

**MIRASOL RESOURCES LTD.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**September 30, 2018**

**(Unaudited – Expressed in Canadian Dollars)**

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

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

**Mirasol Resources Ltd.****Condensed Consolidated Interim Statements of Financial Position**

Canadian Funds

As at

<b>ASSETS</b>	September 30, 2018	June 30, 2018
<b>Current Assets</b>		
Cash and cash equivalents	\$ 5,274,907	\$ 2,892,948
Short-term investments (Note 3)	19,663,861	23,650,478
Receivables and advances (Note 4)	611,433	733,591
	<u>25,550,201</u>	<u>27,277,377</u>
<b>Equipment and Software</b>	94,037	101,661
<b>Exploration and Evaluation Assets</b>	3,000,762	3,000,762
	<u>\$ 28,645,000</u>	<u>\$ 30,379,800</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 5b)	\$ 549,897	\$ 743,842
Advances from JV Partner (Note 10e)	38,033	67,892
	<u>587,930</u>	<u>811,734</u>
<b>EQUITY</b>		
<b>Share Capital</b>	57,426,143	57,426,143
<b>Reserves</b>	16,668,009	16,615,061
<b>Accumulated Other Comprehensive loss</b>	(24,115)	(28,122)
<b>Deficit</b>	<u>(46,012,967)</u>	<u>(44,445,016)</u>
	<u>\$ 28,645,000</u>	<u>\$ 30,379,800</u>

Nature of Business (Note 1)

Subsequent Events (Note 11)

On Behalf of the Board:

“ Stephen C. Nano ” , Director

“ Nick DeMare ” , Director

**Mirasol Resources Ltd.****Condensed Consolidated Interim Statements of Loss and Comprehensive Loss****For the Three Months Ended September 30,**  
*Canadian Funds*

	2018	2017
<b>Operating Expenses</b>		
Exploration expenditures	\$ 372,076	\$ 966,224
Business development	171,163	202,453
Management fees <i>(Note 5a i)</i>	114,910	84,566
Marketing and investor communications	90,727	96,204
Office and miscellaneous	80,012	74,911
Share-based payments <i>(Note 7)</i>	52,948	259,596
Professional fees	50,377	34,357
Director's fees <i>(Note 5a iii, Note 5a iv)</i>	46,500	46,500
Travel	23,930	23,213
Transfer agent and filing fees	3,617	850
Depreciation	2,099	597
	<u>(1,008,359)</u>	<u>(1,789,471)</u>
Interest income	78,663	29,604
Foreign exchange gain (loss)	<u>(638,255)</u>	<u>(64,652)</u>
	<u>(559,592)</u>	<u>(35,048)</u>
<b>Net Loss for the Period</b>	<u>\$ (1,567,951)</u>	<u>\$ (1,824,519)</u>
<b>Other Comprehensive loss to be Reclassified to Profit or Loss in Subsequent Periods</b>		
Exchange differences on translation of foreign operations	<u>4,007</u>	<u>4,946</u>
<b>Loss and Comprehensive Loss for the Period</b>	<u>(1,563,944)</u>	<u>(1,819,573)</u>
Loss per Share (Basic and Diluted)	<u>\$ (0.03)</u>	<u>\$ (0.04)</u>
<b>Weighted Average Number of Shares Outstanding (Basic and Diluted)</b>	<u>49,450,240</u>	<u>49,127,328</u>

