

**MIRASOL RESOURCES LTD.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**March 31, 2020**

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

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

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

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

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

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

As at March 31, 2020, and June 30, 2019

*(Expressed in Canadian Funds, except where indicated)*

<b>ASSETS</b>	March 31, 2020	June 30, 2019
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,034,118	\$ 4,648,284
Short-term investments <i>(Note 3)</i>	15,390,885	16,836,008
Receivables and advances <i>(Note 4)</i>	249,414	458,707
	<u>17,674,417</u>	<u>21,942,999</u>
<b>Non-Current Assets</b>		
Equipment and software	170,835	201,041
Right of Use Assets <i>(Note 5)</i>	288,994	-
Exploration and Evaluation Assets	3,181,259	3,047,718
	<u>3,641,088</u>	<u>3,248,759</u>
<b>Total Assets</b>	<b>\$ 21,315,505</b>	<b>\$ 25,191,758</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities <i>(Note 6)</i>	\$ 341,875	\$ 430,239
Current portion of lease liabilities <i>(Note 5)</i>	82,718	-
Advances from JV Partner <i>(Note 9)</i>	-	846,947
	<u>424,593</u>	<u>1,277,186</u>
<b>Long-Term Liabilities</b>		
Non-current portion of lease liabilities <i>(Note 5)</i>	223,842	-
<b>Total Liabilities</b>	<b>\$ 648,435</b>	<b>\$ 1,277,186</b>
<b>EQUITY</b>		
Share Capital	57,744,140	57,677,690
Reserves	17,595,807	17,354,426
Accumulated Other Comprehensive Loss	(38,748)	(25,742)
Deficit	(54,634,129)	(51,091,802)
	<u>20,667,070</u>	<u>23,914,572</u>
<b>Total Liabilities and Equity</b>	<b>\$ 21,315,505</b>	<b>\$ 25,191,758</b>

Nature of Business *(Note 1)*Commitments *(Note 10)*

On Behalf of the Board:

“Norman Pitcher”

, Director

“Nick DeMare”

, Director

**Mirasol Resources Ltd.**

**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**

**For the Nine Months Ended March 31, 2020**

*(Expressed in Canadian Funds, except where indicated)*

	For the Three Months Ended		For the Nine Months Ended	
	March 31,		March 31,	
	2020	2019	2020	2019
<b>Operating Expenses</b>				
Exploration expenditures <i>(Note 6a i)</i>	\$ 926,052	\$ 1,207,827	\$ 2,690,824	\$ 1,754,711
Business development	81,916	144,155	284,799	513,856
Management fees <i>(Note 6a i)</i>	260,710	277,053	589,595	478,002
Marketing and investor communications	28,827	79,702	111,279	237,839
Office and miscellaneous	3,887	80,653	255,586	235,095
Share-based payments <i>(Note (7c ii, 7e)</i>	109,247	478,741	307,832	786,043
Professional fees	53,656	57,130	144,887	183,098
Director fees <i>(Note 6a iii)</i>	46,500	40,200	139,500	133,200
Travel	9,290	29,436	30,907	69,162
Transfer agent and filing fees	3,079	2,253	12,697	11,789
Depreciation <i>(Note 5)</i>	28,045	2,099	60,581	6,296
	<u>(1,551,309)</u>	<u>(2,399,249)</u>	<u>(4,628,487)</u>	<u>(4,409,091)</u>
Interest income	70,709	75,621	231,830	324,458
Interest expense	(11,706)	-	(36,089)	-
Foreign exchange (loss) gain	1,053,772	(1,116,896)	890,419	(587,038)
	<u>1,112,775</u>	<u>1,041,275</u>	<u>1,086,160</u>	<u>(262,580)</u>
<b>Loss for the Period</b>	<b>\$ (438,534)</b>	<b>\$ (3,440,524)</b>	<b>\$ (3,542,327)</b>	<b>\$ (4,671,671)</b>
<b>Other Comprehensive Loss</b>				
Exchange differences on translation of foreign operations	(12,376)	(3,197)	(13,006)	782
<b>Loss and Comprehensive Loss for the Period</b>	<b>\$ (450,910)</b>	<b>\$ (3,443,721)</b>	<b>(3,555,333)</b>	<b>(4,670,889)</b>
<b>Loss per Share (Basic and Diluted)</b>	<b>\$ (0.01)</b>	<b>\$ (0.07)</b>	<b>\$ (0.07)</b>	<b>\$ (0.09)</b>
<b>Weighted Average Number of Shares Outstanding (Basic and Diluted)</b>	<b>54,216,131</b>	<b>50,561,621</b>	<b>54,102,460</b>	<b>49,518,319</b>

