,718** | **3,052,562** |
| **Argentina** | | |
| Claudia | | |
| Assays and Sampling | 379 | 8,336 |
| Camp and general | 12,494 | 29,417 |
| Contractors and consultants | 88,333 | 96,263 |
| Environmental | 9 | - |
| Mining rights and fees | 194,882 | 170,070 |
| Administration | - | 7,971 |
| Professional fees | 5,109 | - |
| Travel & accommodation | 9,861 | 7,921 |
| Recovery of costs | (422,367) | (130,234) |
| Option payment | - | (135,230) |
| | (111,300) | 54,514 |
| La Curva | | |
| Assays and Sampling | 9,325 | 3,549 |
| Camp and general | 15,352 | 7,764 |
| Contractors and consultants | 145,787 | 18,933 |
| Option payment | (136,140) | - |
| Environmental | 5,493 | - |
| Geophysics | 8,825 | - |
| Mining rights and fees | 17,641 | 13,291 |
| Professional fees | 42,154 | - |
| Travel & accommodation | 5,344 | 3,034 |
| | 113,781 | 46,571 |

| | For the Twelve Months Ended June 30, 2017 | 2016 |
|---|---|---|
| Santa Rita and Virginia | | |
| Assays and sampling | 27,359 | 1,707 |
| Camp and general | 83,732 | 49,598 |
| Contractors and consultants | 91,312 | 39,845 |
| Mining rights and fees | 39,208 | 38,172 |
| Professional fees | - | 5681 |
| Administration | - | 200 |
| Travel & accommodation | 5,300 | 1,299 |
| | 246,911 | 136,502 |
| Argentina Pipeline Projects | | |
| Assays and sampling | 66,084 | 5,382 |
| Camp and general | 83,552 | 4,241 |
| Contractors and consultants | 264,993 | 52,156 |
| Environmental | 1,011 | 3,973 |
| Geophysics | 14,140 | - |
| Mining rights and fees | 127,751 | 216,883 |
| Professional fees | 133,565 | - |
| Travel & accommodation | 34,374 | 424 |
| Administration | - | 170 |
| | 725,470 | 283,229 |
| **Total - 100% owned properties** | **974,862** | **520,816** |
| Project Generation | 18,925 | 559,906 |
| Corporate Operation & Management - Argentina | 740,437 | 569,543 |
| **Total Argentina** | **1,734,224** | **1,650,265** |
| **Total Exploration and Evaluation Costs** | **4,105,942** | **4,702,827** |

## FOR THE YEAR ENDED JUNE 30, 2017, AS COMPARED TO THE YEAR ENDED JUNE 30, 2016

The Company's net loss for the year ended June 30, 2017 ("2017") was $6,945,647 or $0.15 per share compared to $6,017,003 or $0.14 per share for the year ended June 30, 2016 ("2016"), an increase of $1,195,622.

The main reason for the increase in net loss during 2017 is the foreign exchange fluctuation primarily with regards to the US dollar.

Mirasol's total operating expenses were $6,902,462 in 2017 compared to $7,191,564 in the 2016. Even though the variance is immaterial there have been material changes in individual expense categories which were netted off.

As presented in Table 3 above, the Company incurred exploration costs of $4,105,942 in 2017, and $4,702,827 in 2016. Reduction in generative exploration in Argentina and increase in option payments received and cost recoveries (2017 - $1,313,701; 2016 - $577,242) during 2017 resulted in reduction in exploration expenses by $596,885.

Stock-based payments and depreciation are non-cash items. Excluding the above and the exploration cost, the Company incurred $2,070,576 in 2017 compared to $1,782,499 in 2016. The increase of $288,077 is attributable to the increase in business development, marketing and investor communication activities. Increased business development initiatives resulted in an increase of

$192,132 in related expense. New website development and shareholder reach increased the marketing and investor communication by $153,196.

Reductions in professional fees, office and miscellaneous, and management fees in 2017 compared to 2016, were attributable to reduction in rates and the services obtained, efficient cost management and non-grant of bonus shares respectively. Increase in transfer agent and filing fees in 2017 was due to increase in filing fees, activity levels and market capital.

The Company also recorded a foreign exchange loss of $200,762 during 2017 compared to the gain of $1,017,394 in 2016. 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 regular generative exploration work during the fourth quarter. On May 25, 2017, the Company announced the signing of the La Curva-OCG exploration and option agreement, and received the initial option payment of US$ 100,000. During the quarter the Company received US$400,000 option payment from Yamana.

**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, 2017, 2016 and 2015.

| | 2017<br>$ | 2016<br>$ | 2015<br>$ |
|---|---|---|---|
| Sales | - | - | - |
| Income (loss) for the Year | (6,945,647) | (6,017,003) | (7,919,151) |
| Earnings (loss) per share – Basic | (0.15) | (0.14) | (0.18) |
| Earnings (loss) per share – Diluted | (0.15) | (0.14) | (0.18) |
| Total Assets | 25,070,836 | 21,414,630 | 26,789,642 |
| Total Long-term Liabilities | - | - | - |
| Dividends Declared | - | - | - |

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

| Period | Revenues $ | Income (Loss) from Continued Operations $ | Basic Income (Loss) per Share from Continued Operations $ | Diluted Income (Loss) per Share from Continued Operations $ |
|---|---|---|---|---|
| 4th Quarter 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) |
| 4th Quarter 2016 | Nil | (1,390,063) | (0.03) | (0.03) |
| 3rd Quarter 2016 | Nil | (3,257,207) | (0.07) | (0.07) |
| 2nd Quarter 2016 | Nil | (1,358,661) | (0.03) | (0.03) |
| 1st Quarter 2016 | Nil | (11,072) | (0.00) | (0.00) |

The Company's quarterly results will vary primarily in accordance with the Company's exploration activities. To finance its operations, the Company also grants incentive stock options to its directors, management, employees, and consultants, which will also cause variation in the Company's results from period to period.

