MIRASOL RESOURCES LTD.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2011 and 2010

Canadian Funds

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Mirasol Resources Ltd.

We have audited the accompanying consolidated financial statements of Mirasol Resources Ltd. which comprise the consolidated balance sheets as at June 30, 2011 and 2010 and the consolidated statements of loss, comprehensive loss and deficit and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Mirasol Resources Ltd. as at June 30, 2011 and 2010 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

October 24, 2011

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Mirasol Resources Ltd.

Statement 1

(An Exploration Stage Company)

Consolidated Balance Sheets

As at June 30

Canadian Funds

ASSETS	2011	2010
Current		
Cash and cash equivalents	$ 10,114,703	$ 5,147,280
Receivables and advances	169,813	57,331
	10,284,516	5,204,611
Equipment *(Note 7)*	147,043	40,344
Resource property acquisition costs, *Schedule (Note 8)*	78,333	78,333
	$ 10,509,892	$ 5,323,288
LIABILITIES		
Current		
Accounts payable and accrued liabilities *(Note 9)*	$ 780,033	$ 161,180
	780,033	161,180
SHAREHOLDERS' EQUITY		
Share Capital *(Note 10)*		
Authorized:		
Unlimited common shares without par value		
Issued and fully paid *(Note 10a)*	24,633,294	14,171,636
Contributed surplus *(Note 10c,d)*	9,150,607	2,259,578
	33,783,901	16,431,214
Deficit - *Statement 2*	(24,054,042)	(11,269,106)
	9,729,859	5,162,108
	$ 10,509,892	$ 5,323,288

Nature of Business *(Note 1)*
Commitments *(Note 13)*
Subsequent Events *(Note 14)*

On Behalf of the Board:

" Mary L. Little ", Director

" Nick DeMare ", Director

- See accompanying notes to the consolidated financial statements -

Mirasol Resources Ltd. <u>Statement 2</u>

(An Exploration Stage Company)

Consolidated Statements of Loss, Comprehensive Loss and Deficit

For the Years Ended June 30

Canadian Funds

	2011	2010
Operating Expenses		
Stock-based compensation *(Note 10c)*	$ 5,958,127	$ -
Exploration costs, net – Schedule	5,843,196	1,459,581
Management fees	272,375	210,758
Office and miscellaneous	253,933	233,025
Professional fees	184,501	107,657
Listing and filing fees	55,431	24,681
Shareholder information	49,404	42,662
Travel	40,002	78,574
Amortization	2,223	1,582
	12,659,192	2,158,520
Other Items		
Foreign exchange loss	140,308	67,276
Interest and bank charges, net	(14,564)	2,002
	125,744	69,278
Loss and Comprehensive Loss for the Year	(12,784,936)	(2,227,798)
Deficit - Beginning of Year	(11,269,106)	(9,041,308)
Deficit - End of Year	$ (24,054,042)	$ (11,269,106)
Loss per Share – Basic and Diluted	$ (0.35)	$ (0.07)
Weighted Average Number of Shares Outstanding	36,070,377	31,062,011

Mirasol Resources Ltd.
(An Exploration Stage Company)

Statement 3

Consolidated Statements of Cash Flow

For the Years Ended June 30
Canadian Funds

	2011	2010
Operating Activities		
Loss for the year	$ (12,784,936)	$ (2,227,798)
Items not affecting cash:		
Stock-based compensation	5,958,127	-
Amortization	2,223	1,582
Amortization included in exploration expenses	28,488	15,822
Changes in non-cash working capital items:		
Receivables and advances	(112,482)	(8,834)
Accounts payable and accrued liabilities	618,853	489
Cash used in operating activities	(6,289,727)	(2,218,739)
Investing Activities		
Purchase of equipment	(137,411)	(2,723)
Cash used in investing activities	(137,411)	(2,723)
Financing Activities		
Share capital issued, net of issuance costs	11,394,561	3,715,265
Cash provided by financing activities	11,394,561	3,715,265
Change in Cash	4,967,423	1,493,803
Cash - beginning of year	5,147,280	3,653,477
Cash - End of Year	$ 10,114,703	$ 5,147,280

Supplemental Schedule of Non-Cash Financing Transactions:		
Fair value of private placement warrants	$ 1,945,690	$ 909,128
Fair value of finders' fee warrants	$ 371,005	$ 202,384
Fair value of options exercised	$ 347,485	$ 307,163
Fair value of warrants exercised	$ 1,036,308	$ 14,419

There was no cash paid for interest or income taxes for the years ended June 30, 2011 and 2010.

- See accompanying notes to the consolidated financial statements -

Mirasol Resources Ltd.

(An Exploration Stage Company)

Consolidated Schedules of Resource Property Exploration Costs

For the Years Ended June 30

Canadian Funds

	2011	2010
Properties:		
Argentina		
Claudia		
Consultants and salaries	$ 313,635	$ 15,789
Camp and general	230,273	49
Travel	63,020	173
Mining rights and fees	2,119	-
Assays and sampling	7,441	-
	616,488	16,011
Homenaje		
Consultants and salaries	25,929	7,755
Camp and general	8,848	7,042
Travel	4,854	1,663
Mining rights and fees	271	172
Assays and sampling	18	1,495
	39,920	18,127
Joaquin		
Consultants and salary	156,562	343,563
Camp and general	40,282	96,917
Travel	11,608	34,864
Mining rights and fees	1,388	4,049
Assays and sampling	13,335	537
Option payment received	(75,008)	(78,331)
	148,167	401,599
La Curva		
Consultants and salary	42,794	31,637
Camp and general	21,379	11,417
Travel	12,497	2,577
Mining rights and fees	4,987	440
Assays and sampling	8,485	-
	90,142	46,071
La Libanesa		
Consultants and salary	108,175	31,636
Camp and general	53,461	34,327
Travel	22,587	2,294
Mining rights and fees	1,731	661
Assays and sampling	13,269	-
	199,223	68,918
Los Loros		
Consultants and salary	49,002	
Camp and general	19,873	
Travel	10,830	-
Assays and sampling	5,864	-
	85,569	-
Morito		
Consultants and salary	60,889	137
Camp and general	48,544	-
Travel	22,650	-
Mining rights and fees	1,117	-
Assays and sampling	8,252	-
	141,452	137

Mirasol Resources Ltd.
(An Exploration Stage Company)

Consolidated Schedules of Resource Property Exploration Costs

For the Years Ended June 30
Canadian Funds

	2011	2010
Nico		
Consultants and salary	$ 889	$ 25,043
Camp and general	3,224	5,785
Travel	35	1,483
Mining rights and fees	320	305
	4,468	32,616
Santa Rita and Virginia		
Drilling	1,396,255	-
Consultants and salary	451,543	78,374
Camp and general	678,218	21,276
Travel	261,378	1,632
Mining rights and fees	1,684	-
Assays and sampling	136,077	6,031
	2,925,155	107,313
Sascha		
Consultants and salary	2,396	108,698
Camp and general	12,482	89,542
Travel	123	3,230
Mining rights and fees	496	2,020
	15,497	203,490
Chile		
Gorbea		
Drilling	651	-
Consultants and salaries	277,691	-
Camp and general	52,022	-
Travel	42,272	-
Mining rights and fees	46,867	-
Assays and sampling	67,608	-
	487,111	-
Rubi		
Consultants and salary	5,516	23,233
Camp and general	4,703	2,924
Travel	1,282	2,426
Mining rights and fees	137,684	106,013
Assays and sampling	39,646	10,548
	188,831	145,144
Value added tax and other taxes paid	517,752	60,466
General & administrative	176,885	109,471
Generative exploration	134,641	96,752
Other Projects	71,895	153,466
Total Costs for the Year	$ 5,843,196	$ 1,459,581

- See accompanying notes to the consolidated financial statements -

1. Nature of Business

Mirasol Resources Ltd. ("Mirasol" or "the Company") engages primarily in acquiring and exploring mineral properties, principally located in Argentina and Chile, 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 mineral interests. The recovery of the Company's investment in mineral properties is dependent on the discovery of economically recoverable reserves, and 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 mineral properties. Also, the Company will have to raise additional funds for future corporate and administrative expenses and to undertake further exploration and development of its mineral properties. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

2. Significant Accounting Policies

a) Basis of Consolidation and Presentation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the accounts of the Company and its wholly owned subsidiaries, Mirasol Argentina S.R.L, Minera Del Sol S.A., Australis S.A., Gran Nueva Victoria S.A., Cabo Sur S.A., and Minera Mirasol Chile Limitada. Inter-company balances have been eliminated upon consolidation.

b) Cash and cash equivalents

For purposes of reporting cash flows, the Company considers cash to include amounts held in banks and highly liquid investments with maturities at point of purchase of 90 days or less. The Company places its cash with institutions of high credit worthiness.

c) Equipment

Equipment is valued at cost less accumulated amortization. The Company provides for amortization for equipment using the declining balance method at a rate of 30% for exploration equipment and 30% for computer equipment and applies only one-half of the applicable rate in the year of acquisition.

d) Income Taxes

The Company accounts for income taxes using the asset and liability method. Future taxes are recognized for the tax consequences of "temporary differences" by applying enacted or substantively enacted statutory tax rates applicable to future years on differences between the financial statement carrying amounts and tax basis of existing assets and liabilities. The effect on future taxes for a change in tax rates is recognized in income during the period that includes the date of enactment or substantive enactment. In addition, the method requires the recognition of future tax benefits to the extent that realization of such benefits is more likely than not.

e) **Earnings (Loss) per Share**

Basic earnings (loss) per share is computed by dividing income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

f) **Management's Estimates**

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

g) **Foreign Currency Translation**

The foreign currency-denominated activities of the Company are translated into Canadian dollars under the temporal method as follows:

- Monetary assets and liabilities at year-end rates;
- Non-monetary assets and liabilities at historical rates;
- Income and expense items at the average rate of exchange prevailing during the year.