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

**Mirasol Resources Ltd.**

**Condensed Consolidated Interim Statement of Changes in Equity**

Canadian Funds

	<u>Share Capital</u>		Share-Based Payments Reserve \$	Accumulated Other Comprehensive (Loss) \$	Deficit \$	Total Equity \$
	Number of Shares	Amount \$				
<b>Balance – June 30, 2017</b>	<b>49,116,078</b>	<b>48,303,568</b>	<b>16,361,942</b>	<b>(23,438)</b>	<b>(40,103,885)</b>	<b>24,538,187</b>
Shares issue costs	-	-	-	-	-	-
Option exercised (Note 6b iii)	45,000	53,590	(13,990)	-	-	39,600
Share-based payments	-	-	259,596	-	-	259,596
Foreign currency translation adjustment	-	-	-	4,946	-	4,946
Loss for the period	-	-	-	-	(1,824,519)	(1,824,519)
<b>Balance – September 30, 2017</b>	<b>49,116,078</b>	<b>48,357,158</b>	<b>16,607,548</b>	<b>(18,492)</b>	<b>(41,928,404)</b>	<b>23,017,810</b>
<b>Balance – June 30, 2018</b>	<b>53,822,628</b>	<b>57,426,143</b>	<b>16,615,061</b>	<b>(28,122)</b>	<b>(44,445,016)</b>	<b>29,568,066</b>
Share issue costs	-	-	-	-	-	-
Option exercised (Note 6b iii)	-	-	-	-	-	-
Share-based payments (Note 7)	-	-	52,948	-	-	52,948
Foreign currency translation adjustment	-	-	-	4,007	-	4,007
Loss for the period	-	-	-	-	(1,567,951)	(1,567,951)
<b>Balance – September 30, 2018</b>	<b>53,822,628</b>	<b>57,426,143</b>	<b>16,668,009</b>	<b>(24,115)</b>	<b>(46,012,967)</b>	<b>28,057,070</b>

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

**Mirasol Resources Ltd.****Condensed Consolidated Interim Statement of Changes in Cash Flows**

For the Three Months Ended September 30

Canadian Funds

	2018	2017
<b>Operating Activities</b>		
Loss for the period	\$ (1,567,951)	\$ (1,824,519)
Adjustments for:		
Share-based payments	52,948	259,596
Interest income	(78,663)	(29,604)
Depreciation	2,099	597
Depreciation included in exploration expenses	5,525	977
Unrealized foreign exchange	(63,612)	14,361
	(1,649,654)	(1,578,592)
Changes in non-cash working capital items:		
Receivables and advances	46,660	206,064
Accounts payable and accrued liabilities	(193,945)	(97,090)
Advance from joint venture partner	(29,859)	862,342
Cash used in operating activities	(1,826,798)	(607,276)
<b>Investing Activities</b>		
Short-term investments	3,986,617	599,684
Interest received	154,521	5,197
Cash used in investing activities	4,141,138	604,881
<b>Financing Activities</b>		
Exercise of incentive share purchase options	-	39,600
Cash provided by financing activities	-	39,600
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>	67,619	(9,415)
<b>Change in Cash and Cash Equivalents</b>	2,381,959	27,790
Cash and Cash Equivalents - Beginning of Period	2,892,948	4,629,130
<b>Cash and Cash Equivalents - End of Period</b>	\$ 5,274,907	\$ 4,656,920
<b>Cash and Cash Equivalents Consist of:</b>		
Cash	\$ 2,546,520	\$ 2,181,521
Cash equivalents	\$ 2,728,387	\$ 2,475,399
	\$ 5,274,907	\$ 4,656,920

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

# Mirasol Resources Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2018

Canadian Funds

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### 1. Nature of Business

Mirasol Resources Ltd. (“Mirasol” or the “Company”) is incorporated under the laws of the Province of British Columbia, Canada. The Company’s corporate registered and records office is located at 400 – 725 Granville Street, Vancouver, British Columbia and the head office is located at 910 – 850 West Hastings Street, Vancouver, British Columbia.

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

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

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

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### 2. Basis of Presentation

#### Statement of compliance

The condensed consolidated Interim 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 consolidated interim financial statements were prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended June 30, 2018.

The Board of Directors approved the condensed consolidated interim financial statements on November 29<sup>th</sup>, 2018.

#### Basis of measurement

These condensed consolidated interim 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 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.

## Mirasol Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2018

Canadian Funds

In preparing these condensed consolidated interim 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, 2018.

#### 3. Short-term Investments

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

#### 4. Receivables and Advances

	September 30, 2018	June 30, 2018
Goods and services tax receivable	\$ 5,391	\$ 10,134
Interest receivable	118,755	199,656
Prepaid expenses and advances	137,139	165,259
Due from joint venture partners	350,149	358,902
	\$ 611,433	\$ 733,951

#### 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 2018	September 30, 2017
Management compensation (i)	\$ 126,324	\$ 133,798
Share-based payments (ii)	-	65,772
Director's fees (iii)	46,500	46,500
	\$ 172,824	\$ 246,070

(i) Management compensation is included in Management fees (September 30, 2018("2018") - \$56,483; September 30, 2017 ("2017") - \$84,566) and in exploration expenditures (2018 - \$69,841; 2017 - \$49,232) 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, 2018 and 2017.

