

MIRASOL RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

(Unaudited – Expressed in Canadian Dollars)

NOTICE TO READER

NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of condensed interim consolidated financial statements they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements.

Mirasol Resources Ltd.**Interim Consolidated Statements of Financial Position***(Expressed in Canadian Funds)***As at**

ASSETS	December 31, 2016	June 30, 2016
Current Assets		
Cash and cash equivalents	\$ 5,764,555	\$ 17,605,111
Short-term investments <i>(Note 3)</i>	18,887,176	459,000
Receivables and advances <i>(Note 4)</i>	211,131	260,501
Income taxes recoverable	23,991	23,991
	<hr/> 24,886,853	<hr/> 18,348,603
Equipment and Software	122,385	65,265
Exploration and Evaluation Assets	<hr/> 3,000,762	<hr/> 3,000,762
	<hr/> \$ 28,010,000	<hr/> \$ 21,414,630
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	<hr/> \$ 445,289	<hr/> \$ 784,453
EQUITY		
Share Capital	48,123,190	38,393,240
Reserves	16,392,269	15,418,454
Accumulated Other Comprehensive Loss	(24,931)	(23,279)
Deficit	<hr/> (36,925,817)	<hr/> (33,158,238)
	<hr/> 27,564,711	<hr/> 20,630,177
	<hr/> \$ 28,010,000	<hr/> \$ 21,414,630

Nature of Business *(Note 1)***Commitments** *(Note 9)*

On Behalf of the Board:

/s/ Stephen C. Nano
Stephen C. Nano
Director

/s/ Nick DeMare
Nick DeMare
Director

Mirasol Resources Ltd.

Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Funds)

	For the Three Months Ended		For the Six Months Ended	
	December 31		December 31	
	2016	2015	2016	2015
Operating Expenses				
Exploration costs (Note 4 and 5)	\$ 1,273,489	\$ 1,443,383	\$ 2,572,838	\$ 2,524,871
Business development	109,927	73,679	136,254	114,883
Professional fees (Note 5b)	36,269	106,931	94,768	201,484
Management fees (Note 5a)	67,726	43,259	146,674	91,951
Marketing and investor communications	99,397	54,773	186,311	139,852
Office and miscellaneous	135,952	145,449	241,138	256,023
Director fees (Note 5a)	27,900	39,600	52,300	79,200
Travel	11,872	17,714	22,671	34,123
Depreciation	3,635	4,236	8,012	8,754
Transfer agent and filing fees	19,706	2,374	20,510	5,309
Share-based payments (Note 7)	32,651	51,554	634,115	69,599
	1,818,524	1,982,952	4,115,591	3,526,049
Interest income	(43,950)	(13,104)	(72,450)	(34,024)
Foreign exchange gain	(105,499)	(523,187)	(275,562)	(2,034,292)
Net Loss for the Period before Income Taxes	1,669,075	1,446,661	3,767,579	1,457,733
Income tax recovery	-	(88,000)	-	(88,000)
Net Loss for the Period	\$ 1,669,075	\$ 1,358,661	\$ 3,767,579	\$ 1,369,733
Other Comprehensive Loss to be Reclassified to Profit or Loss in Subsequent Periods				
Exchange differences on translation of foreign operations	(523)	1,734	(1,652)	1,044
Comprehensive Loss for the Period	\$ 1,668,552	\$ 1,360,395	3,765,927	1,370,777
Basic and Diluted Loss per Share	\$ 0.03	\$ 0.03	\$ 0.08	\$ 0.03
Weighted Average Number of Shares Outstanding	49,031,828	44,245,661	47,153,581	44,245,661

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

Mirasol Resources Ltd.

Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Funds)

	Share Capital Common Shares		Reserves	Accumulated Other Comprehensive (Loss) income	Deficit	Total
	Number	\$				
Balance – June 30, 2015	44,245,661	37,858,186	15,146,472	2,958	(27,141,235)	25,866,381
Share-based payments	-	-	69,599	-	-	69,599
Foreign currency translation adjustment	-	-	-	(1,044)	-	(1,044)
Loss for the period	-	-	-	-	(1,369,733)	(1,369,733)
Balance – December 31, 2015	44,245,661	37,858,186	15,216,071	1,914	(28,510,968)	24,565,203
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	-	(478,710)	339,700	-	-	(139,010)
Option exercise	200,750	208,660	-	-	-	208,660
Share-based payments	-	-	634,115	-	-	634,115
Foreign currency translation adjustment	-	-	-	(1,652)	-	(1,652)
Loss for the period	-	-	-	-	(3,767,579)	(3,767,579)
Balance – December 31, 2016	49,031,828	48,123,190	16,392,269	(24,931)	(36,925,817)	27,564,711

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

Mirasol Resources Ltd.
Interim Consolidated Statements of Cash flows
For the six months ended December 30,
(Expressed in Canadian Funds)

	2016	2015
Operating Activities		
Net loss for the period	\$ (3,767,579)	\$ (1,369,733)
Adjustments for:		
Income tax recovery	-	(88,000)
Share-based payments	634,115	69,599
Interest income	(72,450)	(34,024)
Depreciation	8,012	8,754
Depreciation included in exploration expenses	12,202	21,709
Unrealized foreign exchange	(210,887)	(2,023,444)
	<u>(3,396,587)</u>	<u>(3,415,139)</u>
Changes in non-cash working capital items:		
Receivables and advances	109,057	(87,277)
Due from joint venture partner	-	383,021
Accounts payable and accrued liabilities	(339,163)	(225,810)
Cash used in operating activities	<u>(3,626,694)</u>	<u>(3,345,205)</u>
Investing Activities		
Short-term investments	(18,428,176)	450,000
Interest received	12,763	29,392
Option payment received from joint venture partner	-	2,401
Purchase of equipment and software	(77,334)	(1,320)
Cash provided by investing activities	<u>(18,492,747)</u>	<u>480,473</u>
Financing Activities		
Rights offering, net of cash share issue costs	9,860,990	-
Exercise of incentive share purchase options	208,660	-
Cash provided by financing activities	<u>10,069,650</u>	<u>-</u>
Effect of Exchange Rate Change on Cash and Cash Equivalents	<u>209,235</u>	<u>2,022,400</u>
Change in Cash and Cash Equivalents	<u>(11,840,556)</u>	<u>(842,332)</u>
Cash and Cash Equivalents - Beginning of Period	<u>17,605,111</u>	<u>19,120,394</u>
Cash and Cash Equivalents - End of Period	<u>\$ 5,764,555</u>	<u>\$ 18,278,062</u>
Cash and Cash Equivalents Consist of:		
Cash	\$ 1,292,172	\$ 650,897
Cash equivalents	\$ 4,472,383	\$ 17,627,165

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

Mirasol Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2016

(Expressed in Canadian Funds)

1. Nature of Business

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

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

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

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

2. Basis of Presentation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, and based on the principles of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended June 30, 2016, which include the Company's significant accounting policies, and have been prepared in accordance with the same methods of application.

These condensed interim consolidated financial statements were approved by the Board of Directors on February 27, 2017.

Basis of measurement

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

Mirasol Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2016

(Expressed in Canadian Funds)

Significant Accounting Estimates and Judgments

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

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended June 30, 2016.

3. Short-term Investments

Short term investments comprise of cashable and non-cashable Guaranteed Investment Certificates ("GIC") placed with reputable Canadian and US financial institutions with AA or higher credit ratings. Maturity dates of these GIC's are between three to twelve months. The current blended annual interest rate is .0.8% per annum.

