

## MIRASOL RESOURCES LTD.

(the "Company")

### STATEMENT OF EXECUTIVE COMPENSATION FOR THE YEAR ENDED JUNE 30, 2016

#### Compensation Discussion and Analysis

##### *Interpretation*

"Named executive officer" ("**NEO**") means:

- (a) a Chief Executive Officer ("**CEO**");
- (b) a Chief Financial Officer ("**CFO**");
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are Stephen C. Nano, President and CEO; Mahesh Liyanage, CFO; Bernie Zacharias, former CFO; and Timothy W. Heenan, Exploration Manager.

##### *Compensation Program Objectives*

The objectives of the Company's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Company's continued success;
- to align the interests of the Company's executives with the interests of the Company's shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Company is a venture company involved in mineral exploration and development and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of the NEOs.

### ***Purpose of the Compensation Program***

The Company's executive compensation program has been designed to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances.

### ***Elements of Compensation Program***

The executive compensation program consists of a combination of base salary, stock option incentives and a share bonus plan.

### ***Purpose of Each Element of the Executive Compensation Program***

The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

Stock options are generally awarded to Officers, Directors, NEOs, employees and consultants on a periodic basis based on performance measured against set objectives. The granting of stock options upon hire, if applicable, aligns NEOs' rewards with an increase in shareholder value over the long term. The use of stock options encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Company's performance and in the value of the shareholders' investments.

The Company has also adopted an Amended and Restated Share Bonus Plan, whereby "eligible persons" (as defined in the plan) may be entitled to receive shares to be issued as a bonus for the discovery of an "ore body" (as defined in the plan) on a mineral property owned by the Company.

### ***Determination of the Amount of Each Element of the Executive Compensation Program, Compensation Risk and Compensation Governance***

Compensation of the NEOs of the Company, other than that of the CEO, is reviewed periodically by the CEO, who makes recommendations to the Compensation and Corporate Governance Committee (the "**Compensation Committee**"). The Compensation Committee reviews the recommendations of the CEO and makes its own recommendations to the Board of Directors of the Company (the "**Board**"), which approves the compensation of the NEOs based on the recommendations of the Compensation Committee. Compensation for the CEO is reviewed annually by the Compensation Committee, which then makes recommendations to the Board. The Board approves the base salary of each NEO based on the recommendations of the Compensation Committee.

The Board reviews, from time to time and at least once annually, the risks, if any, associated with the Company's compensation policies and practices at such time. The review occurs at the time of preparation of Compensation Discussion & Analysis. Implicit in the Board's mandate is that the Company's policies and practices respecting compensation, including those applicable to the Company's executives, be designed in a manner which is in the best interests of the Company and its shareholders and risk implications is one of many considerations which are taken into account in such design.

It is anticipated that a portion of the Company's executive compensation will consist of options granted under the Stock Option Plan. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has

passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is limited. The issue of bonus shares under the Amended and Restated Share Bonus Plan is also both “long term” and “at risk” and, accordingly, is directly linked to the achievement of long term value creation.

The other element of compensation, base salary, represents the remaining portion of an executive’s total compensation. While base salary is not “long term” or “at risk”, as noted above, this component of compensation is set at levels that are consistent with the industry, therefore it is unlikely that an executive would take inappropriate or excessive risks at the expense of the Company and its shareholders that would be beneficial to them from the standpoint of their short term compensation when their long term compensation might be put at risk from their actions.

Due to the small size of the Company, and the current level of the Company’s activity, the Board is able to closely monitor and consider any risks which may be associated with the Company’s compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which, financial and other information of the Company are reviewed, and which includes executive compensation. No risks have been identified arising from the Company’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

NEO’s and directors of the Company are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

During the most recently completed financial year, the members of the Compensation Committee were Borden R. Putnam (independent) and Nick DeMare (independent) and Dana H. Prince (independent).

#### *Base salary*

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not evaluated against a formal “peer group”. The Compensation Committee relies on the general experience of its members in setting base salary amounts.

#### *Stock Options*

The Company has established a formal incentive stock option plan (the “**Stock Option Plan**”) under which stock options are granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. The Stock Option Plan is submitted for approval by shareholders on an annual basis. The Board, based on recommendations of the Compensation Committee where appropriate, determines which NEOs (and other persons) are entitled to participate in the Company’s Stock Option Plan; determines the number of options granted to such individuals; and determines the date on which each option is granted and the corresponding exercise price. For further information regarding the Stock Option Plan refer to “*Particulars of Matters to be Acted On – Stock Option Plan*”.

