

MIRASOL RESOURCES LTD.

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2017

Canadian Funds

(Unaudited – Prepared by Management)

Reader's Note:

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

Mirasol Resources Ltd.*(An Exploration Stage Company)***Condensed Interim Consolidated Statements of Financial Position***Canadian Funds**As at*

ASSETS	September 30, 2017	June 30, 2017
Current Assets		
Cash and cash equivalents	\$ 4,656,920	\$ 4,629,130
Short-term investments <i>(Note 3)</i>	16,193,081	16,792,765
Receivables and advances <i>(Note 4)</i>	362,845	544,502
	<hr/> 21,212,846	<hr/> 21,966,397
Equipment and Software	102,103	103,677
Exploration and Evaluation Assets	<hr/> 3,000,762	<hr/> 3,000,762
	<hr/> \$ 24,315,711	<hr/> \$ 25,070,836
<hr/> LIABILITIES <hr/>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 435,559	\$ 532,649
Advance from exploration partner	862,342	-
	<hr/> 1,297,901	<hr/> 532,649
<hr/> EQUITY <hr/>		
Share Capital	48,357,158	48,303,568
Reserves	16,607,548	16,361,942
Accumulated Other Comprehensive loss	(18,492)	(23,438)
Deficit	<hr/> (41,928,404)	<hr/> (40,103,885)
	<hr/> 23,017,810	<hr/> 24,538,187
	<hr/> \$ 24,315,711	<hr/> \$ 25,070,836

Nature of Business *(Note 1)***Commitments** *(Note 10)***Subsequent Events** *(Note 11)*

On Behalf of the Board:

“ *Stephen C. Nano* ” _____ , Director

“ *Nick DeMare* ” _____ , Director

Mirasol Resources Ltd.*(An Exploration Stage Company)***Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****For the Three Months Ended September 30,**
Canadian Funds

	2017	2016
Operating Expenses		
Exploration costs	\$ 966,224	\$ 1,299,349
Share-based payments <i>(Note 7)</i>	259,596	601,464
Office and miscellaneous	74,911	98,886
Marketing and investor communications	96,204	86,914
Management fees <i>(Note 5a i)</i>	84,566	78,948
Business development <i>(Note 5b)</i>	202,453	26,327
Professional fees <i>(Note 5b)</i>	34,357	58,499
Director's fees <i>(Note 5a iii)</i>	46,500	30,700
Transfer agent and filing fees	850	804
Travel	23,213	10,799
Depreciation	597	4,377
	<u>(1,789,471)</u>	<u>(2,297,067)</u>
Interest income	29,604	28,500
Foreign exchange gain (loss)	(64,652)	170,063
	<u>(35,048)</u>	<u>198,563</u>
Net Loss for the Period	\$ (1,824,519)	\$ (2,098,504)
Other Comprehensive Loss to be Reclassified to Profit or Loss in Subsequent Periods		
Exchange differences on translation of foreign operations	4,946	1,129
Loss and Comprehensive Loss for the Period	(1,819,573)	(2,097,375)
Loss per Share (Basic and Diluted)	\$ (0.04)	\$ (0.05)
Weighted Average Number of Shares Outstanding (Basic and Diluted)	49,127,328	45,277,398

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

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

	Share Capital Common Shares		Reserves	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
	Number	\$				
Balance – June 30, 2016	44,664,411	38,393,240	15,418,454	(23,279)	(33,158,238)	20,630,177
Shares issued – Rights offering	4,166,667	10,000,000	-	-	-	10,000,000
Share issue costs	-	(466,149)	339,700	-	-	(126,449)
Option exercise	190,750	195,860	-	-	-	195,860
Share-based payments	-	-	601,464	-	-	601,464
Foreign currency translation adjustment	-	-	-	1,129	-	1,129
Loss for the period	-	-	-	-	(2,098,504)	(2,098,504)
Balance – September 30, 2016	49,021,828	48,122,951	16,359,618	(22,150)	(35,256,742)	29,203,677
Balance – June 30, 2017	49,116,078	48,303,568	16,361,942	(23,438)	(40,103,885)	24,538,187
Share issue costs	-	-	-	-	-	-
Option exercise <i>(Note 6b ii)</i>	45,000	53,590	(13,990)	-	-	39,600
Share-based payments <i>(Note 7)</i>	-	-	259,596	-	-	259,596
Foreign currency translation adjustment	-	-	-	4,946	-	4,946
Loss for the period	-	-	-	-	(1,824,519)	(1,824,519)
Balance – September 30, 2017	49,161,078	48,357,158	16,607,548	(18,492)	(41,928,404)	23,017,810