4. Receivables, Prepaids and Advances

	December 31, 2016	June 30, 2016
Good and services tax receivable	\$ 10,255	\$ 7,374
Interest receivable	59,687	1,014
Prepaid expenses and advances	121,734	84,976
Due from joint venture partners	19,455	167,137
	<u>\$ 211,131</u>	<u>\$ 260,501</u>

5. Related Party Transactions

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

a) Compensation of key management personnel

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

The compensation of management and independent directors was as follows:

	For the Three Months Ended December 31		For the Six Months Ended December 31	
	2016	2015	2016	2015
Management compensation (i)	\$ 127,241	\$ 132,827	\$ 260,288	\$ 265,902
Share-based payments	-	-	250,749	-
Director's fees (ii)	27,900	39,600	52,300	79,200
	<u>\$ 155,141</u>	<u>\$ 172,427</u>	<u>\$ 563,337</u>	<u>\$ 345,102</u>

Mirasol Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2016

(Expressed in Canadian Funds)

- (i) Management compensation is included in Management fees (2016 - \$146,674; 2015 - \$92,000) and in Exploration costs (2016 - \$113,614; 2015 - \$173,902) 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.

b) Transactions with other related parties

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

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

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

- (i) No longer a related party (as of March 11, 2016).

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

	For the Three Months Ended December 31		For the Six Months Ended December 31	
	2016	2015	2016	2015
Legal fees	\$ 25,307	\$ 49,924	\$ 101,269	\$ 90,849
Accounting fees	18,147	54,350	36,294	87,350
Professional fees	6,300	12,300	12,600	24,600
Exploration costs and project management fees	217,421	199,888	429,136	403,814
Office sharing and administration	21,822	-	43,118	-
	\$ 288,997	\$ 316,462	\$ 622,417	\$ 606,613

Included in accounts payable and accrued liabilities at December 31, 2016, is an amount of \$116,582 (June 30, 2015 - \$161,585) owing to directors and officers of the Company and to companies where the directors and officers are principals.

Mirasol Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2016

(Expressed in Canadian Funds)

6. Share Capital

The Company completed a rights offering for gross proceeds of \$10,000,000 on September 19, 2015. 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. 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 \$139,010 of share issuance costs in connection with the rights offering.

7. Incentive Stock Options

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 following weighted average assumptions in the Black-Scholes option pricing model.

Expected dividend yield	0.0%
Expected share price volatility	51%
Risk-free interest rate	0.57%
Expected life of options	2.14 years

Additional share-based payments expense of \$66,002 was recognized in the Company's statement of loss due to vesting of the stock options granted during the period ended December 31, 2016.

A summary of the Company's options outstanding as at December 31, 2016 is as follows:

Expiry Date	Exercise price \$	Options Outstanding	Weighted Average Remaining Life of Options (years)	Options Exercisable
December 16, 2018	0.88	8,000	1.96	8,000
March 23, 2019	0.88	195,000	2.22	195,000
August 4, 2019	0.88	170,000	2.59	170,000
September 26, 2017	2.34	62,500	0.74	62,500
May 14, 2018	1.28	502,500	1.37	512,500
April 29, 2021	0.88	1,095,000	4.33	595,000
April 29, 2021	1.38	255,000	4.33	127,500
April 29, 2019	1.38	65,000	2.33	32,500
September 25, 2019	2.85	715,876	2.65	715,876
		3,068,876	3.10	2,408,876

Mirasol Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2016

(Expressed in Canadian Funds)

8. Segmented Information

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

Total Non-Current Assets	December 31, 2016		June 30, 2016	
Canada	\$	14,437	\$	22,449
Argentina		2,844,839		2,847,637
Chile		263,871		195,941
	\$	3,123,147	\$	3,066,027

9. 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.
 - 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.
 - 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.
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**Management Discussion and Analysis
For Mirasol Resources Ltd.
("Mirasol" or the "Company")**

INTRODUCTION

The Management Discussion and Analysis ("MD&A") is prepared as of February 27, 2017 and is intended to supplement the Company's interim condensed consolidated financial statements for the six months ended December 31, 2016 ("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 for the year ended June 30, 2016, condensed interim consolidated financial statements for the Current Period and related notes.

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 an exploration company focused on the discovery and/or acquisition of prospective gold, silver, and copper properties in the Atacama-Puna region of northern Chile and Argentina, and the Santa Cruz Province in southern Argentina which host many large-scale precious and base metal mines, operated by some of the world's largest mining companies (Figure 1). In these regions Mirasol holds 100% of the mineral exploration rights to a large and diverse portfolio of prospective gold, silver and copper properties. Mirasol continues to aggressively prospect, evaluate and stake or acquire new projects and pursue joint-ventures (“JVs”) in the two regions. Presently, the Company has the Atlas and Titan gold projects joint-ventured (“JV”) to Yamana Gold Corporation (“Yamana”) in Chile. Additionally, in January 2017, the Company signed a Letter of Intent (“LOI”) to form a JV with OceanaGold Corporation (“Oceana”) for its La Curva gold project. The JV partners will fund all exploration and tenure holding costs for these JV projects, a structure which leaves Mirasol’s treasury available for further project generative work. Mirasol believes well- managed and focused exploration can deliver further discoveries within its generative regions.

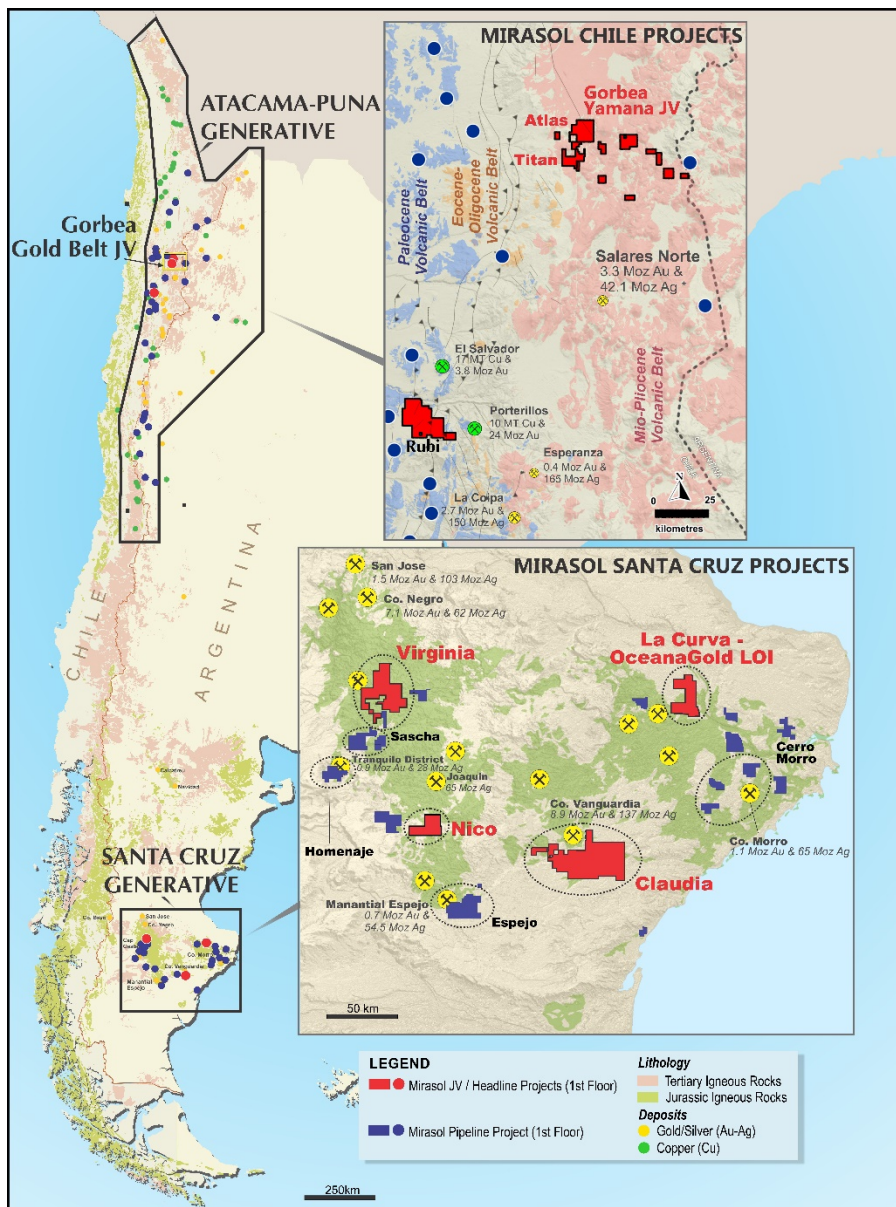


Figure 1: Location of Mirasol’s Exploration Projects, Joint Ventures, and Generative Programs.