Exchange gains and losses are recognized in the period they are incurred.

h) **Stock-Based Compensation**

Stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. Accordingly, the fair value of the options at the measurement date is accrued and charged to operations over the vesting period, with the offsetting credit to contributed surplus. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

i) **Asset Retirement Obligations**

The Company recognizes a legal liability for obligations relating to retirement of property and equipment, and those arising from the acquisition, construction, development, or normal operation of those assets. Such asset retirement costs must be recognized at fair value, when a reasonable estimate of fair value can be estimated, in the period in which it is incurred, added to the carrying value of the asset, and amortized into income on a systematic basis over its useful life.

As at June 30, 2011 the Company does not have any asset retirement obligations.

j) **Acquisition and Exploration Costs**

Exploration costs are expensed as incurred as the Company is in the process of exploring its mineral tenements and has not yet determined whether these properties contain ore reserves that are economically recoverable. If and when the Company's management determines that economically extractable proven or probable mineral reserves have been established, the subsequent costs incurred to develop such property, including costs to further delineate the ore body will be capitalized.

The Company continues to capitalize its acquisition costs related to its mineral properties. Any option payments received are credited to the cost of the property with the resulting net amount included in the exploration costs expensed on the income statement.

k) **Financial Instruments**

Financial assets and financial liabilities, including derivatives, are recognized on the balance sheet when the Company becomes a party to contractual provisions of the financial instrument or a derivative contract. All financial instruments are measured at fair value on initial recognition except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other liabilities.

Financial assets and financial liabilities held-for-trading are measured at fair value with gains and losses recognized in the Company's loss for the period. Financial assets held-to-maturity, loans and receivables and financial liabilities, other than those held-for-trading, are measured at amortized cost using the effective interest method of amortization. Available-for-sale financial assets are measured at fair value with unrealized gains and losses including changes in foreign exchange rates being recognized in other comprehensive income ("OCI") upon adoption.

Derivative instruments are recorded on the balance sheet at fair value including those derivatives that are embedded in financial instruments or other contracts but are not closely related to the host financial instrument or contract, respectively. Changes in the fair values of derivative instruments are recognized in the Company's loss for the period.

The Company has designated each of its significant categories of financial instruments as follows:

Cash	Held-for-trading
Receivables and advances	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities

Amendment to Financial Instruments – Disclosures

CICA Handbook Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments Presentation require disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

Cash is carried at fair value using a level 1 fair value measurement. The fair value of receivables and advances and accounts payable and accrued liabilities approximates their carrying value due to their short-term maturity or capacity of prompt liquidation. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. See note 6 for management's assessment of risks.

l) **Comparative Figures**

Certain comparative amounts have been reclassified to conform to the current period's presentation.

3. Changes in Accounting Policy

a) **Business Combinations**

In January 2009, the CICA issued Handbook section 1582, "Business Combinations", which establishes new standards for accounting for business combinations. This is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. The Company has elected to early adopt this policy effective July 1, 2010. The adoption of this standard did not have an impact on the Company's consolidated financial position, earnings or cash flows.

b) **Non-Controlling Interest**

In January 2009, the CICA issued Handbook section 1602, "Non-controlling Interests", to provide guidance on accounting for non-controlling interests subsequent to a business combination. The section is effective for fiscal years beginning on or after January 2011. The Company has elected to early adopt this policy effective July 1, 2010. The adoption of this standard did not have an impact on the Company's consolidated financial position, earnings or cash flows.

c) **Consolidated Financial Statements**

In January 2009, the CICA issued Handbook section 1601, "Consolidated Financial Statements", to provide guidance on the preparation of consolidated financial statements. The section is effective for fiscal years beginning on or after January 1, 2011. The Company has elected to early adopt this policy effective July 1, 2010. The adoption of this standard did not have an impact on the Company's consolidated financial position, earnings or cash flows.

d) **Comprehensive Revaluation of Assets and Liabilities**

In August 2009, the CICA amended Handbook Section 1625, "Comprehensive Revaluation of Assets and Liabilities" to be consistent with Sections 1582, 1601 and 1602, which were issued in January 2009. The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. The Company has elected to early adopt this policy effective July 1, 2010. The adoption of this standard did not have an impact on the Company's consolidated financial position, earnings or cash flows.

4. Recent Accounting Pronouncements Not Yet Adopted

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. For the Company, the transition date will be July 1, 2010 and this will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011.

The Company has completed the diagnostic phase of planning for the implementation of IFRS. It has determined that the principal areas of impact will be IFRS 1 – First-time adoption of IFRS, IAS 1 – Presentation of financial statements, IAS 21 – The effects of changes in foreign exchange rates, IFRS 2 – Share-based payment, IAS 36 – Impairment of assets, and IFRS 6 – Exploration and evaluation of mineral resources.

The Company expects its detailed analysis of relevant IFRS requirements to be complete for its reporting on fiscal quarter ending September 30, 2011, along with its determination of changes to accounting policies and choices to be made. The Company has not yet reached the stage where a quantified impact of conversion on its consolidated financial statements can be measured.

5. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, enter into joint ventures or obtain debt financing. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company is not subject to externally imposed capital requirements.

6. Management of Financial Risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Argentina and Chile and a portion of its expenses are incurred in Canadian dollars and Argentine and Chilean Pesos. A significant change in the currency exchange rates between the US dollar relative to the Canadian dollar and the Argentine and Chilean Peso to the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

At June 30, 2011, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars and Argentine and Chilean Pesos:

June 30, 2011	US Dollars	Argentine Peso	Chilean Peso
Cash and cash equivalents	6,420,986	4,235,879	11,604,844
Accounts receivable	2,000	568,742	3,573,504
Accounts payable and accrued liabilities	(58,308)	(2,298,615)	(15,314,286)

Based on the above net exposures as at June 30, 2011, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of $621,702 in the Company's net earnings. Likewise, a 10% depreciation or appreciation of the Canadian dollar against the Argentine and Chilean Peso would result in an increase/decrease of $59,668 and $28, respectively in the Company's net earnings.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held through large Canadian financial institutions. The Company's receivables consist of harmonized sales tax due from the Federal Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. As at June 30, 2011 the Company was holding cash and cash equivalents of $10,114,703 to settle current liabilities of $780,033. Management believes it has sufficient funds to meet its current obligations as they become due.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash is limited because these investments are generally held to maturity.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

7. Equipment

	Cost 2011	Accumulated Amortization 2011	Net Book Value As at June 30, 2011
Exploration Equipment	$ 247,859	$ 109,277	$ 138,582
Computer Hardware	23,936	15,475	8,461
	$ 271,795	$ 124,752	$ 147,043

	Cost 2010	Accumulated Amortization 2010	Net Book Value As at June 30, 2010
Exploration Equipment	$ 117,341	$ 78,707	$ 38,634
Computer Hardware	14,256	12,546	1,710
	$ 131,597	$ 91,253	$ 40,344

8. Resource Property Costs

Cumulative resource expenditures per project under active exploration are as follows:

	Capitalized Acquisition Costs	Exploration Costs	Balance as at June 30, 2011	Balance as at June 30, 2010
Claudia	$ -	$ 655,354	$ 655,354	$ 38,866
Espejo	-	205,101	205,101	201,508
Joaquin	-	424,364	424,364	276,197
La Curva	-	703,624	703,624	613,482
La Libanesa	-	772,845	772,845	573,622
Nico	8,532	304,062	312,594	308,126
Pajaro, Veloz and Los Loros	69,801	89,240	159,041	71,918
Santa Rita and Virginia	-	2,940,134	2,940,134	14,979
Sascha	-	461,943	461,943	446,446
Other	-	4,634,252	4,634,252	3,556,854
Total Argentina Properties	$ 78,333	$ 11,190,919	$ 11,269,252	$ 6,101,998
Gorbea	-	656,956	656,956	169,845
Rubi	-	400,654	400,654	211,823
Total Chile Properties	$ -	$ 1,057,610	$ 1,057,610	$ 381,668

a) **Claudia Property**

The Company owns a 100% interest in the Claudia property situated in the Santa Cruz Mining District, Argentina.

b) **Espejo, La Libanesa, and La Curva Properties**

The Company owns a 100% interest in mining interests of Espejo, La Libanesa, and La Curva properties situated in the Santa Cruz Mining District, Argentina, by staking.

