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 *(Note 3)*		18,887,176		459,000
Receivables and advances *(Note 4)*		211,131		260,501
Income taxes recoverable		23,991		23,991
		24,886,853		18,348,603
Equipment and Software		122,385		65,265
Exploration and Evaluation Assets		3,000,762		3,000,762
	$	28,010,000	$	21,414,630
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	$	445,289	$	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		(36,925,817)		(33,158,238)
		27,564,711		20,630,177
	$	28,010,000	$	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 December 31 2016	For the Three Months Ended December 31 2015	For the Six Months Ended December 31 2016	For the Six Months Ended December 31 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

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

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)
		(3,396,587)		(3,415,139)
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		(3,626,694)		(3,345,205)
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		(18,492,747)		480,473
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		10,069,650		-
Effect of Exchange Rate Change on Cash and Cash Equivalents		209,235		2,022,400
Change in Cash and Cash Equivalents		(11,840,556)		(842,332)
Cash and Cash Equivalents - Beginning of Period		17,605,111		19,120,394
Cash and Cash Equivalents - End of Period	$	5,764,555	$	18,278,062

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

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.

(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
	$	211,131	$	260,501

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
	$	155,141	$	172,427	$	563,337	$	345,102

(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
Evrim 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.

(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

(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.