The Board makes these determinations subject to the provisions of the Stock Option Plan and, where applicable, the policies of the TSX Venture Exchange.

Previous grants of option-based awards are taken into account when considering new grants.

**Link to Overall Compensation Objectives**

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program.

The fixed base salary of each NEO, combined with the granting of stock options, has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

**Summary Compensation Table**

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Company and its subsidiaries for services in all capacities to the Company during the three most recently completed financial years:

Name and principal position	Year	Salary (\$)	Share-based awards (\$) <sup>(3)</sup>	Option-based awards (\$) <sup>(3) (4)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans <sup>(5)</sup>	Long-term incentive plans			
Stephen C. Nano, President and CEO <sup>(1)</sup>	2016	300,000	372,000	22,600	Nil	Nil	Nil	Nil	694,600
	2015	270,988	Nil	30,454	Nil	Nil	Nil	Nil	301,442
	2014	231,785	Nil	Nil	Nil	Nil	Nil	Nil	231,785
Bernie Zacharias, former CFO <sup>(2)</sup>	2016	Nil	Nil	7,000	Nil	Nil	Nil	Nil	7,000
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Timothy W. Heenan	2016	207,545	Nil	22,600	Nil	Nil	Nil	Nil	230,145
	2015	223,857	Nil	30,454	Nil	Nil	Nil	Nil	254,311
	2014	161,876	Nil	Nil	Nil	Nil	Nil	Nil	161,876
Mahesh Liyanage, CFO <sup>(5)</sup>	2016	Nil	Nil	Nil	Nil	Nil	Nil	24,196	24,196
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

<sup>(1)</sup> Mr. Nano is a partner at Global Ore Discovery (“Global Ore”). During the fiscal year ending June 30, 2016, Global Ore charged the Company a total of \$1,099,118 (2015: \$1,332,600; 2014: \$1,039,794) for technical consulting services, of which \$300,000 (2015: \$270,988; 2014: \$231,785) is attributable to Mr. Nano for his services as President and CEO (previously, Vice President of Exploration). Mr. Nano assumed the responsibilities of the President and the CEO of the Company effective May 1, 2014.

(2) Mr. Zacharias, the former CFO, was not an employee of the Company. He was employed by Avisar Chartered Accountants ("Avisar"). The portion of the compensation paid to Mr. Zacharias by Avisar during the fiscal year ended June 30, 2016, and which Avisar attributed to the CFO services provided to the Company (based on Avisar's revenue received from the Company as per its services agreement as a percentage of total revenues) was \$13,415 (2015: \$18,024; 2014: \$10,560). During the 2016 fiscal year, Avisar charged the Company \$134,150 (2015: \$187,750; 2014: \$96,000) for accounting, tax, and financial consulting services.

(3) The value of any share-based awards reflects the fair value of these shares on the date of the grant. The fair value of any share based award is determined based on the market value of the Company's publicly listed shares. A total of 300,000 common shares were issued as a retention bonus to Mr. Nano on March 22, 2016, under his new consulting contract. The closing price of the share at March 22, 2016 was \$1.24. The first tranche of 100,000 shares was issued and delivered to Mr. Nano on March 30, 2016. The remaining 200,000 shares are held in escrow and will be released, subject to Mr. Nano's continued service to the Company, on July 2, 2016 (released) and July 2, 2017.

(4) The value of any share-based and option-based awards reflects the fair value of these shares and options on the date of the grant. The fair value of any share based award is determined based on the market value of the Company's publicly listed shares. The fair value of option-based awards is computed using the Black-Scholes option pricing model with the following assumptions: Expected life of the options: 3.04 years (2015: 5.40 years); Stock price volatility: 53.18 % (2014: 66.77%); Expected dividend yield: 0% (2014: 0%); and Risk-free interest rate: 0.51% (2014: 1.25%). There were no option-based awards issued to the NEOs in fiscal 2016, except for re-pricing and extension of certain options in November 2015. The Black-Scholes model is used to compute the option fair values because it is the most commonly used option pricing model and is considered to produce a reasonable estimate of fair value. There is no difference between the fair value of options as calculated in the table above and the fair value calculated in accordance with IFRS.

(5) Mr. Liyanage, current CFO was appointed effective March 1, 2016. Fees for his CFO services (\$6,049 per month) paid according to a service agreement with Evrim Resources Corp. ("Evrim").