The Company signed a letter of intent on April 27, 2011 with Pan American Silver Corp. ("Pan American") which permits Pan American to earn a 51% interest in the Espejo property by expending US$4 million over 4 years, and then to reach a 61% interest by completing a 43-101 compliant feasibility study, at which time Mirasol can retain its equity interest in the project or request Pan American to finance project development, to be repaid through cash flow. A definitive Exploration Agreement has not yet been signed.

c) **Sascha and Joaquin Properties**

The Company owns a 100% interest in the Sascha and Joaquin properties situated in the Santa Cruz Mining District, Argentina.

The Company signed an option agreement with Coeur d'Alene Mines ("Coeur") for the exploration of its 100%-owned Sascha and Joaquin gold-silver projects in Santa Cruz Province, southern Argentina. The option agreement provides for an agreement to give Coeur the option to earn an initial 51% in both projects by expending a total of US$8 million in exploration over four years. In October 2008, Coeur terminated its option on the Sascha property and returned the property to Mirasol. As such, the total earn-in on both properties must reach US$6 million in order to vest at 51% interest in Joaquin property, which was achieved by Coeur in December 2010. Coeur has elected to fund a bankable feasibility study to increase its interest to 61%. Mirasol, at its option, can elect to maintain a participatory 39% interest or request Coeur to increase its interest to 71% by providing mine financing at commercial terms to Mirasol.

d) **Nico Property**

The Company owns a 100% interest in the Nico property mining interests situated in the Santa Cruz Mining District, Argentina, by staking.

e) **Pajaro, Veloz and Los Loros Properties**

The Company owns 100% of the rights to three exploration properties, Pajaro, Los Loros and Veloz, in Santa Cruz Province, Argentina. During 2008, these exploration properties were acquired by the Company issuing 100,000 common shares. The shares had a fair value acquisition cost at issuance of $69,801.

f) **Santa Rita Property and Virginia Zone**

The Company owns a 100% interest in the Santa Rita property situated in the Santa Cruz Mining District, Argentina. The Santa Rita property also hosts the Virginia prospect, thus together Santa Rita and Virginia account for total expenditures on the Santa Rita property.

g) **Gorbea Project**

The Company owns 100% of the claims under its Gorbea project in Northern Chile. It is engaged in prospect generation and exploration of disseminated gold and copper prospects in the region.

h) **Rubi Property**

The Company owns a 100% interest in the Rubi property located 22 km southwest of El Salvador in Northern Chile.

i) **Other Properties**

Mirasol holds a number of early stage exploration properties which are prospective for gold and/or silver mineralization in southern Argentina and northern Chile.

9. Related Party Transactions

Except as noted elsewhere in these financial statements, related party transactions are as follows:

a) Included in accounts payable and accrued liabilities at June 30, 2011 is an amount of $10,310 (2010 - $393) owing to directors and officers of the Company and an amount of $79,560 (2010 - $18,143) owing to a company where an officer of the Company is a principal. The amount was incurred in the ordinary course of business, is unsecured, non-interest bearing and has no specific terms of repayment. Repayment is expected within the next fiscal year and therefore has been classified as a current liability in these financial statements.

b) The following represents the details of related party transactions paid or accrued during the year ended June 30:

		2011		2010
Consulting fees paid to a company where an officer of the Company is a principal	$	805,624	$	414,163

The consulting fees have been included in exploration costs $701,472 (2010 - $350,852) and in management fees $104,152 (2010 - $63,311).

10. Share Capital

a) Details of share capital are as follows:

Authorized:
Unlimited common shares without par value

	Shares		Amount
Issued and allotted:			
Balance – June 30, 2009	29,258,181	$	11,246,301
Shares issued for private placement	2,800,000		3,500,000
Share issuance costs	-		(256,935)
Fair value of private placement warrants	-		(909,128)
Fair value of finders' fee warrants	-		(202,384)
Exercise of options	1,167,500		447,750
Exercise of warrants	16,300		24,450
Fair value of options exercised	-		307,163
Fair value of warrants exercised	-		14,419
Balance – June 30, 2010	33,241,981	$	14,171,636
Shares issued for private placement	3,000,000		9,300,000
Share issuance costs	-		(595,786)
Fair value of private placement warrants	-		(1,945,690)
Fair value of finders' fee warrants	-		(371,005)
Exercise of options	653,200		433,330
Exercise of warrants	1,447,020		2,257,016
Fair value of options exercised	-		347,485
Fair value of warrants exercised	-		1,036,308
Balance – June 30, 2011	38,342,201	$	24,633,294

b) On December 7, 2010 the Company completed a non-brokered private placement with the issuance of 3,000,000 units at a price of $3.10 per unit for gross proceeds of $9.3 million. Each unit consists of one common share and one-half common share purchase warrant. One whole warrant will entitle the holder to purchase a common share of the Company for 1 year from the closing date at a price of $4.00 per share. The Company allocated $7,354,310 to the common shares and $1,945,690 to the share purchase warrants based upon the relative fair values.

The Company paid finder's fees of $555,210 equal to 6% of the value of 2,985,000 units, and issued 179,100 broker warrants, with a fair value of $371,005 and exercisable for one year at $3.10 per share. The total share issuance costs relating to this transaction amounted to $595,786.

The warrants' fair values were based on the following assumptions:

	Warrants
Expected dividend yield	0.00%
Expected stock price volatility	77.66%
Risk-free interest rate	1.7%
Expected life of warrants	1 year

On December 22, 2009 the Company completed a non-brokered private placement with the issuance of 2,800,000 units at a price of $1.25 per unit for gross proceeds of $3.5 million. Each unit consists of one common share and one-half common share purchase warrant. One whole warrant will entitle the holder to purchase a common share of the Company for 24 months from the closing date at a price of $1.50 per share for the first 12 months and $1.75 thereafter. The Company allocated $2,590,872 to the common shares and $909,128 to the share purchase warrants based upon the relative fair values.

The Company paid finder's fees of $208,800 equal to 6% of the value of 2,784,000 units, and issued 222,720 broker warrants, with a fair value of $202,384 and exercisable at $1.50 per share, as finder's fees. The total share issuance costs relating to this transaction amounted to $256,935.

The warrants' fair values were based on the following assumptions:

	Warrants
Expected dividend yield	0.00%
Expected stock price volatility	145.98%
Risk-free interest rate	1.31%
Expected life of warrants	2 years

b) Details of contributed surplus:

		June 30, 2011		June 30,2010
Balance – beginning of year	$	2,259,578	$	1,469,648
Fair value of stock-based compensation		5,958,127		-
Fair value of private placement warrants		1,945,690		909,128
Fair value of finders' fee warrants		371,005		202,384
Fair value of options exercised		(347,485)		(307,163)
Fair value of warrants exercised		(1,036,308)		(14,419)
Balance – end of year	$	9,150,607	$	2,259,578

c) Share Purchase Options

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from the date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option cannot be less than the "Discounted Market Price" as defined in the policies of the Exchange.

A summary of the Company's options, which includes options issued under the Company's stock option plan and agent's options at June 30, 2011 and the changes for the year are as follows:

	Number of Options	Weighted Average Exercise Price
Options outstanding at June 30, 2009	2,941,000	$0.49
Exercised	(1,167,500)	$0.38
Cancelled	(50,000)	$0.65
Options outstanding at June 30, 2010	1,723,500	$0.56
Granted	1,835,000	$4.40
Exercised	(653,200)	$0.66
Options outstanding at June 30, 2011	2,905,300	$2.96
Options vested as at June 30, 2011	2,382,650	$2.45

At June 30, 2011, the following stock options are outstanding:

Expiry date	Exercise Price	Options Outstanding	Options Exercisable
February 28, 2013	$0.63	732,500	732,500
May 21, 2014	$0.25	345,000	345,000
October 5, 2015	$2.90	992,800	847,650
December 16, 2015	$5.55	60,000	27,500
March 23, 2016	$6.25	775,000	430,000
		2,905,300	2,382,650

During the year ended June 30, 2011, the Company granted 1,835,000 stock options having a total fair value of $6,078,528 and a weighted average grant-date fair value of $3.31. The Company recorded stock-based compensation expense of $5,958,127 for the vested options.

