

Appendix 1: Additional Geological Information and Analysis of Drill Results From the Second Program of La Curva Drilling

The second drill program at the La Curva OGC JV was completed in the December quarter of 2018 testing targets at the Curva West prospect and Castora Trend, Cerro Chato, SouthWest and Pison prospects. The program encompassed a total of 3,227.8 m drilled in 17 holes. This included 375m of reverse circulation (RC) drilling in 4 holes and 2,852.8 m of diamond core drilling in 13 holes ([Figure 1](#)).

Five holes totalling 692 m were drilled at the Curva West prospect to test conceptual targets exploring for the source of Au+Ag mineralized vein and breccia blocks, that occurred as clasts in a sequence of Jurassic age sedimentary breccias, deposited along the edge of a regional scale horst block (see news release September 19, 2018). Drilling did not intersect an in situ source for the blocks of Au+Ag mineralization. Mirasol is evaluating the geological information gleaned from this drilling to determine if further exploration is warranted at this prospect.

Twelve holes totalling 2,160.8 m were drilled at the Castora Trend, Cerro Chato, SouthWest and Pison prospects, as follow-up test of epithermal Au+Ag mineralization intersected in the previous round of drilling at Cerro Chato and SouthWest (see news release February 28, 2018), and providing a first drill test of a Au+Ag anomalous, 50 m diameter breccia pipe that outcrops at Pison. All drill holes intersected Au+Ag mineralization, further expanding the footprint of the large Castora Trend Au+Ag system. Length weighted average Au+Ag intersections at 0.1, 0.3 and 1.0 g/t AuEq60* cut offs are presented in this news release, where the assay grade multiplied by length of intersection is greater than 5 gram/metres ([Table 1](#)).

On the basis of observations from drill core and initial petrographic studies, the Castora Trend mineralization and alteration can be differentiated into 4 styles described below in paragenetic sequence from earliest to more recent.

- Style 1: Veinlet and breccia matrix fill of chalcedonic silica + pyrite + arsenopyrite mineralization that hosts lower grade gold mineralization (typically <0.5 g/t Au) and has an Au:Ag content of approximately 1:1. No free gold has been seen in this phase of mineralization. Gold is thought to occur as small inclusions in the pyrite and arsenopyrite.
- Style 2: Breccia matrix fill of quartz + adularia + pyrite with gold inclusions + free gold + ruby silver minerals.
- Style 3: Colloform banded veins quartz + adularia + pyrite with gold inclusions + common free gold + ruby silver minerals and minor siderite / rhodochrosite?
- Style 4: Late stage veins and breccia matrix fill of dickite + kaolinite and illite / sericite + carbonate, probably representing retrograde collapse in the waning stages of the mineral system. This stage carries no visible Au or Ag mineralization.

Mineralization Styles 2 and 3 are the higher-grade Au+Ag mineralizing styles recognized to date at the project and may be the product of the same pulses of mineralizing fluids, deposited to form banded fissure veins in brittle tuff units and matrix fill in brecciated rhyolite flow domes. These styles of mineralization carry free gold and ruby silver minerals. Initial cyanide leach tests indicate they have favourable metallurgical characteristics ([Table 2](#)).

Mineralization Style 2 breccia matrix fill is best developed with brecciated rhyolite domes. Mineralization Style 3, colloform banded veins is developed as individual veinlets from a few centimetres up to 30 cm in width. These veins may form dispersed vein zones that range up to +10m wide downhole and may overprint Mineralization Style 2 breccia matrix fill, significantly increasing the grade through these sections of the drill hole.

Mineralization Styles 2 and 3 are volumetrically more significant and spatially more widely developed at the SouthWest and Lomo Arthur prospect (not drilled during this second program). Drilling at these prospects will be prioritized in subsequent drill programs.

A combination of surface mapping and sampling, with assay and drill hole geology from the two drill programs has been used to define a 1,100 m long and up to 300 m wide target zone at the SouthWest prospect ([Figure 2](#)). Cross sections were constructed parallel to drill holes:

- 1) SW-DDH-07 and 08, and
- 2) SW-DDH-2,09,11 and SW-RC-001 ([Figure 3](#)).

The cross sections confirm the presence of a large NW trending, NE block down, normal fault along the edge of the prospect that is interpreted to have acted as a syn to post mineral growth fault, with a sequence of epiclastic sediments developed on the downthrown block.

Au+Ag mineralization on both sections, is developed in the upthrown horst block where it is preferentially hosted in an up to 150 m thick interdigitated hyaloclastite brecciated rhyolite dome / flow package. Au+Ag grades and width of mineralization vector to depth and toward the NW oriented normal fault, suggesting that the fault has also acted as a conduit for hydrothermal fluids and may host higher grade Au+Ag mineralization.

Broad intersections of lower grade Au+Ag mineralization were returned from drilling at Cerro Chato. Hole CC-DDH-010 returned a best intersection of 26.3 m at 0.56 g/t Au and 10.7 g/t Ag including 0.45 m at 24.1 g/t Au and 87.3 g/t Ag. The narrow higher-grade intersection correlates to a zone of colloform and bladed textured quartz veinlets with the broader zone of mineralization related to chalcedonic silica + pyrite + arsenopyrite Mineralization Style 1 veinlets and brecciated dome matrix fill that has unfavourable metallurgical characteristics.

At the Pison prospect, diamond core hole PSN-DDH-001 intersected a total Au+Ag mineralized interval over 100 m downhole with a best intersection of 82.0 m at 0.22 g/t Au and 2.2 g/t Ag. While the intersection has returned low grade Au+Ag assays, drill core observation shows mineralization correlates to large zone of strongly silicified and hydrothermally brecciated epiclastic sediments with what is interpreted to be Mineralization Style 2 breccia matrix fill. Mirasol is re-evaluating the geological and geophysical information at this prospect to determine if further drilling is warranted to test for potential higher grade Au+Ag mineralization.