### ***Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the NEOs of the Company:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Stephen C. Nano	60,000 100,000 32,500 50,000 -	\$0.88 \$1.28 \$0.88 <sup>(2)</sup> \$0.88 <sup>(2)</sup> -	April 29, 2021 May 14, 2018 August 4, 2019 March 23, 2019 -	\$90,000 \$110,000 \$48,750 \$75,000 -	Nil Nil Nil Nil 200,000 <sup>(3)</sup>	Nil Nil Nil Nil Nil	Nil Nil Nil Nil Nil
Bernie Zacharias	20,000 25,000	\$1.28 \$0.88 <sup>(2)</sup>	May 14, 2018 August 4, 2019	\$22,000 \$37,500	Nil Nil	Nil Nil	Nil Nil
Timothy W. Heenan	60,000 100,000 32,500 50,000	\$0.88 \$1.28 \$0.88 <sup>(2)</sup> \$0.88 <sup>(2)</sup>	April 29, 2021 May 14, 2018 August 4, 2019 March 23, 2019	\$90,000 \$110,000 \$48,750 \$75,000	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil

<sup>(1)</sup> Based on a closing price of \$2.38 on June 30, 2016

<sup>(2)</sup> These are options that were amended on November 12, 2015. On this date the directors approved a proposal to the holders of certain options whereby in consideration for the Optionee's agreement to give up 50% of the number of options, the exercise price of the remaining options will be reduced to \$0.88 per share, and a three year extension was added to the term of the remaining options. The option amendments were approved by: each Optionee; the disinterested shareholders at the Meeting on February 10, 2016; and the TSX Venture Exchange.

<sup>(3)</sup> A total of 300,000 common shares were issued as a retention bonus to Mr. Nano on March 22, 2016, under his new consulting contract. The first tranche of 100,000 shares was issued and delivered to Mr. Nano on March 30, 2016. The remaining 200,000 shares are held in escrow and will be released, subject to Mr. Nano's continued service to the Company, on July 2, 2016 (released) and July 2, 2017.

***Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year***

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year:

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Stephen C. Nano	22,600	Nil	Nil
Bernie Zacharias	7,000	Nil	Nil
Timothy W. Heenan	22,600	Nil	Nil
Mahesh Liyanage	Nil	Nil	Nil

***Pension Plan Benefits – Defined Benefits Plan***

The Company does not have a Defined Benefits Pension Plan nor a Defined Contribution Plan.

***Termination and Change of Control Benefits***

Other than as described below, during the most recently completed financial year there were no employment contracts, agreement, plans or arrangements for payments to an NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

The Company entered into a consulting agreement with Mr. Nano on February 15, 2016, with an effective date of July 1, 2015. The agreement provides for a base consulting fee of CAD \$25,000 per month for Mr. Nano to perform certain duties in his capacity as the President and CEO of the Company until June 30, 2018. Under the agreement Mr. Nano also received 300,000 retention bonus shares, of which 100,000 were issued and delivered to Mr. Nano on March 30, 2016, and the balance of 200,000 common shares are held in escrow for release, subject to Mr. Nano's continued service to the Company, on July 2, 2016, as to 100,000 shares (released) and July 2, 2017 as to the final tranche of 100,000 shares. In addition, Mr. Nano is eligible to participate in such incentive share option plans and other incentives as approved by the Board. Under certain circumstances, upon termination of Mr. Nano by the Company within 90 days of a change of control, or if Mr. Nano elects to terminate his agreement by giving notice to the Company within 90 days of becoming aware of a change in control of the Company, the Company shall pay Mr. Nano an amount equal to 24 months of Mr. Nano's consulting fees. Further, upon termination of Mr. Nano without cause by the Company or in the event of a material adverse change in Mr. Nano's duties and responsibilities, the Company shall pay Mr. Nano an amount equal to 12 months of consulting fees or CAD \$300,000

The Company entered into a consulting agreement with Mr. Heenan dated September 1, 2013. The agreement provides for a base consulting fee of US \$13,500 per month for Mr. Heenan to perform the duties in his capacity as Exploration Manager for the Company until August 31, 2016. In addition, Mr. Heenan is eligible to participate in such incentive share option plans and other incentives as approved by the Board. Under certain circumstances, upon termination of Mr. Heenan by the Company within 90 days of a change of control, or if Mr. Heenan elects to terminate his agreement by giving notice to the Company within 90 days of becoming aware of a change in control of the Company, the Company shall pay Mr. Heenan an amount equal to 24 months of Mr. Heenan's consulting fees. Upon termination of Mr. Heenan without cause by the Company or in the event of a material adverse change in Mr. Heenan's duties and responsibilities, the Company shall pay Mr. Heenan an amount equal to 12 months of consulting fees or USD \$162,000.

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

## Director Compensation

### *Director Compensation Table*

The following table sets forth information with respect to all amounts of compensation provided to the directors of the Company for the most recently completed financial year.