**Mirasol Resources Ltd.**

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

**For the Nine Months Ended March 31, 2020**

*(Expressed in Canadian Funds, except where indicated)*

	<u>Share Capital</u>			Accumulated Other Comprehensive Loss		Total Equity
	Number of Shares	Amount \$	Reserve \$	\$	Deficit \$	\$
<b>Balance – June 30, 2018</b>	<b>53,822,628</b>	<b>57,426,143</b>	<b>16,615,061</b>	<b>(28,122)</b>	<b>(44,445,016)</b>	<b>29,568,066</b>
Bonus Shares Issued	75,000	86,250	-	-	-	86,250
Restricted share units issued	85,000	97,400	-	-	-	97,400
Restricted share units accrual	-	-	14,925	-	-	14,925
Options exercised	51,250	67,897	(22,797)	-	-	45,100
Share-based payments	-	-	673,717	-	-	673,717
Foreign currency translation adjustment	-	-	-	(782)	-	(782)
Loss for the period	-	-	-	-	(4,671,671)	(4,671,671)
<b>Balance – March 31, 2019</b>	<b>54,033,878</b>	<b>57,677,690</b>	<b>17,280,906</b>	<b>(28,904)</b>	<b>(49,116,687)</b>	<b>25,813,005</b>
<b>Balance – June 30, 2019</b>	<b>54,033,878</b>	<b>57,677,690</b>	<b>17,354,426</b>	<b>(25,742)</b>	<b>(51,091,802)</b>	<b>23,914,572</b>
Restricted share units issued (Note 7e)	115,000	66,450	-	-	-	66,450
Restricted share units accrual	-	-	(24,900)	-	-	(24,900)
Share-based payments (Note 7c)	-	-	266,281	-	-	266,281
Foreign currency translation adjustment	-	-	-	(13,006)	-	(13,006)
Loss for the period	-	-	-	-	(3,542,327)	(3,542,327)
<b>Balance – March 31, 2020</b>	<b>54,148,878</b>	<b>57,744,140</b>	<b>17,595,807</b>	<b>(38,748)</b>	<b>(54,634,129)</b>	<b>20,667,070</b>

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

**Mirasol Resources Ltd.****Condensed Consolidated Interim Statement of Changes in Cash Flows****For the Nine Months Ended March 31, 2020***(Expressed in Canadian Funds, except where indicated)*

	2020	2019
<b>Operating Activities</b>		
Loss for the period	\$ (3,542,327)	\$ (4,671,671)
Adjustments for:		
Share-based payments	307,832	786,042
Interest income	(231,830)	(324,458)
Interest expense	36,089	-
Depreciation	60,581	6,296
Depreciation included in exploration expenses	29,406	25,604
Unrealized foreign exchange	(890,419)	(206,364)
	<u>(4,230,668)</u>	<u>(4,384,551)</u>
Changes in non-cash working capital items:		
Receivables and advances	(20,111)	462,870
Accounts payable and accrued liabilities	(88,364)	(355,370)
Advance from joint venture partner	(814,790)	(334,039)
Cash used in operating activities	<u>(5,153,933)</u>	<u>(4,611,090)</u>
<b>Investing Activities</b>		
Purchase of short-term investments	1,445,123	5,238,308
Acquisition of exploration and evaluation assets	(133,541)	-
Purchase of equipment	(16,266)	(147,840)
Interest received	461,234	154,521
Cash provided by investing activities	<u>1,756,550</u>	<u>5,244,989</u>
<b>Financing Activity</b>		
Lease payments	(62,038)	-
Share capital issued, net of issuance costs	-	86,250
Proceeds received from exercise of share purchase options	-	45,100
Cash provided by (used in) financing activities	<u>(62,038)</u>	<u>131,350</u>
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>	<u>845,255</u>	<u>205,582</u>
<b>Change in Cash and Cash Equivalents</b>	<u>(2,614,166)</u>	<u>970,831</u>
Cash and Cash Equivalents - Beginning of Period	<u>4,648,284</u>	<u>2,892,948</u>
<b>Cash and Cash Equivalents - End of Period</b>	<u>\$ 2,034,118</u>	<u>\$ 3,863,779</u>
<b>Cash and Cash Equivalents Consist of:</b>		
Cash	\$ 2,034,118	\$ 3,754,297
Cash equivalents	\$ -	\$ 109,482
	<u>\$ 2,034,118</u>	<u>\$ 3,863,779</u>