Financial Condition

Mirasol remains in a strong financial position with cash and short term investment of \$24,650,000 as of December 31, 2016, having raised \$10,000,000 through a rights-offering completed on September 29, 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 cash expenditures of \$3,473,464. The financial statements for the Current Period show a total expenditure of \$4,115,591 of which non-cash items such as share-based payments and depreciation totalled to \$642,127.

For the Current Period, the total cash expenditure was distributed between head office corporate spend of \$900,626 inclusive of: officer's salaries, board fees, business development, corporate administration, investor relations and regulatory compliance; and a total exploration cash expenditure of \$2,572,838. For the Current Period, the Company has received \$124,766 in 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 which are integrated with detailed field geologic follow-up work; which filters and transforms 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 and the use of the Company's treasury, yet delivering opportunities for Mirasol shareholder through the wealth creation of discovery. Mirasol's Joaquin and Virginia silver 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-cyclic commitment to project generation as a core, competitive advantage during this reporting period.

Mirasol's Gorbea - Yamana JV (the Gorbea-YGC JV) is exploring for high sulfidation epithermal (HSE) gold deposits in the Mio-Pliocene age mineral belt of Chile. Yamana is earning-in to a group of nine Mirasol properties that include the Titan and Atlas projects. At the Gorbea-YGC JV Yamana has spent \$US3.89 million and drilled 6,100 m since initiation of the JV in March 2015.

On January 30, 2017, Mirasol announced the signing of a LOI with OceanaGold Corp. ("La Curva-OGC LOI") for a JV to explore the La Curva project in Santa Cruz Argentina for low sulfidation epithermal ("LSE") Au+Ag mineralization. The La Curva-OGC LOI requires completion of a due diligence process and signing of a definitive JV agreement by March 31, 2017. Once executed, the La Curva-OGC JV requires OceanaGold to spend a minimum of US\$1.25 million on exploration, including the completion of a minimum of 3,000 m of drilling, and to make a US\$100,000 payment to Mirasol in the first year of the JV.

Mirasol announced on February 17, 2017, it received notice from Cerro Vanguardia Mines SA. (CVSA, a joint operating company of AngloGold Ashanti and Formicruz, S.E.), termination of the Claudia-CVSA JV. Since inception of this JV in February 2016, CVSA spent \$US1.89 million on the property, drilled 7,500 m at Claudia, and made a US\$100,000 cash payment to Mirasol.

Additionally, Mirasol holds 100% of the mineral exploration rights to a large portfolio of Au–Ag and Cu exploration projects in Chile and Argentina, totalling approximately 385,300 ha in 42 projects. Mirasol has made strategic investments to explore many of these projects to define drill targets in anticipation of, and to attract, future JV partners.

Project Generation

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 recently re-initiated project generation activities in the Santa Cruz Province, staking new claims to consolidate its positions in mineral districts where the Company holds well positioned, key claims.

Atacama – Puna Generative Region, Chile

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 copper and gold mines and deposits (Figure 2).

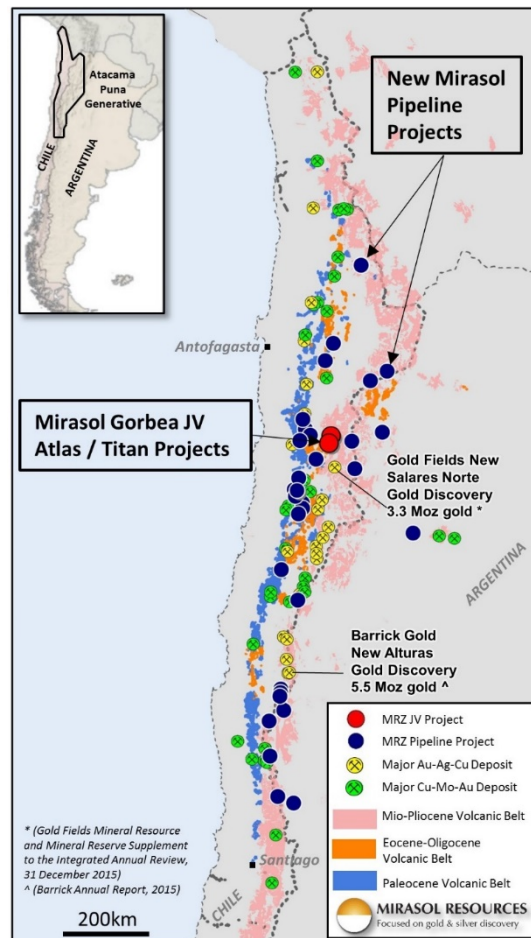


Figure 2: Mirasol’s Atacama - Puna Generative Program.

The Company's exploration is directed toward each of these three belts for specific deposit classes and commodities, as follows:

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

However, Mirasol's prospectivity analysis suggests the best combination of precious metal endowment, access to open ground, and/or under-explored prospects, exists in two of the belts, the Mio-Pliocene and Paleocene to Early Eocene age belts. For this reason, the Company has allocated the majority of its exploration spending and secured the majority of its new "pipeline" projects in these two belts.

Mio-Pliocene belt: This belt in-particular has been the focus of recent discoveries of multi-million-ounce gold occurrences of HSE systems. Major mining companies have announced the following discoveries:

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

These discoveries comprise large-tonnage, near-surface oxide Au resources which are believed to be bulk-minable. Each are largely concealed beneath barren altered rock caps (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 -YGC JV and at its other new pipeline projects in its Mio-Pliocene portfolio.

Middle Eocene to Early Oligocene belt: This belt hosts many giant porphyry Cu deposits that produce over 30% of the world's annual Cu production. This Cu belt is considered a "mature exploration terrain" but it is also recognized as prospective for further copper 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, and with Cu prices still relatively low, many factors point toward significant supply deficits starting in 2018, with projections as high as a 10 Mt per-year shortfall by 2028 (Visual Capitalist: The Looming Copper Supply Crunch). Mirasol considers the potential supply shortfall as a potential 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 in order to build a pipeline of exploration projects ahead of the anticipated increase in demand.

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

- Nine precious metal properties totaling approximately 22,814 ha, including the Atlas and Titan projects which are subject to the Company's Gorbea-YGC JV agreement (news release March 26, 2015). This JV grants Yamana the option to acquire up to a 75% interest in the Gorbea projects by completing a series of exploration expenditures, making US\$2 million in staged cash payments to Mirasol and funding Mirasol's 25% equity position to production. Yamana drilled 6,174 m in the first year of the JV, and as of January 2017, initiated the second-year drill program, planning to drill a minimum 3,500 m to test a series of breccia targets in the Atlas project.

- The Rubi project, located in the El Salvador copper-gold mining district, Chile, hosts the Lithocap and Puertozuelo porphyry copper targets. Mirasol has expanded its claims holdings by 7,300 ha to secure possible extensions to the Puertozuelo and Corner Zone prospects, resulting in a total claims area of approximately 20,650 ha for the Rubi Project. The El Salvador district hosts large-scale porphyry copper mines operated by Codelco, the Chilean national mining company.
- As of early February 2017, approximately 146,500 ha of 100% Mirasol owned granted exploration claims, securing 30 “pipeline” projects as a result of our active project generation efforts in the region.

Santa Cruz Province Generative Region, Argentina

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 hosting epithermal Au and Ag occurrences.

The Santa Cruz Province hosts four operating multi-million ounce Au+Ag mines and an additional large deposit in advanced development. These mines are owned and operated by international, mid-tier to major sized, precious metal producing companies. Mineralization here is high-grade Au+Ag, falls within low to intermediate sulfidation epithermal vein systems, and is exploited using both bulk-minable open pit, and underground mining techniques.

Mirasol has been successfully exploring in Santa Cruz for over 10 years and has been involved in the discovery of two silver deposits: Joaquin, sold to JV partner Coeur Mining in 2012; and the Virginia 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.