The fair value of options granted was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

	June 30, 2011
Risk-free interest rate	1.79% -
Expected dividend yield	NIL%
Expected stock price volatility	121% - 123%
Expected life	3.5 years

d) Warrants

A summary of the Company's share purchase warrants and broker warrants at June 30, 2011 and the changes for the year are as follows:

	Warrants Outstanding	Weighted Average Exercise Price
Warrants outstanding at June 30, 2009		
Issued - private placement warrants *	1,400,000	$1.50
Issued - broker warrants	222,720	$1.50
Exercised - private placement warrants	(12,500)	$1.50
Exercised - broker warrants	(3,800)	$1.50
Warrants outstanding at June 30, 2010	1,606,420	$1.50
Issued - private placement warrants	1,500,000	$4.00
Issued - broker warrants	179,100	$3.10
Exercised - private placement warrants	(1,274,500)	$1.51
Exercised - broker warrants	(172,520)	$1.91
Balance at June 30, 2011	1,838,500	$3.65

* These warrants were exercisable at $1.50 for the first 12 months from closing of the private placement. After 12 months at December 4, 2010 these warrants were exercisable at $1.75.

At June 30, 2011, the following warrants are outstanding:

	Expiry Date	Exercise Price	Warrants Outstanding
Private placement warrants *	December 4, 2011	$1.75	113,000
Broker warrants	December 4, 2011	$1.50	91,040
Private placement warrants	December 7, 2011	$4.00	1,500,000
Broker warrants	December 7, 2011	$3.10	134,460
			1,838,500

* These warrants were exercisable at $1.50 for the first 12 months from closing of the private placement. After 12 months at December 4, 2010 these warrants were exercisable at $1.75.

During the year ended June 30, 2011, the Company had 1,274,500 private placement warrants and 172,520 broker warrants exercised for total proceeds of $2,257,016.

e) Share Bonus Plan

The Company has established a share bonus plan for senior management. The Company can issue 500,000 shares for each initial 500,000 ounces of gold or gold equivalent of "Indicated Mineral Resource", for an individual project, as defined in National Instrument 43-101, up to 1,000,000 shares in total under the plan on any Company property in which the Company retains an interest that is not less than 20%. In 2011, the share bonus plan was modified and approved by the TSX Venture Exchange to define the types of included resources.

11. Income Taxes

a) Income tax expense differs from the amount that would result from applying the federal income tax rate to earnings before income taxes. These differences result from the following items:

	2011	2010
Loss before income taxes	$ (12,784,936)	$ (2,227,798)
Federal and provincial statutory income tax rates	27.50%	29.25%
Income tax recovery based on the above rates	(3,515,857)	(651,631)
Increase (decrease) due to:		
Non-deductible expenses	1,896,700	156,267
Difference between Canadian and foreign tax rates	(221,286)	(2,051)
Loss and temporary differences for which no tax benefit has been recorded	1,832,815	500,063
Foreign exchange and other	7,628	(2,648)
Income tax expense (recovery)	$ -	$ -

b) The components of future income tax assets are as follows:

	2011	2010
Future income tax assets		
Non-capital losses	$ 1,792,515	$ 1,214,195
Resource properties	2,772,960	1,495,169
Other	271,069	171,657
Total future tax assets	4,836,544	2,881,021
Valuation allowance	(4,836,544)	(2,881,021)
Net future income tax asset	$ -	$ -

The Company has non-capital loss carry-forwards of approximately $6,210,622 that may be available for tax purposes. The loss carry-forwards are principally in respect of Canadian and Argentinean operations and expire as follows:

2012	$ 2,319
2013	647,202
2014	1,078,753
2015	387,901
2026	1,087,160
2027	768,034
2028	409,303
2030	645,238
2031	935,110
No expiry	249,602
	$ 6,210,622

A full valuation allowance has been recorded against the net potential future income tax assets associated with all the loss carry-forwards and certain other deductible temporary differences as their utilization is not considered more likely than not at this time.

12. Segmented Information

Details on a geographical basis are as follows:

As at June 30	2011	2010
Total Assets		
Canada	$ 9,115,556	$ 5,034,786
Argentina	1,319,244	276,651
Chile	75,092	11,851
Total	$ 10,509,892	$ 5,323,288

As at June 30	2011	2010
Property, Plant and Equipment		
Canada	$ 8,532	$ 1,710
Argentina	96,930	36,468
Chile	41,581	2,166
Total	$ 147,043	$ 40,344

For the Years Ended June 30	2011	2010
Net Income (Loss)		
Canada	$ (6,675,069)	$ (617,917)
Argentina	(5,461,636)	(1,411,809)
Chile	(648,231)	(198,072)
Total	$ (12,784,936)	$ (2,227,798)

13. Commitments

The Company has signed an operating lease agreement, commencing on October 1, 2010 to October 31, 2011. The total minimum lease payments are $900 per month and $10,800 per annum.

14. Subsequent events

a) The Company issued 15,000 common shares on the exercise of warrants for gross proceeds of $26,250.

b) The Company issued 20,000 common shares on the exercise of stock options for gross proceeds of $12,600.

c) The Company granted 800,000 incentive stock options to certain directors, officers, employees and consultants. The options are exercisable at $5.23 per common share for a period of five years from the date of grant.

d) The Company received $75,000 from Pan American pursuant to the letter of intent in relation to the Espejo property (*Note 8b*).

Form 51-102F1
Management Discussion and Analysis
For Mirasol Resources Ltd

Introduction

The Management Discussion and Analysis ("MD&A") is prepared as of October 27, 2011 for the year ended June 30, 2011. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian funds.

The following discussion of the Company's financial condition and results of operations should be read in conjunction with its annual audited consolidated financial statements and related notes for the year ended June 30, 2011. This section contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in forward-looking statements as a result of various factors, including those described under "Forward-Looking Information".

Forward-Looking Information

This MD&A contains certain forward-looking statements and information relating to Mirasol Resources Ltd. ("Mirasol" or the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to Mirasol. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to Mirasol or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of Mirasol with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Overview

Mirasol Resources Ltd. (TSXV-MRZ) is a precious metals exploration and development company focused on discovery and acquisition of new, high-potential metals deposits in the Americas. Mirasol Argentina SRL, Minera Del Sol S.A., Cabo Sur S.A, Australis S.A., and Gran Nueva Victoria S.A., the Company's subsidiaries in Argentina, and Minera Mirasol Chile Limitada, the Company's subsidiary in Chile, currently hold 100% of the rights, or applications in progress, of twenty-one exploration properties in the Patagonia region of southern Argentina and in northern Chile. The Company offers shareholders access to growth from the early stages, a portfolio of 100%-owned high quality projects in various stages of exploration, and a focus on emerging regions with high potential for discovery.

Current Highlights

On October 17, 2011, the Company announced the commencement of a major diamond drilling program of over 90 holes and 12,000 metres of drilling at the Joaquin Silver Project.

On September 7, 2011, the Company announced final results from the 2010-2011 diamond drilling campaigns at the Virginia Silver Project.

On September 2, 2011, the Company announced the appointment of Mr. Bernie Zacharias, CA, as Chief Financial Officer.

On August 8, 2011, the Company announced results from its infill drilling at the La Negra deposit, Joaquin Silver Project.

On August 3, 2011 the Company announced the grant of 800,000 incentive stock options under its incentive stock option plan to certain directors, officers, employees and consultants. The options are exercisable at $5.23 per option for a period of five years from the date of grant.

On July 18, 2011, the Company announced results from six holes drilled on previously undrilled vein targets on the Virginia Silver project, and additional assays from the Julia and Naty veins.

On June 28, 2011, the Company announced the filing of a NI 43-101 compliant Technical Report describing the initial resource estimate for the Joaquin Silver Project on Sedar website.

On June 16, 2011, the Company announced a new phase of drilling being undertaken to test new exploration targets at the Joaquin Silver Project.

On June 9, 2011, the Company announced the assay results from 15 additional drill holes from Phase 2 drilling at its 100% owned Virginia project in Santa Cruz province, Argentina.

On May 12, 2011, the Company announced the assay results from 14 additional drill holes from Phase 2 drilling at its 100% owned Virginia project in Santa Cruz province, Argentina.

On May 9, 2011, the Company announced the 43-101 compliant, in-pit resource estimates of 19.6 million ounces of silver in the indicated category and 47.9 million ounces of silver in the inferred category at its Joaquin project, in joint venture with Coeur d'Alene Mines ("Coeur").

On April 27, 2011, the Company announced it signed a Letter of Intent with Pan American Silver Corp. to explore the Company's 100% owned Espejo project.

On April 19, 2011, the Company announced the assay results from the initial 21 drill holes from Phase 2 drilling at its 100% owned Virginia project.

On March 14, 2011, the Company announced, the Company's joint venture partner, Coeur d'Alene Mines has elected to proceed to take the Joaquin project through feasibility stage, which will allow Coeur to earn a 61% interest.

On February 15, 2011, the Company announced that Phase 2 diamond drilling has commenced on its 100% owned Virginia project. Phase 2 drilling is designed to further explore the Julia Vein and possibly other targets identified through surface exploration.