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

# Mirasol Resources Ltd.

## Notes to the Condensed Consolidated Financial Statements

For the Nine Months Ended March 31, 2020

(Expressed in Canadian Funds, except where indicated)

### 1. Nature of Business

Mirasol Resources Ltd. ("Mirasol" or the "Company") is incorporated under the laws of the Province of British Columbia, Canada. The Company's corporate registered and records office is located at 400 – 725 Granville Street, Vancouver, British Columbia and the head office is located at 1150-355 Burrard Street, Vancouver, British Columbia.

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

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

#### COVID-19

In March 2020, the world health organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the company to predict the duration or magnitude of the results of the outbreak and its effects on the Company's business or results of operations at this time.

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

---

### 2. Basis of Presentation

#### Statement of compliance

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended June 30, 2019.

The Board of Directors approved the condensed consolidated interim financial statements on March 28<sup>th</sup>, 2020.

#### Basis of measurement

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

## **Mirasol Resources Ltd.**

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

**For the Nine Months Ended March 31, 2020**

*(Expressed in Canadian Funds, except where indicated)*

#### **Significant Accounting Estimates and Judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended June 30, 2019.

#### **Recent Accounting Adoption**

On July 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The Company will recognize lease liabilities related to its lease commitments for each of its leases. The lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate as at January 1, 2019, the date of initial application, resulting in no adjustment to the opening balance of deficit. The associated right-of-use assets will be measured at the lease liabilities amount, plus prepaid lease payments made by the Company. The Company has implemented the following accounting policies permitted under the new standard:

- a) leases of low dollar value will continue to be expensed as incurred; and
- b) the Company will not apply any grandfathering practical expedients.

As at July 1, 2019 the Company recognized \$332,509 in right-of-use assets and \$332,509 of incremental lease obligations.

The lease liabilities were discounted at a discount rate of 15% as at July 1, 2019.

#### **New accounting policy for leases under IFRS 16**

The following is the accounting policy for leases as of July 1, 2019 upon adoption of IFRS 16:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.



## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Nine Months Ended March 31, 2020

(Expressed in Canadian Funds, except where indicated)

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- a) fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) amounts expected to be payable under a residual value guarantee;
- d) exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

---

### 3. Short-term Investments

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

---

### 4. Receivables and Advances

	March 31, 2020	June 30, 2019
Goods and services tax receivable	\$ 5,558	\$ 6,745
Interest receivable	92,145	324,760
Prepaid expenses and advances	151,711	127,202
	<u>\$ 249,414</u>	<u>\$ 458,707</u>

---

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Nine Months Ended March 31, 2020

(Expressed in Canadian Funds, except where indicated)

#### 5. Right of Use of Assets and Lease Liabilities

##### Right of Use Assets

Cost:		Leases
At June 30, 2019	\$	-
Adjustment on initial adoption of IFRS 16 (Note 2)		332,509
At March 31, 2020		332,509
Depreciation:		
At June 30, 2019		-
Charge for the period		43,515
At March 31, 2020		43,515
Net Book Value:		
At June 30, 2019		-
At March 31, 2020		288,994

Depreciation of right-of-use assets is calculated using the straight-line method of the remaining lease term.