In Santa Cruz, the Company’s portfolio of 100% owned projects (Figures 1 and 3) includes:

- The large Claudia gold-silver project with a series of drill-ready prospects, which are contiguous with the world-class Cerro Vanguardia Au+Ag district operated by Cerro Vanguardia S.A. (CVSA), a 92.5 % owned subsidiary of AngloGold Ashanti. .
- The La Curva gold project which includes three priority drill ready prospects along the La Castora trend and a series of other early stage prospects in the Curva West area. During January 2017, Mirasol signed a LOI with OceanaGold to form a JV by March 31, 2017. LOI earn-in terms include:
 - The first-year commitment of this includes spending of US\$1.25 million, 3,000 m of drilling, and a US\$100,000 signing payment to Mirasol.
 - A 51% interest by spending a total of US\$7 million on exploration and staged cash payments to Mirasol of US\$1.5 million within four years.
 - A 70% interest by funding and delivering a Feasibility Study in accordance with NI 43-101, which is of a standard that is suitable to be submitted to a substantial, recognized financial institution as a basis for lending funds for the development and operation of mining activities on the Project
 - A decision to mine approved by the OceanaGold board.
 - Mirasol may elect to provide mine development financing for its 30% or require OceanaGold to provide 100% of the financing, for which OceanaGold’s interest will increase to 75%.

Permitting for drilling has begun with the objective of commencing drilling as soon as the JV is signed.

- The Virginia epithermal silver project, where Mirasol has outlined high-grade silver mineralization in seven separate deposits (as vein shoots) which contain an initial, open pit constrained NI 43-101 mineral resource estimate comprised of Indicated resources totalling 11.9 M oz Ag at 310 g/t, and Inferred resources totalling 3.1 M oz Ag grading 207 g/t. Mirasol's claims holdings have expanded to 63,281 ha where encouraging reconnaissance rock float sampling has returned assays up to 1,084 g/t Ag.
- Exploration rights to a portfolio of 10 additional quality precious metal properties totaling approximately 148,000 ha, a number with drill-ready Au+Ag targets, including the Homenaje, Sascha and Libanesa projects.

HIGHLIGHTS FOR THE PERIOD JULY 1, 2016 TO FEBRUARY 27, 2017

The Company's total exploration costs include generative exploration, property retention costs of the existing exploration project portfolio, costs associated with preparing projects for joint venture, in-country operation and management, and local value added taxes (VAT). For the Current Period Mirasol invested \$1,482,972 (Table 4) on exploration in Chile and \$1,089,867 in Argentina. The Company received \$124,766 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.

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 is the President and CEO of Mountain Province Diamonds Inc., 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) relate 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.

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 are valid until March 23, 2017 with an exercise price of \$2.40.

EXPLORATION AND BUSINESS DEVELOPMENT ACTIVITIES FOR THE PERIOD OCTOBER 1, 2016 TO FEBRUARY 27, 2017

Joint Venture Activities

Gorbea Gold Belt: The Gorbea-YGC JV, northern Chile:

- The JV entered its second year on May 10, 2016. Since inception, March 2015, through to October 2016, Yamana has spent approximately US\$3.89 million and has drilled a total of 6,100 m, comprised of diamond drill core (DDH) and reverse circulation (RC) drilling.
- At Atlas, 10 holes were drilled totalling 5,400 m; four holes for 710 m were drilled at Titan.
- In November, Yamana commenced field work for the 2016-17 southern hemisphere summer exploration season. The exploration work program included a large-area surface geological mapping program that integrated understanding of mineralization controls gained from previous drilling and geophysical programs which helped drive drill target selection for the planned 2017 drill campaign.
- Year 2 drilling commenced in January 2017, with a minimum 3,500 m eight hole program. The 2017 program is designed to test for oxide gold mineralization to a depth of 300 m below surface focusing on a series of breccia targets. First results from drilling are expected by mid-Q2, 2017.

La Curva Gold Project: The La Curva-OGC LOI, Santa Cruz, Argentina:

- LOI signed with OceanaGold (OGC) January 24, 2017. The LOI is subject to due diligence, with exclusivity period to enter into a JV by March 31, 2017 and includes the following principal terms:
 - A first-year exploration spending of US\$1.25 million, completion of 3,000 m drilling, and a signing payment of US\$100,000. Mirasol is the operator for the first year.
 - An earn-in to 51% terms 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 OceanaGold 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 gold- equivalent within two years after the first earn-in.
 - An earn-in to 65% by OceanaGold 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 OceanaGold's board.
 - A 75% interest if Mirasol elects for OceanaGold to provide financing for Mirasol's share of mine development.
- La Curva has three priority drill ready prospects along the "La Castora" trend.

- Drill permitting has begun with the objective of commencing drilling when the JV is signed.
- Recent exploration in December 2016 has identified a 300 m-long zone of Au+Ag-bearing epithermal veinlets at Cerro Chato. The veinlets crosscut a silica cap and overlie a IP resistivity anomaly and are interpreted as possible “geochemical leakage” from concealed mineralization and a priority drill target.

Claudia Gold Silver Project: Santa Cruz, Argentina:

- CVSA 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 has spent approximately US\$1.89 million, drilling 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.
- The “Io” vein zone in the Curahue prospect has had the most drilling with 26 RC and 21 DDH holes. Encouraging Au+ Ag results were reported at the “Io” vein zone for Phase 1 (July 26, 2016) and Phase 2 (December 16, 2016) drill campaigns.
- “Scout” RC and DDH drilling was conducted at the Callisto, Europa and Sinope veins at the Curahue prospect. Three DDH holes were also drilled at the Rio Seco prospect for a total of 560 m. Mirasol believes these scout initiatives warrant further exploration.
- Epithermal mineralization at the Themisto vein trend at Curahue and the Laguna Blanca, Alien and Cilene prospects were not drill tested during the JV.
- Mirasol will undertake a systematic review of all technical information generated by CVSA before reporting on further plans for the project.

Frontera JV Northern Chile

Mirasol operated an earn-in JV agreement with a private Chilean company in the Atacama-Puna region (the “Frontera JV”). Mirasol’s exploration of these early-stage properties did not identify outcropping mineralization or conceptual targets of sufficient quality to meet the Company’s technical criteria for continued exploration expenditure. On November 15, 2016, the Company notified its JV partner that it was terminating the Frontera JV. Mirasol had satisfied all requirements of the JV; no further expenditures are required except for legal and management costs for Mirasol to complete the joint venture termination process.

Mirasol Business Development and Exploration Activities

During the Current Period 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 precious metals market and importantly for Mirasol, the improving investment climate in Argentina due to the change to a more pro-foreign investment oriented government in December 2015.

Mirasol has been preparing for the improvement in precious metals market via its counter-cyclic investment 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 this increase in interest by focusing more resources into business development activities to secure additional JV’s for our drill-ready projects. Since the beginning of October, Mirasol has conducted property reviews for potential new JV’s on the Virginia, Sascha and Homenaje projects in Argentina and the new Indra project in Chile.

The Company is also increasing exploration activities on its key “pipeline” properties to advance them to drill-ready status in preparation for JV. This increased exploration activity has resulted in an increase in exploration expenditure of \$47,967 dollars in the Current Period compared to the same period last financial year.

Project Exploration

Virginia Ag Deposit, Santa Cruz Argentina:

- Mirasol’s claims holdings at Virginia have been expanded by to a district total of 63,281 ha, and an extra 3,466 ha is under application.
- Reconnaissance sampling on the new claims has returned high-grade Ag assays from float samples of epithermal-style alteration.
- The new claims may host previously unrecognized soil-covered extensions of Virginia.
- Mirasol is actively exploring these new claims with a program of gradient-array electrical geophysical surveys and reconnaissance level prospecting and rock chip sampling, targeting covered vein extensions.

During October to December Mirasol also initiated mapping, sampling programs and in some cases detailed alteration vectoring studies on the following projects;

- Altazor gold copper project (22,800 ha) in the Mio-Pliocene Belt of Chile
- Indra epithermal precious metal project (30,000 ha) in the Paleocene belt of Chile
- Odin copper project (900 ha) in the Eocene-Oligocene belt of Chile
- Nico gold silver project (24,300 ha) in Santa Cruz, Argentina
- La Curva gold project (36,100) ha in Santa Cruz, Argentina

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

Further updates on these projects will be provided as results come to hand over the coming quarters.