The movement in the value of the US dollar relative to the Canadian dollar could also have a significant impact on the Company's results from one period to the next as the Company primarily holds its working capital in US dollars.

## INVESTING ACTIVITIES

During 2017, the Company invested Canadian, Australian and US dollars in interest bearing financial instruments maturing up to one year. The total amount invested was CAD$16,792,765. The Company received interest income of $157,577 during 2017 compared to $69,167 in 2016.

## FINANCING ACTIVITIES

During 2017, the Company completed a rights offering for Gross proceeds of $10,000,000. The Company did not engage in financing activities during 2016.

## CAPITAL RESOURCES

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

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

With working capital of approximately $21.2 million on June 30, 2017, the Company believes it has more than sufficient funds to conduct its administrative, business development, and discretionary exploration activities over the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including the Company's joint venture partners encountering difficulty in financing exploration programs on the optioned properties. The Company further believes it has the ability to raise equity capital to meet its foreseeable longer term working capital needs, but recognizes that the ability to raise capital in the future involves risks beyond its control.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no significant off-balance sheet arrangements.

## PROPOSED TRANSACTIONS

The Company has no proposed transactions.

## TRANSACTIONS WITH RELATED PARTIES

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

### Compensation of key management personnel

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

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

| | Year Ended June 30, 2017 | 2016 |
|---|---|---|
| Management compensation (i) | $ 514,369 | $ 507,987 |
| Share-based payments | 250,749 | 191,455 |
| Bonus shares | - | 372,000 |
| Director's fees (ii) | 135,623 | 133,500 |
| | $ 900,741 | $ 1,204,942 |

(i) Management compensation is included in Management fees, Business development and Exploration costs in the Company's consolidated statements of loss and comprehensive loss.

(ii) The independent directors of the Company are paid, directly or indirectly, $2,100 per month. The Chairman of the Board of Directors receives an additional $3,000 per month for serving in this capacity. The independent directors are also paid for serving on special committees of the Board of Directors, as struck from time-to-time.

### Transactions with other related parties

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

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

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

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

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

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

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

| | Year Ended June 30, 2017 | 2016 |
|---|---|---|
| Legal fees | $ 226,101 | $ 177,421 |
| Accounting fees | 72,588 | 134,150 |
| CFO services, office sharing and administration | 87,316 | 52,833 |
| Project generation, exploration expenses and GIS services | 965,443 | 798,676 |
| Professional fees | - | 41,200 |
| | $ 1,351,448 | $ 1,204,280 |

Included in accounts payable and accrued liabilities at June 30, 2017, is an amount of $149,287 (2016 - $148,450) 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, 2017. The following policies are considered by management to be essential to the understanding of the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

## EXPLORATION AND EVALUATION ASSETS

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

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

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

## RECENT ACCOUNTING PRONOUNCEMENTS

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

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

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

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

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

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

c) IFRS 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.

The following new standards and amendments to standards which are applicable to the Company for the current fiscal year have been adopted:

a) IFRS 11 Accounting for acquisition of interest in joint operations amends Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to apply all of the business combinations accounting principles in IFRS 3 and other IFRS, except for those principles that conflict with the guidance in IFRS 11 and to disclose the information required by IFRS 3 and other IFRS for business combinations. The amended IFRS 11 was adopted during the fiscal year with no impact on the Company in its present form.

b) Amendments are made to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture and requires full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations) and requires the partial recognition of gains and losses where the assets do not constitute a business. The amended IFRS 10 and IAS 28 were adopted during the year, the standard had no impact on the Company in its present form.

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

The Company has concluded that impairment conditions do not exist as at June 30, 2017.

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

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

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

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

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

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

**FINANCIAL INSTRUMENTS**

The Company's financial instruments as at June 30, 2017, consist of cash and cash equivalents, interest receivable, and accounts payable and accrued liabilities. The fair value of all these instruments approximates their carrying value. There are no off-balance sheet financial instruments.

The Company's 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, 2017, 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 | Australia n Dollars | Argentine Peso | Chilean Peso |
|---|---|---|---|---|
| Cash and cash equivalents | 2,040,840 | 921,080 | 3,982,397 | 17,340,920 |
| Short-term investments | 9,500,000 | 1,974,38 | | |
| Receivables and advances | 205,000 | - | 1,077,621 | 13,159,755 |
| Accounts payable and | (27,859) | (123,631) | (2,576,622) | (8,352,839) |

Based on the net exposures as at June 30, 2017, 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 $1,526,068 and $276,601, 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 $20,870 and $4,319, 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, 2017, the Company's financial liabilities consist of accounts payable and accrued liabilities totalling $532,649. 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 1.91%.

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, in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of equity.

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

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

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

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Mirasol's operating expenses is provided above, in the Company's condensed consolidated statements of (income) loss of the audited annual consolidated financial statements for the period ended June 30, 2017 that is available on Mirasol's website at www.mirasolresources.com or on its SEDAR company page accessed through www.sedar.com.

## APPROVAL

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

## ADDITIONAL INFORMATION

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