##### Lease Liabilities

Lease liabilities recognized as of June 30, 2019	\$	332,509
Lease payments made		(62,038)
Interest expense on lease liabilities		36,089
		306,560
Less: current portion		(82,718)
At March 31, 2020		223,842

#### 6. Related Party Transactions

Details of the transactions between the Company's related parties are disclosed below.

##### a) Compensation of key management personnel

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole.

The remuneration of management and independent directors was as follows:

	For the Three Months Ended		For the Nine Months Ended	
	March 31,		March 31,	
	2020	2019	2020	2019
Management compensation (i)	\$ 99,374	\$ 136,538	\$ 300,655	\$ 389,578
Share-based payments (ii)	77,924	661,259	214,881	860,816
Director's fees (iii)	46,500	40,200	139,500	133,200
	\$ 223,906	\$ 837,997	\$ 655,036	\$ 1,383,594

- i. Management compensation is included in management fees (March 31, 2020 ("2020") - \$225,000; March 31, 2019 ("2019") - \$236,661) and in exploration expenditures (2020 - \$75,655; 2019 - \$152,918) in the Company's condensed consolidated interim statements of loss and comprehensive loss.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Nine Months Ended March 31, 2020

(Expressed in Canadian Funds, except where indicated)

#### 6. Related Party Transactions (Cont'd...)

- ii. Share-based payments is included in the share-based payments expense in the Company's condensed consolidated interim statements of loss for the three and nine months ended March 31, 2020 and 2019.
- iii. The independent directors of the Company are paid \$2,100 per month (2019 - \$2,100 per month) while the Chairman of the Board of Directors receives an additional \$7,100 per month for serving in this capacity (2019 - \$7,100).

As of April 1, 2020, members of the Board agreed to a reduced fee of 15%. In addition, the CEO and CFO have voluntarily taken a 17% and 44% annual salary reduction, respectively. These salary and fee reductions will be effective until further notice.

#### b) Transactions with other related parties

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

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

	<b>Nature of transactions</b>
Miller Thomson	Legal fees
Chase Management Ltd.	Professional fees
Manning Lee Management Ltd.	CFO services

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

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2020	2019	2020	2019
Legal fees	\$ 34,608	\$ 60,269	\$ 95,701	\$ 189,123
CFO services	9,500	14,175	36,500	42,525
Project generation, exploration expenses and GIS services	-	151,429	-	629,605
Office sharing and administration	-	13,355	-	39,163
	\$ 44,108	\$ 239,225	\$ 132,201	\$ 900,416

Included in accounts payable and accrued liabilities at March 31, 2020, is an amount of \$19,134 (2019 - \$13,206) owing to directors and officers of the Company and to companies where the directors and officers are principals.

#### 7. Share Capital

##### a) Authorized Share Capital

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

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Nine Months Ended March 31, 2020

(Expressed in Canadian Funds, except where indicated)

#### 7. Share Capital (Cont'd...)

##### b) Reconciliation of Changes in Share Capital

###### i. Financings

No financings were conducted during the nine months ended March 31, 2020.

###### ii. Options exercised

No options were exercised during the nine months ended March 31, 2020.

##### 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 is equal to or greater than the closing market price on the TSXV on the day preceding the date of grant. The vesting terms for each grant are set by the Board of Directors.

The option plan provides that the aggregate number of shares reserved for issuance under the plan shall not exceed 10% of the total number of issued and outstanding shares. At March 31, 2020, a total of 5,412,388 options were reserved under the option plan with 4,375,000 options outstanding.

###### i. Movements in share purchase options during the period

A summary of the Company's share purchase options and the changes for the period are as follows:

	Number of Options	Weighted Average Exercise Price
Options outstanding as at June 30, 2018	3,065,826	\$1.67
Granted	1,420,000	\$1.21
Exercised	(51,250)	\$0.90
Expired / Forfeited	(722,700)	\$1.60
Options outstanding as at June 30, 2019	3,711,876	\$1.52
Granted	1,410,000	\$0.52
Forfeited	(40,000)	\$1.29
Expired / Forfeited	(706,876)	\$2.46
Options outstanding as at March 31, 2020	4,375,000	\$1.05
Options exercisable as at March 31, 2020	2,745,000	\$1.29

###### ii. Fair value of share purchase options granted

During the three and nine months ended March 31, 2020, the Company recognized share-based compensation expense of \$103,622 and \$266,281, respectively (March 31, 2019 - \$411,266 and \$673,718 respectively) based on the fair value of the vested portion of options granted in the current and prior years.