Project Generation Activities

Since inception of Mirasol’s generative efforts in the Atacama – Puna region, the Company has staked over 146,500 ha of claims securing 100% of exploration rights to prospective precious metal and copper prospects in the Mio-Pliocene, Eocene-Oligocene and Paleocene age mineral belts see Figure 2).

In Santa Cruz, since October 1 Mirasol has expanded its claims approximately 8,400 ha adjacent to its Sascha project and 4,500 ha adjoining its Nico project. Additional claims are also under application for the Nico and Marita projects, which will consolidate district positions and may host extensions of known precious metal mineralization already controlled by Mirasol.

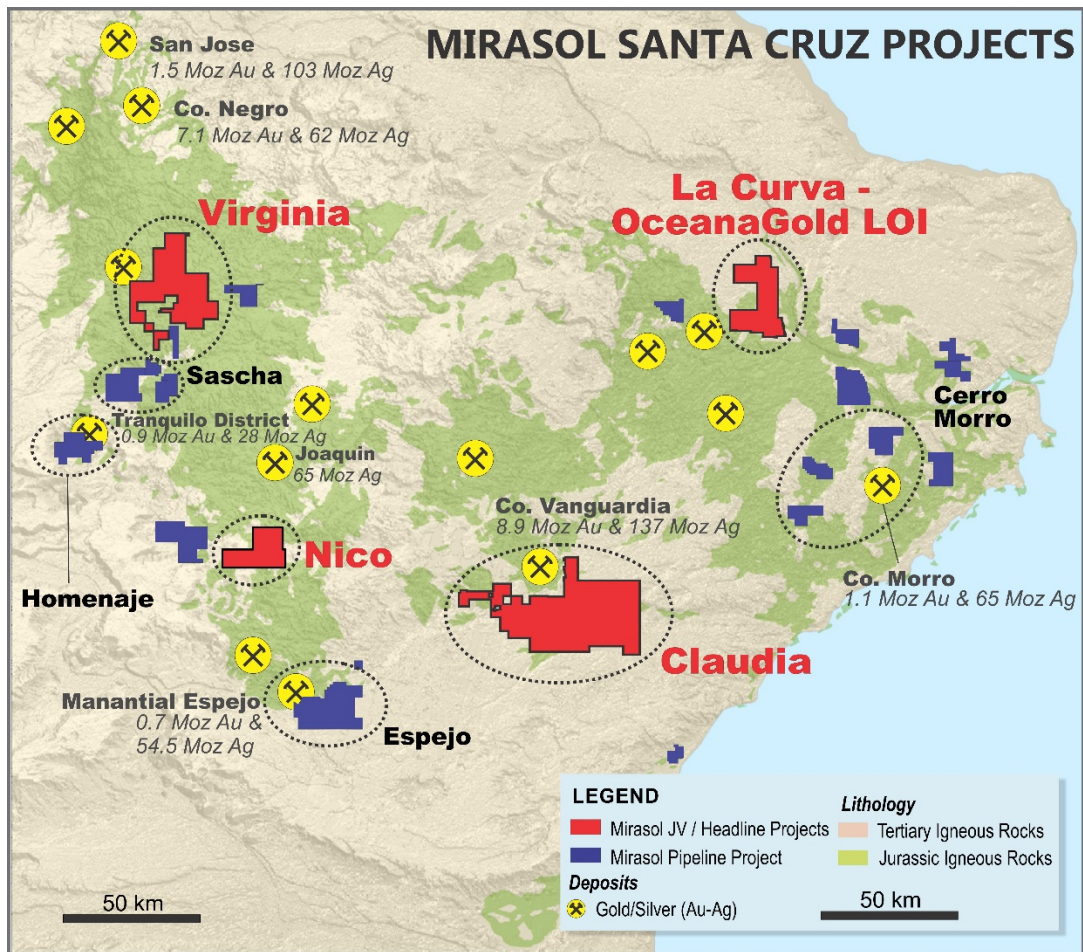


Figure 3: Santa Cruz Project Portfolio.

Chile and Argentina – Atacama Puna Project Generation

During the Current Period, Mirasol expended \$435,466 on project generation activities in Chile and Argentina in the Atacama – Puna generative region.

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

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

In the Mio-Pliocene aged “Southern Porphyry Belt”, Mirasol now holds exploration rights to approximately 38,300 ha of granted claims and claims applications. In the Mio-Pliocene belt north of the Maricunga Belt, in addition to the Gorbea JV properties, Mirasol has approximately 49,600 ha of granted exploration claims. In the Paleocene belt of Chile Mirasol holds approximately 52,500 ha of new granted exploration claims. Additionally, Mirasol holds 26,700 ha in the Eocene-Oligocene belt, including the Rubi project and project generation claims.

Mirasol will make further announcements about these claim packages once there has been confirmation of the granting of tenure and district positions have been consolidated.

The core process that drives Mirasol's project generation process is acquiring new claims, evaluating the mineral potential, relinquishing areas that prove not to be prospective, and advancing more prospective areas to the JV stage.

Chile: The Gorbea Gold Belt, Gorbea-YGC JV (Atlas and Titan Projects)

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

In March 2015, Mirasol signed a joint venture agreement with Yamana Gold where the first earn-in option to 51% requires a spending commitment of US\$10 million and cash payments of US\$2 million over 4-years. Yamana can earn 65% of the Gorbea projects by delivering an NI 43- 101 compliant preliminary economic assessment with a resources of +1 million ounces of gold (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 provide Mirasol with funding to production loan for its 25% equity position (news release dated March 15, 2016 for information on historical exploration and further details of the Letter Agreement with Yamana).

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

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

Results from the 2015 -16 southern hemisphere summer season's drilling are summarized in Table 1 (also see news release April 25, 2016). These intervals are down-hole intersections in angled RC drilling through dominantly oxidized material and associated HSE styles of alteration, including vuggy silica and silica +alunite developed in volcanic and brecciated host rocks.

Drilling results to-date confirm the presence of a large mineralized HSE precious metal system at Atlas, with deep oxidation at the project. Geological logging shows significant intervals of vuggy silica and hydrothermal silicification (Holes 04, 06, 08, 09 and 10) which correspond to IP geophysical resistivity anomalies. IP coverage of the Atlas system is now expanded to 46.5 sq. km. Preliminary spectral (PIMA) alteration analysis of the mineralized drill intersections show that the gold-silver mineralization is associated with vuggy and hydrothermal silica, zones of strong, advanced argillic (kaolinite-dickie-alunite) alteration, possibly representing mineralizing feeder zones. To-date there has been no drilling up-dip of the intersections in hole 07 and 10 to test for shallower mineralization that maybe accessible via open-pit mining methods.

The current exploration season began with geological mapping of a series of breccia zones that are dominantly located within the 4 to 5 km, circular resistivity feature defined by the IP geophysics program (see news release February 8, 2017). The 2017 drilling program began on January 17 with a minimum of 3,500 m in eight holes, designed to test oxide gold mineralization to a depth of 300 m below surface. Targets include the up-dip (nearer surface) extensions of mineralization intersected in last year's drilling, as well as first pass testing of new targets at the Fox, Apollo, NN and Falda zone breccias that have been prioritized with a combination of geological, geochemical and geophysical information. First results from this season's drilling are anticipated by mid-Q2, 2017.

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

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

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

Argentina: La Curva (La Curva-OGC LOI)

The La Curva gold 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 (see news releases; January 23, 2014, February 24, 2009 and April 11, 2008). These are situated along the six km "La Castora" gold trend and are characterized by coincident large-scale outcropping alteration, IP geophysical anomalies, and widespread anomalous rock chip assays ranging up to 66.8 g/t Au. Additionally, a series of prospects in the 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 a LOI with OceanaGold on January 24, 2017 (the La Curva-OGC LOI; see news release January 30, 2017), where an exclusivity period is in place until March 31, 2017 to enter into a JV agreement. Permitting for drilling at the project has commenced with the objective of starting drilling following signing of the binding La Curva JV agreement.