On January 18, 2011, the Company announced the results from an infill drilling at the La Negra silver-gold deposit at the Joaquin project.

On January 13, 2011 and December 16, 2010, the Company announced assay results from its diamond drilling program at the Julia Vein at its 100% owned Virginia project.

On December 7, 2010, the Company closed a non-brokered private placement consisting of 3,000,000 units at a price of $3.10 per unit for gross proceeds of $9.3 million. Each unit consisted of one common share and one-half of one share purchase warrant. One whole warrant entitles the holder to purchase one common share for a period of one year at a price of

$4.00 per share. The Company paid finder's fees of $555,210 equal to 6% of the value of 2,985,000 units, and issued 179,100 broker warrants exercisable for one year at $3.10 per share.

On November 19, 2010, the Company announced that Phase 1 diamond drilling has commenced on its 100% owned Virginia project. The Company previously announced that it received approval of environmental permits to allow initial drilling (news release dated November 8, 2010).

On November 3, 2010, the Company announced the final results from Phase 5 exploration diamond drilling at the 100% owned Joaquin project which include results from the infill drilling at the La Negra prospect. Mirasol's joint venture partner, Coeur d'Alene Mines, has commenced geological modeling for the purpose of an initial inferred resource calculation.

On October 18, 2010, the Company announced initial results from Phase 5 drilling at its 100% owned Joaquin project, including hole DDJ-100 at the La Morocha prospect. DDJ-100 contains the deepest, widest and highest silver grade hole drilled at La Morocha, and the third best hole at Joaquin property to date based on interval-grade thicknesses.

On September 15, 2010, the Company announced results from newly discovered veins at the Virginia silver prospect. Mapping and sampling were completed for the 2009-2010 season.

On August 10, 2010, the Company announced the results from Phase 4 diamond drilling and the results of the first four holes of Phase 5 at its 100% owned Joaquin project. New results expand the La Negra prospect's silver-gold mineralized corridor.

On July 22, 2010, the Company announced results from Phase 4 of drilling at its 100% owned Joaquin project. In late May, Mirasol's joint venture partner, Coeur d'Alene Mines initiated an exploration program that includes a Phase 5 drilling program and an exploration program. Coeur d'Alene Mines Corporation budgeted US$3.3 million in exploration at Joaquin in 2010.

Activities on Mineral Projects

Activities during the year ended June 30, 2011 were focused on exploration activities on the Company's gold-silver prospects and acquisition evaluations in Santa Cruz Province, Argentina, and northern Chile.

As of June 30, 2011, through its subsidiaries, the Company held 21 cateos (mineral exploration concessions) and other applications in progress in Santa Cruz Province. Mirasol identified, staked and holds a 100% interest in all of its prospects.

The Company carries out "grass-roots" exploration for gold and silver in Argentina, Chile, and elsewhere in Latin America. To the present time, properties are advanced through exploration to bring the properties to a stage where the Company can attract the participation of a major resource company which has the expertise and financial capability to take such properties to commercial production. At present, Mirasol has a joint venture with Coeur d'Alene Mines at the Joaquin Project in Santa Cruz Province, Argentina. The Company plans to continue drilling at the Virginia Project, and potentially other properties, during the 2012 fiscal year. In addition, the Company re-activated its generative and reconnaissance precious metals exploration program in northern Chile.

Generative Exploration

Generative exploration is a key strategy employed by Mirasol for identifying and acquiring new prospects. To identify and capitalize on a good quality prospect, experienced professionals are needed to ensure the right opportunity is taken at the right time. Costs of generative exploration are those costs not attributable to a specific Mirasol project. When Mirasol defines a project as a distinct exploration target, it is then accounted for as a separate project. Generative exploration costs totaled $134,641 for the year ended June 30, 2011, an increase from $37,889 incurred for the same period in 2010. Exploration activities in Chile and Argentina are managed from the Company's Mendoza, Argentina exploration office. The majority of costs associated with generative exploration were for consulting and contractors and field supplies.

Joaquin Property

The Joaquin Property is located in the central part of Santa Cruz Province and comprises exploration "*cateos*" and "*manifestaciones de descubrimiento*". The Joaquin Project is part of the 2006 joint venture with Coeur d'Alene Mines ("Coeur"); they are the project operator and are responsible for funding exploration and drilling. Initially, a total of four mineralized zones were identified by Mirasol geologists, including the La Morocha, La Negra, La Morena and the Joaquin Main gold-silver vein and breccia targets. Mirasol believes it has made a significant silver-gold discovery at the Joaquin property.

To date, Coeur has completed more than 23,000 metres of diamond drilling at Joaquin. Multiple prospects, including the La Negra, La Morocha, La Morena and Joaquin Main prospects, have been drilled. Coeur holds a vested 51% interest in the project and has recently elected to proceed to increase its equity to 61% by funding all expenditures through to the delivery of full feasibility study. An initial resource was published for the La Morocha and La Negra targets in a news release published April 27, 2011.

A 43-101 compliant resource estimate was published for the Joaquin project on June 28, 2011. The calculated resource includes:

Table 1. Resources - Joaquin Project (100% of Project)

Mineral Type and Category	Ktonnes	Silver g/t	Contained Koz Silver	Gold g/t	Contained Koz Gold
Oxides					
Indicated	6,785	77.7	**16,952**	0.16	34
Inferred	11,128	86.6	**30,989**	0.09	32
Sulphides					
Indicated	419	203.5	**2,741**	0.16	2
Inferred	2,667	197.8	**16,963**	0.12	10
Total of Oxides & Sulphides					
Indicated	7,204	85.0	**19,693**	0.16	36
Inferred	13,794	108.1	**47,952**	0.10	43

- Metal prices used were US$20 /oz Ag and US$1,300 oz/Au.
- Oxide mineral resources estimated using a cutoff grade of 33 g/t Ag Eq and sulphide mineral resources with a cut-off of 51.9 g/t Ag Eq. within Whittle® surface mine designs.
- Ag Eq (silver equivalent) = Ag grade in grams per tonne + Au grade in grams per tonne x 65.
- Mineral resources estimated by the consulting firm of NCL Ingeniería y Construcción Ltda. in Santiago, Chile.
- Mineral resources that are not mineral reserves have not demonstrated economic viability.

Additional detailed information is available on Mirasol's website www.mirasolresources.com.

Expenses during the year ended June 30, 2011 for the Joaquin property were $223,175 which included $156,562 for consultants and salaries, $40,282 for camp and general, $11,608 for travel and the remaining $14,723 for mining rights and fees and assays and sampling. The company received an option payment during the year of $75,008 (US$75,000) (2010 = $78,331; US$75,000) for the Coeur Joint Venture.

Santa Rita Property- Virginia Zone

In the second quarter of fiscal 2010, a new, high grade, silver-dominant vein zone was discovered at the Santa Rita property, named the Virginia zone. On January 6, 2010, the Company reported initial results from 30 chip samples taken over a two kilometre length of the Julia vein sector. The average silver grade of the initial 30 chip samples was 645 g/t silver from the Julia Vein. On February 16, 2010, Mirasol reported assays ranging up to 3,170 g/t silver from rock chip sampling of veins discovered surrounding the Julia vein.

Sawn channel samples (March 4, 2010) from all 58 Julia vein channels averaged 805 g/t Ag. Ground geophysical surveys, including ground magnetic and gradient array IP have been completed.

Additional press releases in May and June, 2010, confirmed significant silver values from additional veins parallel and surrounding the Julia vein called the Ely, Naty, Margarita and Roxane veins. Outlying veins were discovered east and northwest of the principal vein zone. The Virginia discovery now has more than 9 kilometres of exposed or interpreted vein length.

On December 13, 2010 the Company announced initial Phase 1 drilling results from the 2.2 kilometre long Julia Vein. Best intersections from the first seven holes were from holes VG-006 with a true width of 22.7 metres grading 474 g/t (grams/tonne) silver, including 5.7 metres of 1,403 g/t silver; and hole VG-007 with 14.6 metres of 483 g/t silver, including 6.5 metres at 937 g/t silver. Final Phase 1 drilling results announced January 13, 2011 reported high grade vein intersections at the Julia North and Central sectors, including 5.05 metres averaging 1,152 g/t silver, within broad widths of oxidized, mineralized wall rock reaching 9.33 metres' total mineralized width of 348 g/t silver, at Julia North. Phase 2 drilling commenced February 15, 2011.