On November 8, 2019, the Company issued 1,410,000 incentive share purchase options to certain officers, employees, and consultants of the Company. The options are exercisable at \$0.52 for a period of three years from the date of grant.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Nine Months Ended March 31, 2020

(Expressed in Canadian Funds, except where indicated)

#### 7. Share Capital (Cont'd...)

The weighted-average fair values of stock options granted, and the assumptions used to calculate the related compensation expense have been estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Expected dividend yield	0.0%
Expected share price volatility	88.75%
Risk-free interest rate	1.60%
Expected life of options	3 years
Fair value of options granted (per share option)	\$0.52

Subsequent to March 31, 2020, 50,000 share purchase options were granted.

#### iii. Share purchase options outstanding at the end of the period

A summary of the Company's options outstanding as at March 31, 2020 is as follows:

Expiry Date	Exercise price \$	Options Outstanding	Weighted Average Remaining Life of Options (years)	Options Exercisable
April 29, 2021	0.88	505,000		505,000
April 29, 2021	1.38	255,000		255,000
September 12, 2021	1.80	150,000		110,000
September 12, 2020	1.80	150,000		150,000
December 19, 2020	1.61	180,000		180,000
December 20, 2020	1.65	330,000		330,000
July 18, 2021	1.76	60,000		60,000
December 14, 2021	1.10	372,500		372,500
January 31, 2022	1.27	150,000		150,000
January 31, 2023	1.27	600,000		400,000
March 14, 2023	1.09	200,000		200,000
April 15, 2022	0.68	12,500		12,500
November 8, 2023	0.52	1,410,000		20,000
		4,375,000	2.26	2,745,000

#### d) Warrants

On June 8, 2018, the Company issued 2,158,875 of share purchase warrants with an exercise price of \$3.00 expiring June 1, 2020. These warrants were outstanding as of March 31, 2020 (2019 - 2,158,875).

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

On April 26, 2018, the shareholders approved a restricted share unit plan (the "RSU Plan"). The RSU plan was also approved by the Board on July 16th, 2018 and by the TSX Venture Exchange on July 17, 2018. The RSU

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Nine Months Ended March 31, 2020

(Expressed in Canadian Funds, except where indicated)

#### 7. Share Capital (Cont'd...)

Plan provides for the issuance of up to 1,000,000 restricted share units (the "RSUs"). Under the RSU Plan, RSUs may be granted to directors, officers, employees and consultants of the Company (excluding investor relations

consultants) as partial compensation for the services they provide to the Company. The RSU Plan is a fixed number plan, and the number of common shares issued under the RSU Plan, when combined with the number of stock options available under the Company's stock option plan, will not exceed 10% of the Company's outstanding common shares.

During the period ended March 31, 2020, the vesting conditions of 115,000 RSU's were met and the Company issued 115,000 common shares with a fair value of \$66,450. Accordingly, \$24,900 was removed from reserves and \$41,550 recorded as share-based payments in the Company's condensed consolidated interim statements of loss and comprehensive loss. As of March 31, 2020, 200,000 RSU's were outstanding.

---

#### 8. Segmented Information

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

<b>Total Non-Current Assets</b>	March 31, 2020	June 30, 2019
Canada	\$ 318,676	\$ 19,588
Argentina	3,008,135	2,961,146
Chile	314,277	268,025
	<b>\$ 3,641,088</b>	<b>\$ 3,248,759</b>

---

#### 9. Exploration and Evaluation Assets

The Company owns 100% of the mineral exploration rights to a large portfolio of properties focused in two mining regions, namely the Atacama region in northern Chile and the Santa Cruz Province in southern Argentina. As well, the Company holds several other properties in the San Juan and Catamarca provinces of northern Argentina. The Company also focuses on generative exploration to identify and acquire new prospects.