(iii) The independent directors of the Company are paid \$2,100 per month (2017 - \$2,100 per month) while the Chairman of the Board of Directors receives an additional \$3,000 per month for serving in this capacity (2017 - \$3,000).

(iv) On June 14, 2017, the Chairman of the Board was appointed Executive Chairman and is paid an additional \$4,100 per month

## Mirasol Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2018

Canadian Funds

#### b) Transactions with other related parties

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

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

	Nature of transactions
Miller Thomson	Legal fees
Global Ore Discovery Pty Ltd.	Project generation, exploration management and GIS services
Chase Management Ltd.	Professional fees
Mathew Lee	CFO services
Evrin Resources Corp. ("Evrin")	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,	
	2018	2017
Legal fees	\$ 52,081	\$ 46,446
CFO services	14,175	21,062
Office sharing and administration services	13,335	12,021
Project generation, exploration expenses and GIS services	249,079	101,622
	\$ 328,670	\$ 181,151

Included in accounts payable and accrued liabilities at September 30, 2018, is an amount of \$201,551 (2017 - \$87,830) 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) Financings

No financings were conducted during the three months ended September 30, 2018. During the year ended June 30, 2018, the Company completed a non-brokered private placement issuing 4,317,750 units for gross proceeds of \$8,635,500. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each full warrant is exercisable into one common share at a price of \$3.00 for two years from the closing date.

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

**Mirasol Resources Ltd.**  
**Notes to Condensed Consolidated Interim Financial Statements**  
**For the Three Months Ended September 30, 2018**  
*Canadian Funds*

(ii) **Options exercised**

No options were exercised during the three months ended September 30, 2018. During the three months ended September 30, 2018, 45,000 options were exercised for gross proceeds of \$39,600.

**7. Share Purchase Options**

On July 16, 2018, the Company issued 60,000 incentive share purchase options to certain officers, employees and consultants of the Company. The options are exercisable at \$1.76 for a period of three years from the date of grant.

Expected dividend yield	0.0%
Expected share price volatility	69.23%
Risk-free interest rate	2.03%
Expected life of options	2.70 years
Fair value of options granted (per share option)	\$0.79

The fair value of these stock options was estimated to be \$47,122 and the vested share-based amount of \$35,265 was recorded in the Company's consolidated statements of loss and comprehensive loss using the weighted average assumptions in the Black-Scholes option pricing model noted below.

Additional share-based payments expense of \$17,683 was recognized in the Company's statement of loss due to vesting of the stock options granted during previous years.

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

Expiry Date	Exercise price \$	Options Outstanding	Weighted Average Remaining Life of Options (years)	Options Exercisable
December 16, 2018	0.88	3,750		3,750
March 23, 2019	0.88	163,750		163,750
August 4, 2019	0.88	140,000		140,000
May 14, 2018*	1.28	220,000		220,000
April 29, 2021	0.88	545,000		545,000
April 29, 2021	1.38	320,000		320,000
August 26, 2019	2.85	709,376		709,376
September 12, 2021	1.80	150,000		70,000
September 12, 2020	1.80	235,000		235,000
December 19, 2020	1.61	200,000		200,000
December 20, 2020	1.65	350,000		285,000
July 16, 2021	1.76	60,000		30,000
		3,096,876	1.65	2,921,876

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

## Mirasol Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2018

Canadian Funds

#### 8. Warrants

There were 2,158,875 of share purchase warrants outstanding as at September 30, 2018 (2017-Nil) with an exercise price of \$3.00 expiring in twenty-four months. These warrants were issued in connection with the Company's private placement offering (Note 6 b (i)).

#### c) Restricted Share Unit ("RSU") Plan

On April 26, 2018 the shareholders approved a restricted share unit plan (the "RSU Plan"). The RSU plan was also approved by the Board on July 16, 2018 and by the TSX Venture Exchange on July 17, 2018. The RSU Plan provides for the issuance of up to 1,000,000 restricted share units (the "RSUs"). Under the RSU Plan, RSUs may be granted to directors, officers, employees and consultants of the Company (excluding investor relations consultants) as partial compensation for the services they provide to the Company. The RSU Plan is a fixed number plan, and the number of common shares issued under the RSU Plan, when combined with the number of stock options available under the Company's stock option plan, will not exceed 10% of the Company's outstanding common shares. On July 16, 2018, the Company's Board of Directors approved an award subject to certain vesting conditions, of 110,000 RSU's. Subsequent to September 30, 2018, 35,000 vested RSU's were exercised and the Company issued 35,000 shares.