Drilling in 2010 and 2011 systematically tested 1,780 metres of strike length of the 9,600 metres of veining outlined to date at the Virginia Silver District, in 115 holes totaling 9,266 metres. Drilling has defined four silver deposits at Julia North, Julia Central, Julia South and Naty Vein with potentially economic silver grades and widths, at a nominal drill spacing of 50 by 50 metres or closer. Results from the final 14 re-drilled holes include significant silver intersections with excellent core recovery, among them hole VG-6A containing 24.27 metres of 326 grams per tonne (g/t) silver with 96 percent core recovery, including 5.48 metres of 1,038 g/t silver with 98 percent recovery from the Julia North deposit. At Julia Central, VG-50A contains 28.25 metres of 220 g/t silver with 98 percent recovery including 18.11 metres of 303 g/t silver with 96% recovery. In addition, recent scout holes at Naty Extension, Ely South and Martina (news release July 18, 2011) are examples of zones that are a high priority for follow-up drilling in a planned 2011-2012 campaign.

The Santa Rita property comprises "*manifestaciones de descubrimiento*" and exploration "*cateos*", located in the northern sector of the Deseado Massif volcanic terrane.

During the year ended June 30, 2011, the Santa Rita and Virginia Zone incurred costs of $2,925,155, of which $1,396,255 related to drilling, $451,543 was for consultants and salaries, $678,218 for camp, drill contractors and general costs, $261,378 for travel expenses, $136,077 for assays and sampling costs and remaining costs for mining rights and fees.

Sascha Property

The Sascha Project hosts a gold and silver mineralized epithermal quartz vein system of low-sulphidation style which comprises four cateos and two M.D.s("*manifestaciones de descubrimiento")*. The Sascha Project was initially included in the Coeur joint venture. Coeur initiated drilling in March 2007 and completed 19 diamond drill holes totaling approximately 2500 metres. Results from additional diamond drilling completed in October 2008 tested the northwest extension of the Sascha Main mineralized vein zone.

Results were deemed by Coeur not sufficiently encouraging to merit additional work, and the property was returned to Mirasol on October 31, 2008. All environmental reclamation requirements have been completed. Additional mapping and new and interpretation of drill results have defined a number of new prospective exploration targets at Sascha. The project is available for joint venture.

During the year ended June 30, 2011 the Company incurred costs of $15,497, primarily for camp general costs.

Nico Property

The Nico property was initially staked in 2004 and expanded in 2005 and 2006. The mineral property is held as "*manifestaciones de descubrimiento*". The property is located 40 km north of Coeur d'Alene Mines' ("Coeur") Martha silver mine, adjacent to a provincial highway. The central mineralized zone at Nico hosts a north-south trend of quartz veinlets and breccia and exhibits a silver-gold-polymetallic signature. During the 2007-2008 seasons a prospect-scale ground magnetic survey and gradient array IP geophysical survey were completed over key targets. New geophysical interpretation identified a felsic dome field which has not been drill tested. The Nico main mineralized zone extends as a traceable geophysical structure for 2.5 km in length.

On February 12, 2009, the Company signed an exploration option agreement with Coeur for the exploration of the Nico gold-silver project with Coeur as the project operator. The option agreement provided Coeur the option to earn an initial 55% in the project by expending a total of US$2,300,000 in exploration over four years and making cash payments totaling US$ 250,000. Additional details of the agreement were published on February 12, 2009. On February 13, 2009, a payment of $62,225 (US $50,000) was received upon the signing of the agreement.

Coeur drilled eleven shallow diamond holes in late 2009 at the Nico Main target. Coeur reported best results of 8.23 metres containing 0.43 g/t gold and 27 grams silver, including 1.25 metres of 2.21 g/t gold and 200 g/t silver in DDH-11. Coeur returned the Nico property to Mirasol in January 2010. Nico hosts multiple targets and is available for joint venture.

During the year ended June 30, 2011, the Nico property incurred costs of $4,468, primarily for camp and general costs.

Claudia Property

The Claudia Property comprises exploration concessions ("*cateos*") totaling approximately 120,000 hectares located in the central part of Santa Cruz Province, beginning at the limit with, and for approximately 30 km south of AngloGold Ashanti's producing Cerro Vanguardia gold-silver mine. Initial exploration mapping of the La Claudia and Claudia II cateos identified several zones of veins and veinlets hosted within silicified rhyolite and rhyodacite tuff units. Sampling returned anomalous gold and silver assays from three discrete zones. Assay results from a systematic channel sampling program returned values reaching 3.28 g/t gold with 15.33 g/t silver over 1.7 metres, and individual vein results up to 14.2 g/t Au with 229 g/t Ag over 0.7 metres were obtained in the "J vein" sector. (Further news of the Claudia Project was published in a news release dated August 3, 2006, November 1, 2007, January 8, 2009, and June 1, 2009).

Mirasol signed a joint venture agreement with Hochschild Mining Group in February 2007. Hochschild initiated Stage 1 drilling at the Claudia Project and completed 3,871 metres of core drilling in December 2007. In December, 2008, Hochschild completed 3,011 metres of reverse circulation drilling. Both campaigns were designed to test outcropping Cerro Vanguardia-style veins and covered geophysical targets. Although multiple mineralized targets were intersected, on April 7, 2009 Hochschild elected to terminate the joint venture.

Data synthesis and results show five principal exploration areas, three of which have received minimal exploration and all are considered highly prospective and remain underexplored. Key bonanza gold-silver targets at the Rio Seco zone have not been drill tested, among others.

During the year ended June 30, 2011, the Claudia property incurred costs of $616,488. Of this total, $313,635 was for consultants and salaries, $230,273 for camp and general costs, $63,020 for travel expenses, and the remaining for assays and sampling costs and mining rights and fees.

Espejo Property

The Espejo property was staked in April 2006 and adjoins Pan American Silver's Manantial Espejo silver-gold mine. Exploration work includes remote sensing (satellite image) interpretation, ground magnetic survey, gradient array IP geophysical survey, and geochemical sampling which define multiple coincident resistive and conductive geophysical anomalies on strike with the principal vein structures under development and production at the Manantial Espejo mine. Additional exploration cateos were staked in 2008 which expand the property to the south (news release June 26, 2008).

The Company signed a letter of intent on April 27, 2011 with Pan American Silver which permits Pan American Silver to earn a 51% interest in the property by expending US$4 million over 4 years, and then to reach a 61% interest by completing a 43-101 compliant feasibility study, at which time Mirasol can retain its equity interest in the project or request Pan American to finance project development, to be repaid through cash flow.

La Curva Property

The La Curva property, comprising two exploration cateos, is located in the eastern Deseado Massif and has year round access from the paved national highway and secondary roads. Surface mapping, geophysical surveys and systematic geochemical sampling define two gold-anomalous targets with associated auriferous (gold-bearing) quartz veins. The two principal targets include the Loma Arthur vein-dome system and, Cerro Chato, which hosts gold-rich

veins and silicified breccias, and additional targets exist on the property. The dome-vein setting is seen elsewhere in productive mining districts and at the Dos Calandrias gold discovery located fifteen kilometers to the west. (See news releases of April 1, 2008 and February 24, 2009).

During the year ended June 30, 2011, the La Curva property incurred costs of $90,142. Of this total, $42,794 was for consultants and salaries, $21,379 for camp and general costs, $12,497 for travel expenses, and remaining for assays and sampling costs and mining rights and fees.

La Libanesa Property

The La Libanesa property hosts a hydrothermal breccia hill, "Cerro Plomo", which contains high grade lead-silver-gold anomalies. Cerro Plomo is hosted in a unique rhombic structural block and is associated with radial dikes and peripheral gold-bearing veins. La Libanesa was staked in 2006 and the property was expanded to five cateos during 2007, Trenching, geochemical sampling, mapping, an MMI (Mobile Metal Ion) geochemical survey have been completed with a regional interpretation of La Libanesa's unique geological setting. In Q2 2010, an AMT ground geophysical survey identified a strong resistive feature near Cerro Plomo. The MMI soil survey identified an extended area reaching at least 400 metres east and west of Cerro Plomo which show highly elevated base metals with silver and gold anomalies. (News release dated February 24, 2009). Gold-silver bearing quartz vein material has been mapped which forms a radial distribution around Cerro Plomo. An AMT geophysical survey was also completed which confirmed multiple drill targets.

During the year ended June 30, 2011, the La Libanesa property incurred costs of $199,223. Of this total, $108,175 was for consultants and salaries, $53,461 for camp and general costs, $22,587 for travel expenses, and remaining for assays and sampling costs and mining rights and fees.

Rubi Property, Chile

The Rubi copper property in northern Chile, covering 12,900 hectares, is strategically located 22 km southwest of El Salvador, one of Chile's giant porphyry-copper producing districts, operated by Codelco, the Chilean state mining company. The Rubi property, was staked in December 2006 and increased in 2008, and is located in the Eocene-Oligocene metallogenic belt, which hosts some of the world's largest porphyry-copper deposits. During 2008, Mirasol consolidated its mineral land position at Rubi and conducted additional detailed mapping, sampling and re-interpretation of the area's geology. An altered and leached lithocap returned copper and gold anomalies in surface and stream sediment samples and indicate the potential for a porphyry copper (gold) system to exist. (News release dated June 12, 2007). The Rubi property will be available for joint venture in 2012.