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

Mirasol Resources Ltd.*(An Exploration Stage Company)***Condensed Interim Consolidated Statements of Cash Flows****For the Three Months Ended September 30***Canadian Funds*

	2017	2016
Operating Activities		
Net loss for the period	\$ (1,824,519)	\$ (2,098,504)
Adjustments for:		
Share-based payments	259,596	601,464
Interest income	(29,604)	(28,500)
Depreciation	597	4,377
Depreciation included in exploration expenses	977	14,813
Unrealized foreign exchange	14,361	(462,992)
	<u>(1,578,592)</u>	<u>(1,969,342)</u>
Changes in non-cash working capital items:		
Receivables and advances	206,064	67,781
Advances from joint venture partner	862,342	-
Accounts payable and accrued liabilities	(97,090)	(120,896)
	<u>(607,276)</u>	<u>(2,022,457)</u>
Investing Activities		
Short-term investments redeemed/(placed)	599,684	(8,752,500)
Interest received	5,197	-
Purchase of equipment and software	-	(81,240)
	<u>604,881</u>	<u>(8,833,740)</u>
Financing Activities		
Shares issued, net of issuance costs	-	9,873,551
Exercise of incentive share purchase options	39,600	195,860
	<u>39,600</u>	<u>10,069,411</u>
Effect of Exchange Rate Change on Cash and Cash Equivalents	<u>(9,415)</u>	<u>464,121</u>
Change in Cash and Cash Equivalents	27,790	(322,665)
Cash and Cash Equivalents - Beginning of Year	4,629,130	17,605,111
Cash and Cash Equivalents - End of Period	<u>\$ 4,656,920</u>	<u>\$ 17,282,446</u>
Cash and Cash Equivalents Consist of:		
Cash	\$ 2,181,521	\$ 12,719,772
Cash equivalents	\$ 2,475,399	\$ 4,562,674

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

Mirasol Resources Ltd.

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2017

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.

The Company has sufficient working capital to maintain its current operations and activities for at least next twelve months.

2. Basis of Presentation

Statement of compliance

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). 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, 2017, which include the Company's significant accounting policies, and have been prepared in accordance with the same methods of application.

The Board of Directors approved the condensed interim consolidated financial statements on November 24th, 2017.

Basis of measurement

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

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.

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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, 2017.

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. Maturity dates of these GIC's are between three to twelve months.

4. Receivables and Advances

	September 30, 2017	June 30, 2017
Goods and services tax receivable	\$ 6,287	\$ 7,961
Income taxes recoverable	23,991	23,991
Interest receivable	154,798	129,345
Prepaid expenses and advances	177,769	116,227
Due from joint venture partners	-	266,978
	<u>\$ 362,845</u>	<u>\$ 544,502</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 remuneration of management and independent directors was as follows:

	Three Months Ended September 30, 2017	2016
Management compensation (i)	\$ 133,798	\$ 133,047
Share-based payments (ii)	65,772	250,749
Director's fees (iii)	46,500	30,600
	<u>\$ 246,070</u>	<u>\$ 414,396</u>

(i) Management compensation is included in Management fees (September 30, 2017 ("2017") - \$84,566; September 30, 2016 ("2016") - \$63,606) and in Exploration costs (2017 - \$49,232; 2016 - \$69,441) in the Company's consolidated statements of loss and comprehensive loss.

(ii) Share-based payments represent the expense for the three months ended September 30, 2017 and 2016.

(iii) The independent directors of the Company are paid \$2,100 per month (2016 - \$2,100 per month) while the Chairman of the Board of Directors receives an additional \$3,000 per month for serving in this capacity (2016 - \$3,000).

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(iv) As of June 14, 2017, Dana Prince was appointed Executive Chairman receiving an additional \$4,100 per month. The independent directors are also paid for serving on certain special committees of the Board of Directors. There were no special committees during the year ended June 30, 2017 and three months ended September 30, 2017.

b) Transactions with other related parties

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

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

	Nature of transactions
Miller Thomson	Legal fees
Chase Management Ltd.	Professional fees
Global Ore Discovery Pty Ltd.	Project generation, exploration management and GIS services
Evrin Resources Corp. ("Evrin")	CFO services, office administration support services and office sharing

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

	Three Months Ended September 30,	
	2017	2016
Legal fees	\$ 46,446	\$ 79,439
CFO services, office sharing and administration	33,083	39,443
Project generation, exploration expenses and GIS services	101,622	211,715
	\$ 181,151	\$ 330,597

Included in accounts payable and accrued liabilities at September 30, 2017, is an amount of \$87,830 (2016 - \$174,344) owing to directors and officers of the Company and to companies where the directors and officers are principals.