#### 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:

<b>Total Non-Current Assets</b>	September 30, 2018	June 30, 2018
Canada	\$ 25,884	\$ 27,983
Argentina	2,843,596	2,844,780
Chile	225,319	229,660
	<b>\$ 3,094,799</b>	<b>\$ 3,102,423</b>

#### 10. Mineral Properties

##### a) *Altazor joint venture*

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

On November 7, 2017, the Company signed an exploration and option agreement with Newcrest International Pty Limited ("NCM") on the Altazor property whereby, NCM has been granted the option to acquire up to an 80% interest in the property, exercisable in stages over a nine-year, or shorter, earn-in period.

The agreement requires NCM to fund US\$1.5 million in exploration expenditures and make a US\$100,000 option payment (received) in the first year of the option. The Company will serve as operator for exploration during the option period in return for 10% management fee. As of July 1, 2018, the Company is no longer the operator for exploration and will not be receiving the 10% management fee.

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

## Mirasol Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2018

Canadian Funds

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

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

#### b) Zeus joint venture

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

During the year ended June 30, 2018, the Company entered into an option agreement to acquire a 100% in certain claims. These claims also form part of the Zeus gold project.

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

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

On February 22, 2018, the Company signed an exploration and option agreement with NCM whereby, NCM has been granted the option to acquire up to an 80% interest in the property, exercisable in stages over a nine-year, or shorter, earn-in period. The agreement requires NCM to fund US\$1.5 million in exploration expenditures in the first 18 months and make a US\$100,000 option payment (received) upon signing option agreement. The Company will serve as operator for exploration during the option period in return for 10% management fee. As of July 1, 2018, the Company is no longer the operator for exploration and will not be receiving the 10% management fee.

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

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

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

## Mirasol Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2018

Canadian Funds

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#### c) *Claudia joint venture*

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

On October 20, 2017, the Company signed a definitive agreement with OceanaGold Corporation (“OGC”) whereby, OGC has been granted the option to acquire up to a 75% interest in the property, exercisable in 4 stages over an eight-year, or shorter, earn-in period.

The agreement requires OGC to make a first-year commitment of US\$1.75 million in exploration expenditures, complete 3,000 metres of drilling, and make a US\$100,000 option payment (received) to the Company on signing the Agreement.

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

#### d) *La Curva joint venture*

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

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

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

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

#### e) **Advances to/from joint venture partners:**

The Company is the operator for two joint venture projects. As of September 30, 2018, the Company has \$38,033 (2017-\$862,342) of unspent exploration advances. Expense reimbursement receivable of \$350,149 is included in accounts receivable as of September 30, 2018.

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## 11. Subsequent Events

### a) **Hochschild Mining Plc Option**

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

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

## **Mirasol Resources Ltd.**

### **Notes to Condensed Consolidated Interim Financial Statements**

**For the Three Months Ended September 30, 2018**

*Canadian Funds*

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The Agreement requires HOC to incur US\$800,000 in exploration expenditures within 18-months and complete a drill program of 1,500 metres within 30 months of the date of the Agreement. In addition, a US\$50,000 option payment was paid upon signing the Agreement.

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

HOC can earn in stages additional 10% interest in the property by funding the delivering a positive preliminary economic assessment ('PEA') and further 9% by delivering a bankable feasibility study ('BFS').

The Company will retain a 30% interest or can exercise the funding option requiring HOC to fund its interest to production in the Indra project and retain 25%.

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

#### **b) Newcrest Mining Ltd Option**

On November 12, 2018, the Company announced the completion of the option stage of the Altazor project agreement with Newcrest Mining Ltd ("NCM") located in Chile.

NCM has exercised its option to enter the farm-in stage of the agreement and can earn up to 51% of the interest of the property by making a one-time US\$500,000 cash payment (received) to the Company at the start of the earn in period and by spending an additional US\$8.5 million in exploration within the next four years of the agreement. NCM will be the operator, managing all exploration activities at the project.

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