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 gold silver Project

The large Claudia project (approximately 123,850 ha) comprises exploration claims located in the south-central part of Santa Cruz Province adjoining the southern boundary of AngloGold Ashanti's Cerro Vanguardia mining property.

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

In February 2016 Mirasol signed an exploration and option agreement with Cerro Vanguardia, where the first earn-in to 51% required spending US\$5 million, drilling 12,000 metres and making cash payments of US\$1 million over 2 years (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 has completed 7,525 m of drilling and spent \$US 1.89 million.

The vast majority of drilling was in 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 comprised 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 gold-silver mineralization. RC drilling has been used by CVSA to provide a rapid test of the Curahue prospect. The majority of mineralized intervals from reported RC holes were collected from below the water table resulting in wet 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 DD 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 3) 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 gold and silver 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: Io Trend- Phase I Length-weighted average downhole RC drill intersection July 2016

High grade drill hole intervals (manually selected)								Down Hole Intersections at 1 g/t AuEq60 cut off and greater than 5 AuEq60 gram metre product								Down Hole Intersections at 0.3 g/t AuEq60 cut off and greater than 5 AuEq60 gram metre product								
Hole Number	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	AuEq60 (g/t)	AuEq60 Gram Metre	Hole Number	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	AuEq60 (g/t)	AuEq60 Gram Metre	Hole Number	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	AuEq60 (g/t)	AuEq60 Gram Metre	
IORC-26	47	48	1	0.10	262.68	4.47	4.5	IORC-26	40.0	44.0	4.0	0.17	100.35	1.85	7.4	IORC-26	38.00	44.50	6.50	0.15	68.72	1.30	8.5	
	44.5	45	0.5	0.88	266.88	5.33	2.7		66.5	72.5	6.0	0.19	56.13	1.13	6.8		46.50	59.50	13.00	0.10	42.68	0.81	10.5	
	18.5	19	0.5	3.29	148.90	5.77	2.9		35.5	38.0	2.5	1.16	165.63	3.92	9.8		63.00	77.00	14.00	0.15	45.54	0.91	12.7	
	35.5	36.5	1	2.24	207.04	5.69	5.7		42.0	46.5	4.5	0.67	80.13	2.01	9.0		16.50	25.00	8.50	0.57	37.58	1.19	10.1	
IORC-27	44.5	45	0.5	0.88	266.88	5.33	2.7	IORC-27	52.5	55.5	3.0	1.57	44.50	2.32	7.0	IORC-27	30.00	57.50	27.50	0.56	48.33	1.37	37.7	
	54.5	55	0.5	4.63	134.60	6.87	3.4		31.5	38.0	6.5	0.67	80.13	2.01	9.0		63.50	72.00	8.50	0.19	37.28	0.81	6.9	
IORC-28	32	33	1	5.19	82.65	6.57	6.6	IORC-28	31.5	36.0	4.5	2.33	70.90	3.51	15.8	IORC-28	22.00	36.00	14.00	0.98	43.91	1.71	23.9	
IORC-34A	58.5	59	0.5	0.72	368.33	6.86	3.4	IORC-34A	49.0	52.5	3.5	0.59	102.86	2.30	8.1	IORC-34A	38.50	44.50	6.00	0.66	12.63	0.87	5.2	
IORC-38	13	13.5	0.5	7.35	448.93	14.83	7.4	IORC-38	57.5	59.5	2.0	0.54	152.96	3.09	6.2	IORC-38	45.50	53.50	8.00	0.37	58.26	1.34	10.7	
IORC-40	38	38.5	0.5	1.36	365.89	7.46	3.7	IORC-40	13.0	14.5	1.5	2.95	167.41	5.74	8.6	IORC-34A	54.00	65.00	11.00	0.25	50.22	1.08	11.9	
IORC-41	40	41	1	2.44	266.14	6.88	6.9	IORC-41	29.5	31.5	2.0	1.27	76.03	2.54	5.1	IORC-35	16.00	25.00	9.00	0.47	14.73	0.72	6.5	
	80	81	1	5.15	580.58	14.82	14.8		36.0	42.0	6.0	0.96	88.39	2.44	14.6		IORC-38	12.00	15.00	3.00	1.61	89.94	3.11	9.3
IORC-58	50	51	1	4.58	180.47	7.59	7.6	IORC-41	37.5	41.5	4.0	1.22	118.03	3.19	12.8	IORC-40	27.00	34.00	7.00	0.56	60.09	1.56	10.9	
IORC-44	39.5	49.0	9.5	0.53	64.89	1.61	15.3		43.5	47.0	3.5	0.39	65.46	1.48	5.2		36.00	42.00	6.00	0.96	88.39	2.44	14.6	
	53.0	56.5	3.5	0.44	80.97	1.79	6.3		53.0	60.5	7.5	0.62	78.97	1.94	14.6		IORC-41	32.50	99.00	66.50	0.42	64.74	1.50	99.8
	69.5	82.5	13.0	0.81	105.20	2.56	33.3		64.0	67.0	3.0	0.52	80.50	1.87	5.6			IORC-44	36.50	63.50	27.00	0.34	54.09	1.24
89.5	96.0	6.5	0.16	81.22	1.52	9.9	89.5	96.0	6.5	0.16	81.22	1.52	9.9	IORC-58	30.00	38.00		8.00	0.08	41.49	0.77	6.2		
IORC-58	43.5	56.0	12.5	1.38	102.55	3.08	38.5	IORC-44	53.0	56.5	3.5	0.44	80.97	1.79	6.3	IORC-58	43.00	82.50	39.50	0.70	74.89	1.95	77.0	
	61.0	67.0	6.0	0.94	128.39	3.08	18.5		61.0	67.0	6.0	0.94	128.39	3.08	18.5		43.00	82.50	39.50	0.70	74.89	1.95	77.0	
	68.0	71.5	3.5	0.75	74.67	2.00	7.0		68.0	71.5	3.5	0.75	74.67	2.00	7.0									

NOTES

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

Table 3: Io Trend- Phase II Length weighted average RC and DDH drill intersection Dec 2016

High grade drill hole intervals selected								Down Hole Intersections at 1 g/t AuEq60 cut off and greater than 5 AuEq60 gram metre product								Down Hole Intersections at 0.3 g/t AuEq60 cut off and greater than 5 AuEq60 gram metre product									
Hole Number	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	AuEq60 (g/t)	AuEq60 Gram Metre	Hole Number	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	AuEq60 (g/t)	AuEq60 Gram Metre	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-1	116.6	118.2	1.6	0.7	598.6	10.7	17.1	IODDH-1	116.6	120.0	3.4	0.5	317.4	5.8	19.6		
IODDH-2	154.5	156	1.5	0.1	297.6	5.1	7.6	IODDH-2	154.5	156.7	2.2	0.1	224.3	3.9	8.5	IODDH-2	153.0	157.7	4.7	0.1	117.5	2.0	9.6		
IODDH-3	179.4	180	0.6	0.2	314.0	5.4	3.2	IODDH-3	53.0	55.1	2.1	1.3	82.2	2.7	5.6	IODDH-3	48.8	57	8.2	0.6	42.0	1.3	10.3		
IODDH-4	34.0	34.5	0.5	3.5	85.9	5.0	2.5	IODDH-4	75.0	76.0	1.0	0.0	375.6	6.3	6.3		136.6	143	6.4	0.4	27.4	0.9	5.7		
	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		177	182.3	5.3	0.1	65.0	1.2	6.3		
IODDH-9	49.2	50.4	1.2	2.7	381.3	9.1	10.9	IODDH-9	55.5	57.7	2.2	2.9	135.8	5.2	11.3	IODDH-4	16	24	8	0.3	25.4	0.7	5.6		
	55.5	56.5	1.0	5.6	199.6	8.9	8.9		75	78	3	0.0	141.1	2.4	7.2		IODDH-4	75	78	3	0.0	141.1	2.4	7.2	
	76.0	76.5	0.5	3.3	329.0	8.8	4.4		IODDH-14	42.6	45.0	2.4	0.3	177.8	3.3			7.9	IODDH-9	42	58.3	16.3	0.7	76.0	2.0
	77.5	78.9	1.4	3.6	239.5	7.6	10.7		IODDH-14	15.0	16.6	1.6	0.3	176.9	3.2		5.2	63		78.9	15.9	0.5	77.2	1.8	28.7
IODDH-14	39.0	39.8	0.8	0.7	256.4	5.0	4.0	IODDH-16	19.9	22.5	2.6	1.0	79.3	2.3	6.1	IODDH-14	32.3	48.0	15.7	0.4	63.1	1.4	22.0		
IODDH-16	42.6	44.4	1.8	0.4	213.8	4.0	7.1	IODDH-20	24.0	27.0	3.0	3.2	332.6	8.7	26.1	IODDH-16	15.0	18.6	3.6	0.2	96.5	1.8	6.3		
IODDH-20	16.05	16.6	0.6	0.1	343.6	5.9	3.2	IODDH-23	9.0	13.0	4.0	1.1	88.0	2.6	10.5	IODDH-19	46.6	57.0	10.4	0.2	41.9	0.9	9.6		
IODDH-23	25.1	25.7	0.6	11.7	1224.4	32.1	19.3	IODDH-23	23.1	26.2	3.1	2.2	117.4	4.2	13.0	IODDH-20	18.7	28	9.3	1.4	134.6	3.6	33.9		
IODDH-20	24.7	26	1.3	3.8	197.3	7.1	9.2	IORC-55	43.0	49.0	6.0	0.6	109.5	2.4	14.3	IODDH-22	30.6	41.4	10.8	0.3	24.3	0.7	8.0		
IORC-55	46.5	47.0	0.5	0.9	250.1	5.1	2.5		50.5	54.5	4.0	0.8	133.6	3.1	12.2	IODDH-23	9	13.8	4.8	1.0	75.1	2.2	10.7		
	47.5	49.0	1.5	0.9	168.5	3.7	5.5	IORC-55	34.0	55.0	21.0	0.4	69.0	1.5	32.5	23.1	27	3.9	1.8	96.6	3.4	13.4			
	52.5	53.5	1.0	2.0	348.5	7.8	7.8																		