6. Share Capital

a) Authorized Share Capital

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

b) Reconciliation of Changes in Share Capital

(i) Rights offering

The Company completed a rights offering for gross proceeds of \$10,000,000 on September 19, 2016. Bonus warrants of 500,000 were issued to the guarantors of the rights offering. Each bonus warrant is exercisable at \$2.40 and expires on March 23, 2017 (Expired unexercised). The fair value of these bonus warrants was estimated to be \$339,700 using the following weighted average assumptions in the Black-Scholes option pricing model.

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

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

(ii) Options exercised

The Company issued 45,000 (2016 -190,750) shares on exercise of share purchase option for gross proceeds of \$39,600 (2016 - \$195,860).

7. Share Purchase Options

On September 12, 2017, the Company issued 385,000 incentive share purchase options to certain officers, employees and consultants of the Company. Out of the total options granted 150,000 options were subject to a four-year vesting provision. The options are exercisable at \$1.80 for a period of three years from the date of grant.

The fair value of these stock options was estimated to be \$259,596 using the weighted average assumptions in the Black-Scholes option pricing model noted below.

Expected dividend yield	0.0%
Expected share price volatility	65.67%
Risk-free interest rate	1.54%
Expected life of options	2.18 years
Fair value of options granted (per share option)	\$0.66

A summary of the Company's options outstanding as at September 30, 2017 is as follows:

Expiry Date	Exercise price \$	Options Outstanding	Weighted Average Remaining Life of Options (years)	Options Exercisable
December 16, 2018	0.88	3,750	1.21	3,750
March 23, 2019	0.88	165,000	1.48	165,000
August 4, 2019	0.88	145,000	1.84	145,000
May 14, 2018	1.28	472,500	0.62	472,500
April 29, 2021	0.88	655,000	3.58	555,000
April 29, 2021	1.38	320,000	3.58	240,000
August 26, 2019	2.85	715,876	1.90	715,876
September 12, 2021	1.80	150,000	3.95	30,000
September 12, 2020	1.80	235,000	2.95	235,000
		2,862,126	1.65	2,562,126

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8. Warrants

There were no share purchase warrants outstanding as at September 30, 2017. During the period ended September 30, 2016, 500,000 share purchase warrants were issued with an exercise price of \$2.40. The share purchase warrants were issued in connection with the Company's Right offering (Note 6 b (i)) and expired on March 23, 2017.

9. Segmented Information

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

Total Non-Current Assets	September 30, 2017	June 30, 2017
Canada	\$ 7,362	\$ 7,959
Argentina	2,841,036	2,842,013
Chile	254,467	254,467
	\$ 3,102,865	\$ 3,104,439

10. Commitments

- The Company has entered into a three-year consulting agreement with Global Ore Pty Ltd. 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.
- 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).
- 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.

11. Subsequent Events

Claudia option agreement

On October 20, 2017, the Company signed the definitive agreement with Oceanagold Corporation ("OGC") on Claudia project.

OGC has been granted the option to acquire up to a 75% interest in the Claudia Project, exercisable in 5 stages over an eight-year, or shorter, earn-in period. The agreement requires OGC to fund US\$1.75 million in exploration expenditures, complete 3,000 metres of drilling, and make a US\$100,000 option payment (received) in the first year of the option. Mirasol will be the operator of the first-year exploration program.

OGC can earn a 51% interest in the property by spending US\$10.5 million in exploration and making a series of cash payment totalling US\$1 million to Mirasol within the first four years of the agreement.

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OGC can earn a 60%, 65% and 70% interest by delivering to Mirasol a preliminary economic assessment ("PEA"), a bankable feasibility study ("BFS") and a decision to mine respectively, within the four years after earning the 51% interest.

Mirasol can retain a participating 30% interest in the project or 25% funded-to production interest with OGC financing the development cost to the production.

Altazor option agreement

On November 21, 2017, the Company signed the definitive agreement with Newcrest International Pty Limited ("NCM") on Altazor project.

NCM has been granted the option to acquire up to an 80% interest in the Altazor Project, exercisable in stages over a nine-year, or shorter, earn-in period. The agreement requires NCM to fund US\$1.5 million in exploration expenditures and make a US\$100,000 option payment (received) in the first year of the option. Mirasol will be the operator of the first-year exploration program.

NCM can earn up to 51% of the interest of the property by making a US\$500,000 cash payment to Mirasol at the start of the earn in period and by spending an additional US\$8.5 million in exploration within the next four years of the agreement. NCM can earn in stages up to a 75% interest in the property by delivering a PEA and a BFS (total expenditure capped at US\$100 million after the completion of the PEA stage) and by making US\$1.3 million cash payments to Mirasol within the four years after earning the 51% interest.

Mirasol can retain a participating 25% interest in the project or 20% funded-to production interest with NCM financing the development cost to the production.