<i>Name</i>	<i>Fees earned (\$)<sup>(1)</sup></i>	<i>Share-based awards (\$)</i>	<i>Option-based awards (\$)</i>	<i>Non-equity incentive plan compensation (\$)</i>	<i>Pension value (\$)</i>	<i>All other compensation (\$)<sup>(2)</sup></i>	<i>Total (\$)</i>
Dana H. Prince	61,200	Nil	Nil	Nil	Nil	32,000	93,200
Nick DeMare <sup>(3)</sup>	25,200	Nil	13,050 <sup>(4)</sup>	Nil	Nil	16,000	54,250
Borden R. Putnam, III	25,200	Nil	Nil	Nil	Nil	16,000	41,200
John Tognetti	Nil	Nil	Nil	Nil	Nil	Nil	Nil

<sup>(1)</sup> The Company has an arrangement whereby the independent directors of the Company receive a monthly fee for their services. The fee is currently \$2,100 per month. The non-executive Chairman of the Board receives an additional \$3,000 per month.

<sup>(2)</sup> During the 2016 fiscal year, the Company compensated the independent directors for their representation on other committees of the Board prior to the monthly service fee arrangement described above.

<sup>(3)</sup> Mr. DeMare is the President and Principal of Chase Management Ltd., a private company providing a broad range of administrative, management, and financial services to private and public companies involved in the mining sector. Fees attributed to Mr. DeMare were paid to Chase Management Ltd.

<sup>(4)</sup> These are options that were amended on November 12, 2015. On this date the directors approved a proposal to the holders of certain options whereby in consideration for the Optionee's agreement to give up 50% of the number of options, the exercise price of the remaining options will be reduced to \$0.88 per share, and a three year extension was added to the term of the remaining options. The option amendments were approved by: each Optionee; the disinterested shareholders at the Meeting on February 10, 2016; and the TSX Venture Exchange.

**Share-Based Awards, Options-Based Awards and Non-Equity Incentive Plan Compensation**

*Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors of the Company:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Dana H. Prince	100,000	\$0.88	April 29, 2021	\$150,000	Nil	Nil	Nil
Nick DeMare	40,000 60,000 22,500 25,000	\$0.88 \$1.28 \$0.88 <sup>(2)</sup> \$0.88 <sup>(2)</sup>	April 29, 2021 May 14, 2018 August 4, 2019 March 23, 2019	\$60,000 \$66,000 \$33,750 \$37,500	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil
Borden R. Putnam, III	40,000 60,000	\$0.88 \$1.28	April 29, 2021 May 14, 2018	\$60,000 \$66,000	Nil Nil	Nil Nil	Nil Nil
John Tognetti	Nil	Nil	Nil	\$Nil	Nil	Nil	Nil

<sup>(1)</sup> Based on a closing price of \$2.38 on June 30, 2016

<sup>(2)</sup> These are options that were amended on November 12, 2015. On this date the directors approved a proposal to the holders of certain options whereby in consideration for the Optionee's agreement to give up 50% of the number of options, the exercise price of the remaining options will be reduced to \$0.88 per share, and a three year extension was added to the term of the remaining options. The option amendments were approved by: each Optionee; the disinterested shareholders at the Meeting on February 10, 2016; and the TSX Venture Exchange.

***Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year***

The following table presents information concerning value vested with respect to option-based awards and share-based awards for the directors of the Company during the most recently completed financial year:

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Dana H. Prince	Nil	Nil	Nil
Nick DeMare	13,050	Nil	Nil
Borden R. Putnam, III	Nil	Nil	Nil
John Tognetti	Nil	Nil	Nil

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN**

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to compensation plans under which equity securities of the Company are authorized for issuance:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders	2,553,750	\$2.31	1,912,691
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>2,553,750</b>	<b>\$2.31</b>	<b>1,912,691</b>

In 2005, the Company established a Share Bonus Plan (the “Bonus Plan”) pursuant to which up to 1,000,000 common shares in total (a maximum of 500,000 shares on up to two occasions) may be issued in connection with the discovery of one or more ore bodies, as described in the Bonus Plan. The Bonus Plan was approved by shareholders in December, 2007.

In October 2012, the Company applied to the TSX Venture Exchange for approval to issue 500,000 common shares to certain individuals under the Bonus Plan in connection with the discovery of an “ore body” (as defined in the Bonus Plan) on the Joaquin property. On November 20, 2012, the TSX Venture Exchange approved the issuance of 500,000 shares to qualifying individuals under the Bonus Plan.