NOTES

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

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 silver mineralization (see news release January 28, 2015).

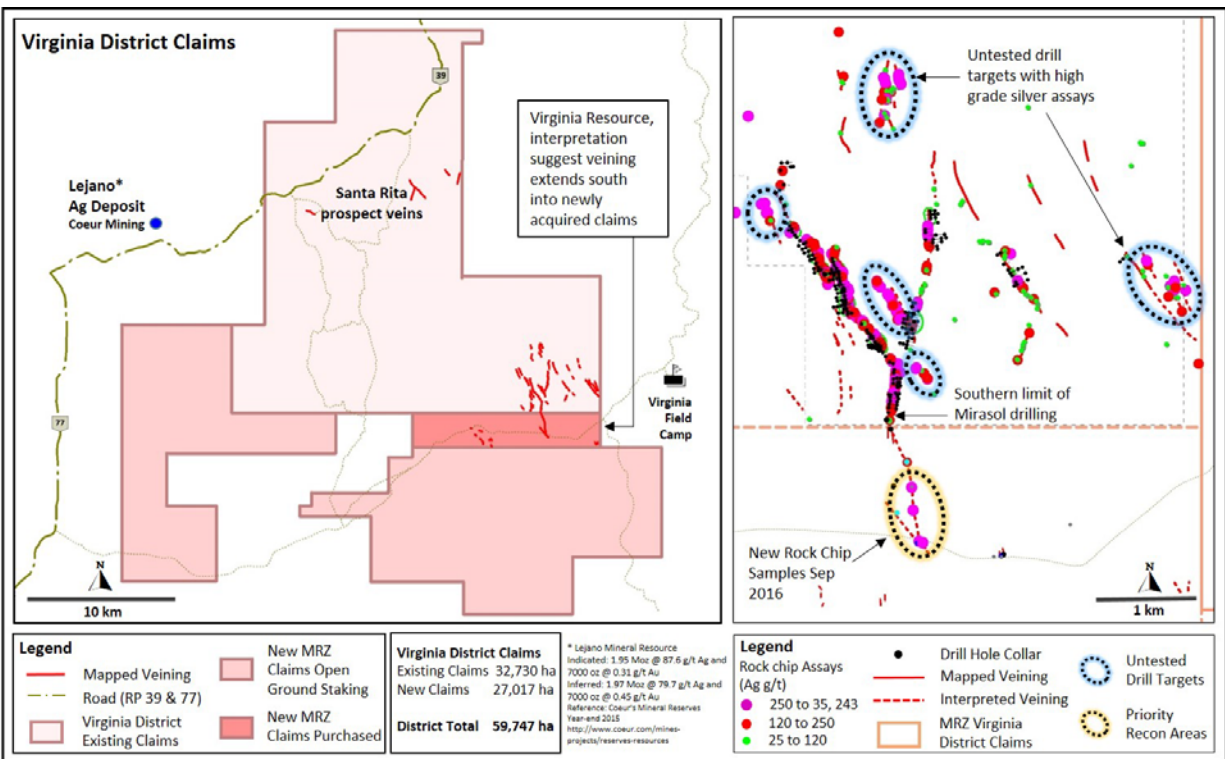


Figure 4: Virginia expanded Claims and new sampling, September 2016.

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 63,281 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 which are similar to those which characterize the outcropping Virginia vein zone. Results from 11 rock float samples collected along this trend include six samples with assays ranging from 50.0 to 1,084 g/t Ag (average 369 Ag g/t.) Field relationships and assays received to-date suggest that the new claims may host previously unrecognized soil-covered extensions of the Virginia silver system.

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

Other Properties

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

RESULTS OF OPERATIONS

Table 4: Exploration expenditures per projects under active exploration

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2016	2015	2016	2015
CHILE				
Gorbea Belt - Atlas Project				
Camp and general	-	106	-	169
Contractors and Consultants	743	15,329	11,615	17,613
Geophysics	693	-	1,145	421
Mining rights and fees	4,486	2,515	5,812	3,327
Travel & Accommodation	52	300	52	300
Gorbea Belt - Atlas Project Total	5,974	18,250	18,624	21,830
Gorbea Belt - Other Projects				
Camp and general	-	-	-	148
Contractors and Consultants	-	461	10,086	4,270
Environmental	-	-	-	-
Geophysics	605	2,127	1,198	2,751
Mining rights and fees	2,326	2,475	4,555	3,169
Gorbea Belt - Other Projects Total	2,931	5,063	15,839	10,338
Gorbea Belt - Titan Project				
Contractors and Consultants	3,600	-	3,600	872
Geophysics	461	110	913	1,030
Mining rights and fees	398	5,610	1,359	9,643
Gorbea Belt - Titan Project Total	4,459	5,720	5,872	11,545
Yamana Gorbea - Joint Venture				
Contractors and Consultants	14,146	41,904	21,468	47,430
Office and miscellaneous	-	1,995	-	6,069
Travel & Accommodation	3,518	2,374	3,518	4,283
Yamana Gorbea - Joint Venture Total	17,664	46,273	24,986	57,782
Total - Properties Joint Ventured to Other Companies Total	31,028	75,306	65,321	101,495
Rubi - Joint Venture				
Assays and Sampling	-	-	-	381
Camp and general	-	-	2,348	5,180
Contractors and Consultants	36,115	-	57,168	18,864
Environmental	-	-	-	-
Geophysics	465	-	8,089	1,221
Mining rights and fees	17,438	-	46,596	6,306
Travel & Accommodation	-	-	2,660	397
Rubi - Joint Venture Total	54,018	-	116,861	32,349