During the year ended June 30, 2011, the Rubi property incurred costs of $188,831. This mainly consisted of $137,684 for mining rights and fees and $39,646 for assays and sampling costs. Remaining costs were for consultants and salaries, camp and other general administrative items.

Other Properties

Mirasol holds a number of early stage exploration properties which are prospective for gold and/or silver mineralization in southern Argentina and northern Chile.

Mirasol's Results of Operations

For the Year Ended June 30, 2011 as compared to the Year Ended June 30, 2010

The Company's net loss for the year ended June 30, 2011 was $12,784,936 or $0.35 per share compared to a net loss of $2,227,798 or $0.07 per share for prior year, an increase in loss of $10,557,138.

Total operating expenses for the year ended June 30, 2011 were $12,659,192 compared to $2,158,520 for the prior year, an increase of $10,500,672. The increase in costs is primarily due to an increase in stock-based compensation expense ($NIL in 2010 compared to $5,958,127 in 2011) due to additional incentive stock options being granted/vested and an increase in exploration costs ($5,843,196 in 2011compared to $1,459,581 in 2010).

Management fees increased ($272,375 in 2011 compared to $210,758 in 2010) due to increased exploration activity and professional fees increased ($184,501 in 2011 compared to $107,657 in 2010) primarily due to legal consultations in relation to the letter of intent with Pan American Silver and internal reorganization. All other costs remained consistent with 2010.

For the Three Months Ended June 30, 2011 as compared to the Three Months Ended June 30, 2010

Net Loss and Operating Expenses

For the period, the Company experienced a net loss of $4,506,321 compared to a net loss of $661,197 for the comparative period in 2010, an increase of $3,845,124.

Total operating expenses for the period were $4,638,813 compared to $758,039 for the comparative period in 2010, an increase of $3,880,774. The increase primarily results from an increase in exploration costs ($3,276,686 in 2011 compared to $537,028 in 2010) due to increased exploration activity and an increase in stock-based compensation ($1,137,497 in 2011 compared to $NIL in 2010) due to an increased number of incentive stock options granted and vested during the period.

Selected Annual Information

The following table sets out selected annual financial information of the Company and is derived from the Company's audited consolidated financial statements for the years ended June 30, 2011, 2010 and 2009.

	2011	2010	2009
Sales	$ -	$ -	$ -
Loss for the Period	$ (12,784,936)	$ (2,227,798)	$ (2,048,718)
Loss per Share - Basic and Diluted	$ (0.35)	$ (0.07)	$ (0.07)
Total Assets	$ 10,509,892	$ 5,323,288	$ 3,835,332
Total Long-term Liabilities	$ -	$ -	$ -
Dividends Declared	$ NIL	$ NIL	$ NIL

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of Mirasol and is derived from unaudited quarterly consolidated financial statements prepared by management. The Company's unaudited interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and expressed in Canadian dollars.

Period	Revenues $	Loss from Continued Operations and Net Loss $	Basic and Fully Diluted Loss per Share from Continued Operations and Net Loss $
4th Quarter 2011	Nil	(4,506,321)	(0.12)
3rd Quarter 2011	Nil	(4,352,462)	(0.11)
2nd Quarter 2011	Nil	(3,371,011)	(0.10)
1st Quarter 2011	Nil	(555,142)	(0.02)
4th Quarter 2010	Nil	(661,197)	(0.02)
3rd Quarter 2010	Nil	(708,357)	(0.02)
2nd Quarter 2010	Nil	(400,744)	(0.01)
1st Quarter 2010	Nil	(457,500)	(0.02)

Quarterly results will vary in accordance with the Company's exploration and financing activities.

Liquidity

The Company's net working capital as at June 30, 2011 was $9,504,483 compared to a net working capital of $5,043,431 at June 30, 2010. The cash balance at June 30, 2011 was $10,114,703 compared to $5,147,280 at June 30, 2010. As at June 30, 2011 current liabilities were $780,033 compared to $161,180 at June 30, 2010.

On October 27, 2011, the Company had 38,377,201 issued shares. The Company had 3,685,300 options and 1,823,500 warrants outstanding. The weighted average exercise price is $2.96 and $3.65, respectively.

Investing Activities

During the year ended June 30, 2011, the Company purchased equipment for $137,411.

Financing Activities

During the year ended June 30, 2011, the Company received cash proceeds of $433,330 from the exercise of 653,200 options and $2,257,016 from the exercise of 1,447,020 warrants.

Financing activities provided $8,704,214 from the net proceeds received for shares issued pursuant to a private placement which closed on December 7, 2010. Terms of the private placement were 3 million units priced at $3.10. Each unit consists of one common share and one-half common share purchase warrant. One whole warrant entitles the holder to purchase a common share of the Company for 1 year at a price of $4.00 per share.

Capital Resources

The Company has no operations that generate cash flow and its long term financial success is dependant on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities (share purchase options and warrants). Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record and the experience and calibre of its management.

With working capital of $9,504,483, the Company believes it has sufficient funds to meet its administrative, corporate development and exploration activities over the next twelve months. Actual funding requirements may vary from those planned due to a number of factors. The Company believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond its control.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

During the year ended June 30, 2011, the Company incurred $805,624 (June 30, 2010 - $414,163) in consulting fees to a company where an officer of the Company is a principal. As at June 30, 2011 $79,560 (2010 - $18,143) of the fee remains unpaid and is included in accounts payable and accrued liabilities. Consulting fees of $701,472 (2010 - $350,852) have been included in Exploration costs and $104,152 (2010 - $63,311) have been included in Management fees in the Company's statement of loss.

Included in accounts payable and accrued liabilities at June 30, 2011 is an amount of $10,310 (2010 - $393) owing to directors and officers of the Company.

By agreement dated September 1, 2004, the Company entered into a consulting agreement with a director and officer of the Company to act as the President and CEO of the Company. Compensation is currently US$12,500 per month.

By agreement dated September 1, 2004, the Company entered into a consulting agreement with a director to act as the Exploration Manager of the Company. Compensation currently is US$10,000 per month.

Pursuant to an agreement dated September 1, 2004, the Company entered into a consulting agreement with an officer of the Company to act as the Vice-President of Exploration of the Company. Compensation is US$625 per day for the days worked.

Critical Accounting Policies and Estimates

The details of the Company's accounting policies are presented in Note 2 of the annual audited consolidated financial statements. The following policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the

Company's financial statements and the uncertainties that could have a bearing on its financial results.

Acquisition and Exploration Costs

Exploration costs are expensed as incurred since the Company is in the process of exploring its mineral claims and has not yet determined whether these properties contain ore reserves that are economically recoverable. If and when the Company's management determines that economically extractable proven or probable mineral reserves have been established, the subsequent costs incurred to develop such property, including costs to further delineate the ore body will be capitalized.

Any option payments received are first credited to the cost of the property, with any excess included in income.

Changes in Accounting Policies

Business combinations

In January 2009, the CICA issued Handbook section 1582, "Business Combinations", which establishes new standards for accounting for business combinations. This is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. The Company has elected to adopt this policy effective July 1, 2010. The adoption of this standard did not have an impact on the Company's consolidated financial position, earnings or cash flows.

Non-Controlling Interest

In January 2009, the CICA issued Handbook section 1602, "Non-controlling Interests", to provide guidance on accounting for non-controlling interests subsequent to a business combination. The section is effective for fiscal years beginning on or after January 2011. The Company has elected to early adopt this policy effective July 1, 2010. The adoption of this standard did not have an impact on the Company's consolidated financial position, earnings or cash flows.

Consolidated Financial Statements

In January 2009, the CICA issued Handbook section 1601, "Consolidated Financial Statements", to provide guidance on the preparation of consolidated financial statements. The section is effective for fiscal years beginning on or after January 1, 2011. The Company has elected to early adopt this policy effective July 1, 2010. The adoption of this standard did not have an impact on the Company's consolidated financial position, earnings or cash flows.

Comprehensive Revaluation of Assets and Liabilities

In August 2009, the CICA amended Handbook Section 1625, "Comprehensive Revaluation of Assets and Liabilities" to be consistent with Sections 1582, 1601 and 1602, which were issued in January 2009. The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. The Company has elected to early adopt this policy effective July 1, 2010. The adoption of this standard did not have an impact on the Company's consolidated financial position, earnings or cash flows.

Recent Accounting Pronouncements Not Yet Adopted

Convergence with International Financial Reporting Standards

The Canadian Accounting Standards Board (AcSB) has announced its decision to replace Canadian generally accepted accounting principles ("GAAP") with International Financial Reporting Standards (IFRS) for all Canadian Publicly Accountable Enterprises (PAEs). The effective changeover date is July 1, 2011, at which time Canadian GAAP will cease to apply for Mirasol Resources and will be replaced by IFRS. Following this timeline, the Company will issue its first set of interim financial statements prepared under IFRS in the first quarter of 2011 including comparative IFRS financial results and an opening balance sheet as at July 1, 2010. The first annual IFRS consolidated financial statements will be prepared for the year ended June 30, 2012 with restated comparatives for the year ended June 30, 2011.

During the 2009-2010 fiscal year, the Company began planning its transition to IFRS. The process consists of three phases: 1) Scoping phase which will assess the overall impact and effort required by the Company in order to transition to IFRS, 2) Planning phase which will include a detailed analysis of the conversion process and implementation plan required for disclosure for the Company's first quarter 3) Transition phase which includes the preparation of an IFRS compliant opening balance sheet as at July 1, 2010, any necessary conversion adjustments and reconciliations, preparation of a fully compliant pro forma financial statements including all note disclosures and disclosures required for the MD&A.

The Company has completed an initial scoping and diagnostic assessment. This assessment identified, at a high level, the key areas for more detailed consideration that may give rise to potential difference upon conversion.

The Company will engage external advisors to assist with detailed technical reviews of the identified potential high impact areas. These reviews include the identification of IFRS - Canadian GAAP differences, accounting policy considerations, and preliminary implementation plans.

Set out below are the most significant areas, where changes in accounting policies may have the highest potential impact on the Company's consolidated financial statements. Many of the differences identified are not expected to have a material impact on the reported results and financial position.

In the period leading up to the changeover in 2011, the AcSB has ongoing projects and intends to issue new accounting standards during the conversion period. As a result, the final impact of IFRS on the Company's consolidated financial statements can only be measured once all the IFRS accounting standards at the conversion date are known.

Impairment Assets

Canadian GAAP generally uses a two-step approach to impairment testing: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with discounted cash flows. International Accounting Standard (IAS) 36, "Impairment of Assets" uses a one-step approach for both testing and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may potentially result in write downs where the carrying value of assets were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis.

Currently the Company has no significant assets for which impairment testing is required.

Share Based Payments

IFRS and Canadian GAAP largely converge on the accounting treatment for share-based transactions with only a few differences.

Under Canadian GAAP, the fair value of share based payments with graded vesting are calculated as one grant and the resulting fair value is recognized on an accelerated or straight line basis over the vesting period. Forfeitures of awards are recognized as they occur.

Under IFRS, each tranche of a grant with different vesting dates is considered a separate grant for the calculation of fair value and the resulting fair value is amortized over the vesting period of the respective tranches. Forfeiture estimates are recognized in the period they are estimated, and are revised for actual forfeitures in subsequent periods.

All options granted by the Company which vest in the comparative year for IFRS have been valued in compliance with IFRS. A forfeiture rate will be applied in the comparative year to make the Company fully compliant with IFRS 2.

Exploration and Evaluation Assets

Under the Company's current accounting policy, the acquisition costs of mineral properties are capitalized while the exploration expenses are expensed.

Upon adoption of IFRS, the Company has to determine the accounting policy for exploration and evaluation (E&E) assets which are the exploration expenses incurred subsequent to obtaining the right to explore the resource property. The Company is currently in compliance with the International Accounting Standards Board ("IASB") Framework as exploration expenditures are expensed and are capitalized only after the completion of a feasibility study.

The classification of the E&E assets will need to be determined to be either tangible or intangible.

Upon adoption of IFRS 6, "Exploration and Evaluation of Mineral Properties", the Company will be fully compliant with the new standard and the adoption is not expected to have an impact on the financial statements.

Property, Plant and Equipment

Under IFRS, Property, Plant and Equipment ("PP&E") can be measured at fair value or at cost while under Canadian GAAP, the Company has to carry PP&E on a cost basis and the revaluation is prohibited.

Upon adoption of IFRS, the Company has to determine whether to elect a cost model or revaluation model. Management has decided to elect a cost model. Currently, the Company has exploration equipment and computer hardware capitalized as property, plant and equipment and as a result there will be not significant impact on the adoption of IFRS on the Company's financial statements.

In accordance with IAS 16 "Property, Plant and Equipment", upon acquisition of significant assets, the Company will need to allocate an amount initially recognized in respect of an asset to its component parts and account for each component separately when the components have

different useful lives or the components provide benefits to the entity in a different pattern. This requirement is not expected to have a significant impact on the Company's consolidated financial statements.

Foreign Currency

IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with IAS 21 and the entity's financial results and position should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial information for each Company is then translated into the presentation currency of the Company's financial statements. Currently, this is the Canadian dollar ("CAD").

The functional currency is most likely Canadian dollars for Mirasol Resources Ltd., Argentine Pesos for Mirasol Argentina S.R.L, Minera Del Sol S.A., Cabo Sur S.A, Australis S.A., and Gran Nueva Victoria S.A. and Chilean Pesos for Minera Mirasol Chile Limitada but a detailed analysis will need to be completed.

As events and conditions relevant to the Company change, it will re-consider the primary and secondary indicators, as described in IAS 21, in determining the functional currency for each entity. Going forward under IFRS, management will assess the appropriate functional currency based on existing circumstances which may have a significant impact on the Company's consolidated financial statements prepared under IFRS.

Future Income Taxes

Like Canadian GAAP, deferred income taxes under IFRS are determined using the liability method for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and by generally applying tax rates applicable to the Company to such temporary differences. Deferred income taxes relating to temporary differences that are in equity are recognized in equity and under IFRS subsequent adjustments thereto are backward traced to equity.

IFRS prohibits recognition where deferred income taxes arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable net earnings. The Company expects the impact of implementing IAS 12; Income Taxes will not have a significant impact on the financial statements. However, as events and circumstances of the Company's operations change that give rise to future income taxes, IAS 12 will be applied.

Conclusion

As the Company elects and approves the IFRS accounting policy for each of the areas above, management will determine and disclose impact of the IFRS adoption at the transition date on our financial statements. The International Accounting Standards Board will also continue to issue new accounting standards during the conversion period and, as a result, the final impact of IFRS on the Company's consolidated financial statements will only be measured once all the IFRS applicable accounting standards at the conversion date are known.

Based on the assessment of the information system currently used by the Company, all information required to be reported under IFRS will be available with minimal system changes.

One of the more significant impacts identified to date of adopting IFRS is the expanded presentation and disclosures required. Disclosure requirements under IFRS generally contain

more breadth and depth than those required under Canadian GAAP and, therefore, will result in more extensive note references. The Company is continuing to assess the level of presentation and disclosures required to its consolidated financial statements.

Commitments

The Company has signed an operating lease agreement, commencing on October 1, 2010 to October 31, 2011. The total minimum lease payments are $900 per month and $10,800 per annum.

Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, foreign exchange, commodity price or credit risks arising from the financial instruments. The Company may be exposed to liquidity risk such that the Company may not be able to meet its obligations as they fall due. The Company manages this risk by forecasting anticipated investing and financing activities.

Management of Financial Risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Argentina and Chile and a portion of its expenses are incurred in Canadian dollars and Argentine and Chilean Pesos. A significant change in the currency exchange rates between the US dollar relative to the Canadian dollar and the Argentine and Chilean Peso to the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

At June 30, 2011, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars and Argentine and Chilean Pesos:

June 30, 2011	US Dollars	Argentine Peso	Chilean Peso
Cash and cash equivalents	6,420,986	4,235,879	11,604,844
Accounts receivable	2,000	568,742	3,573,504
Accounts payable and accrued liabilities	(58,308)	(2,298,615)	(15,314,286)

Based on the above net exposures as at June 30, 2011, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of $621,702 in the Company's net earnings. Likewise, a 10% depreciation or appreciation of the Canadian dollar against the Argentine and Chile Peso would result in an increase/decrease of $59,668 and $28, respectively in the Company's net earnings.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held through large Canadian financial institutions. The Company's receivables consist of harmonized sales tax due from the Federal Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. As at June 30, 2011 the Company was holding cash and cash equivalents of $10,114,703 to settle current liabilities of $780,033. Management believes it has sufficient funds to meet its current obligations as they become due.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash is limited because these investments are generally held to maturity.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, enter into joint ventures or obtain debt financing. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company is not subject to externally imposed capital requirements.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Mirasol's operating expenses and resource property costs is provided in the Company's Consolidated Statements of Loss, Comprehensive Loss and Deficit and the Consolidated Schedule of Resource Property Costs contained in its Consolidated Financial Statements for June 30, 2011 and June 30, 2010 that is available on Mirasol's website at www.mirasolresources.com or on its SEDAR company page accessed through www.sedar.com.

Approval

The Audit Committee of the Company has approved the disclosure contained in this MD&A.

Additional Information

Additional information relating to Mirasol is available on SEDAR at www.sedar.com.

National Instrument 43-101 Disclosure

All technical information for Mirasol's Projects contained within this MD&A has been reviewed by Mary Little, President, CEO & Director, a qualified person under NI 43-101.