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2016	2015	2016	2015
Chile Pipeline Projects				
Assays and Sampling	25,317	20,900	50,324	20,902
Camp and general	28,036	10,783	40,805	15,190
Contractors and Consultants	180,089	110,239	251,000	109,091
Geophysics	1,627	5,433	5,469	11,378
Mining rights and fees	55,783	31,822	113,420	45,089
Travel & Accommodation	22,496	14,458	32,882	14,734
Chile Pipeline Projects Total	313,348	193,635	493,900	216,384
Total Spend - 100% owned properties	367,366	193,635	610,761	248,733
Frontera - Joint Venture				
Assays and Sampling	461	-	461	-
Camp and general	-	68	-	216
Contractors and Consultants	24,172	23,034	34,709	42,530
Geophysics	-	3,254	452	3,762
Mining rights and fees	20,406	101,211	41,090	101,211
Travel & Accommodation	260	1,624	633	2,136
Frontera - Joint Venture Total	45,299	129,191	77,345	149,855
Total Spend - Mirasol earn-in joint venture on third party projects Total	45,299	129,191	77,345	149,855
Project Generation - Chile Total	171,911	408,573	423,771	831,263
Corporate Operation & Management - Chile	123,784	171,566	305,774	212,130
TOTAL CHILE	739,388	978,271	1,482,972	1,543,476
ARGENTINA				
Claudia				
Camp and general	3,395	7,369	6,768	13,570
Contractors and Consultants	28,446	9,566	70,119	19,755
Environmental	(33)	-	(33)	-
Expense Reimbursement	(41,411)	-	(124,766)	-
Mining rights and fees	54,615	48,541	110,334	64,222
Professional Fees	-	-	2,119	-
Travel & Accommodation	3,289	-	7,425	2,709
Claudia Total	48,301	65,476	71,966	100,256

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2016	2015	2016	2015
La Curva				
Assays and Sampling	36,384	-	36,384	3,549
Camp and general	2,565	2,819	4,302	5,717
Contractors and Consultants	12,203	2,352	12,486	16,682
Environmental	4,034	-	4,034	-
Mining rights and fees	3,718	2,797	6,652	6,437
Travel & Accommodation	1,732	-	1,732	1,735
La Curva Total	60,636	7,968	65,590	34,120
Santa Rita and Virginia				
Assays and Sampling	24,926	-	27,502	-
Camp and general	48,418	14,530	60,140	29,041
Contractors and Consultants	55,238	6,315	82,050	18,962
Mining rights and fees	27,060	16,165	35,974	17,934
Travel & Accommodation	3,709	11	5,140	338
Santa Rita and Virginia Total	159,351	37,021	210,806	66,275
Argentina Pipeline Projects				
Assays and Sampling	30,321	-	30,321	-
Camp and general	8,347	370	8,393	528
Contractors and Consultants	82,826	10,378	101,831	27,500
Mining rights and fees	46,478	91,405	66,254	148,415
Professional Fees	70,280	-	114,758	-
Travel & Accommodation	20,491	-	22,655	62
Argentina Pipeline Projects Total	258,743	102,153	344,212	176,505
Total Spend - 100% owned properties Total	527,031	212,618	692,574	377,156
Project Generation - Argentina Total	3,465	99,050	11,695	344,687
Corporate Operation & Management - Argentina	3,605	153,444	385,597	259,552
TOTAL ARGENTINA	534,101	465,112	1,089,866	981,395
TOTAL EXPLORATION AND EVALUATION COSTS	1,273,489	1,443,383	2,572,838	2,524,871

FOR THE PERIOD ENDED DECEMBER 31, 2016, AS COMPARED TO THE PERIOD ENDED DECEMBER 31, 2015

The Company's net loss for the Current Period was \$3,767,579 or \$0.08 per share compared to \$1,369,733 or \$0.03 per share for the period ended December 31, 2016 ("Comparative Period"), an increase of \$2,397,846. The main reason for the increase in net loss in the Current Period and Quarter is the foreign exchange gain. The foreign exchange gain was due to the strong US dollar which prevailed in 2015.

Mirasol's total operating expenses were \$4,115,591 compared to \$3,526,049 in the Comparative Period, an increase in expenses of \$589,542. Increased share-based payments costs contributed to the increase.

As presented in Table 4 above, the Company incurred exploration costs of \$2,572,838 and \$2,524,871, respectively.

Stock-based payments and depreciation are non-cash items. Excluding the above and the exploration cost, the Company incurred \$900,626 in the Current Period compared to \$922,825 in the Comparative Period. The reduction of \$22,199 is attributable to overall general and administration cost reduction strategies implemented by the management during the last quarter of the previous fiscal year.

Professional fees reduced due to reduction in the required services. Directors' fees reduced during the Current Period since there were no special committees in session.

Business development, marketing and investor communications costs increased by \$67,830 due to increase in business development activities and cost incurred to improve investor relations activities.

The Company also recorded a foreign exchange gain of \$275,562 during the Current Period compared to \$2,034,292 during the Comparative Period. 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.

FOR THE QUARTER ENDED DECEMBER 31, 2016, AS COMPARED TO THE QUARTER ENDED DECEMBER 31, 2015

The net loss for the quarter ended December 31, 2016 ("Current Quarter") was \$1,669,075 compared to \$1,358,661 for the period ended December 31, 2015 (Comparative Quarter). As for the current period the reason for the increase in the loss during the Current Quarter is due to foreign exchange gain.

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

SUMMARY OF QUARTERLY RESULTS

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 \$
2 nd Quarter 2017	Nil	(1,669,075)	(0.03)	(0.03)
1 st Quarter 2017	Nil	(2,098,504)	(0.05)	(0.05)
4 th Quarter 2016	Nil	(1,390,063)	(0.03)	(0.03)
3 rd Quarter 2016	Nil	(3,257,207)	(0.07)	(0.07)
2 nd Quarter 2016	Nil	(1,358,661)	(0.03)	(0.03)
1 st Quarter 2016	Nil	(11,072)	(0.00)	(0.00)
4 th Quarter 2015	Nil	(2,523,995)	(0.06)	(0.06)
3 rd Quarter 2015	Nil	(11,881)	(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 the Current Period, the Company invested Canadian, Australian and US dollars in interest bearing financial instruments maturing up to July 2017. The total amount invested was CAD\$18,428,176.

FINANCING ACTIVITIES

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

CAPITAL RESOURCES

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

The Company has no operations that generate cash flow and its long term financial success is dependent on management's ability to discover economically viable mineral deposits. Mirasol applies the 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 \$24.4 million on December 31, 2016, 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:

	For the Three Months Ended December 31		For the Six Months Ended December 31	
	2016	2015	2016	2015
Management compensation (i)	\$ 127,241	\$ 132,827	\$ 260,288	\$ 265,902
Share-based payments	-	-	250,749	-
Director's fees (ii)	27,900	39,600	52,300	79,200
	<u>\$ 155,141</u>	<u>\$ 172,427</u>	<u>\$ 563,337</u>	<u>\$ 345,102</u>

(i) Management compensation is included in Management fees (2016 - \$146,674; 2015 - \$92,000) and in Exploration costs (2016 - \$113,614; 2015 - \$173,902) 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	Project generation, exploration management and GIS services
Evrin Resources Corp. ("Evrin") ⁽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:

	For the Three Months Ended		For the Six Months Ended	
	December 31		December 31	
	2016	2015	2016	2015
Legal fees	\$ 25,307	\$ 49,924	\$ 101,269	\$ 90,849
Accounting fees	18,147	54,350	36,294	87,350
Professional fees	6,300	12,300	12,600	24,600
Exploration costs and project management fees	217,421	199,888	429,136	403,814
Office sharing and administration	21,822	-	43,118	-
	\$ 288,997	\$ 316,462	\$ 622,417	\$ 606,613

Included in accounts payable and accrued liabilities at December 31, 2016, is an amount of \$116,582 (June 30, 2015 - \$161,585) 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, 2016. The Company did not adopt any significant new accounting policies during the reporting period.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

In preparing the Company's condensed interim consolidated financial statements for the period ended December 31, 2016, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended June 30, 2016.

FINANCIAL INSTRUMENTS

The Company's financial instruments as at December 31, 2016, consist of cash and cash equivalents, interest receivable, and accounts payable and accrued liabilities. The fair value of all these instruments approximates their carrying value. There are no off-balance sheet financial instruments.

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

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 condensed consolidated financial statements for the period ended December 31, 2016 that is available on Mirasol's website at www.mirasolresources.com or on its SEDAR company page accessed through www.sedar.com.

APPROVAL

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

ADDITIONAL INFORMATION

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