##### a) *Altazor option to joint venture*

The Company owns a 100% interest in certain mineral claims located in northern Chile and referred to as the Altazor Gold Project.

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

The agreement required NCM to fund US\$1.5 million in exploration expenditures and make a US\$100,000 option payment (received) in the first year of the option. The Company served as operator for exploration during the option period in return for 10% management fee. As of July 1, 2018, NCM took over as operator.

NCM can earn up to 51% interest in the project by making a one-time US\$500,000 cash payment (received) to the Company at the start of the earn-in period and by spending US\$8.5 million in exploration over four years.

## **Mirasol Resources Ltd.**

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

**For the Nine Months Ended March 31, 2020**

*(Expressed in Canadian Funds, except where indicated)*

#### **9. Exploration and Evaluation Assets (Cont'd...)**

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

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

On November 12, 2018, NCM exercised its option to enter the farm-in stage of the agreement. NCM is the operator and will be managing all exploration activities at the project. In November 2019, The Company and NCM agreed to extend the first earn-in period for its initial four years to the earlier of five years and the completion of the US\$7.5 million in exploration expenditures.

##### **b) Indra option to joint venture**

On October 17, 2018, the Company signed an exploration and option agreement with Hochschild Mining Plc ("HOC") on its Indra Gold Project in Chile.

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

On December 19, 2019, HOC advised the Company of its decision to terminate the option agreement.

As of March 31, 2020, the Company had received US\$1,071,957 in advances from HOC to be used on exploration expenditures. As of March 31, 2020, all the advanced amounts have been spent.

##### **c) Gorbea option to joint venture**

The Company owns a 100% interest in certain mineral claims located in northern Chile and referred to as the Gorbea Gold Project.

On January 28, 2019, the Company signed a definitive agreement with Newcrest International Pty Limited ("NCM"), whereby NCM has been granted the option to acquire up to a 75% interest in the Gorbea Gold Project, exercisable in stages over a nine-year, or shorter, earn-in period. The agreement requires NCM to fund US\$4 million in exploration expenditures and make a US\$100,000 option payment (received) in the 18 months of the option. NCM will be the operator of the exploration program and will receive a 5% management fee.

NCM can earn up to 51% of the interest of the property by making a US\$500,000 cash payment to the Company at the start of the earn in period and by spending an additional US\$15 million in exploration within the next four years of the agreement with a minimum drilling commitment of 6,000 m to be completed within the first two years.

NCM can then earn in stages up to a 65% interest in the property by delivering a PEA and a BFS (total expenditure capped at US\$100 million after the completion of the PEA stage) and by making a cash payment to the Company within four years after earning the 51% interest.

The Company can elect to retain a participating 25% interest in the project or has the right to convert up to 10% equity interest into 2.0% NSR royalty after completion of the BFS stage.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Nine Months Ended March 31, 2020

(Expressed in Canadian Funds, except where indicated)

#### 9. Exploration and Evaluation Assets (Cont'd...)

##### d) *Los Amarillos option to purchase*

The Company owns a 100% interest in certain mineral claims, which now form part of the Los Amarillos Gold-Silver Project located in Northern Chile.

During the year ended June 30, 2019, the Company entered into an option agreement to acquire a 100% interest in certain other claims of the Los Amarillos Gold-Silver Project. The Company can acquire the claims under option by making staged option payments totalling US\$100,000 over three years and incurring US\$300,000 in exploration expenditures within three years (including a committed US\$50,000 for the first 12 months). The property owner retains a 1.5% NSR royalty. The Company holds a right of first refusal on the royalty sale. Option payments are due as follows:

On signing (paid)	US\$10,000
On or before June 21, 2020	US\$20,000
On or before June 21, 2021	US\$30,000
On or before June 21, 2022	US\$40,000
<u>Total</u>	<u>US\$100,000</u>

##### e) *Sascha-Marcelina option to purchase*

The Company owns a 100% interest in certain mineral claims, which now form part of the Sascha-Marcelina Gold Project located in Santa Cruz, Argentina.

During the year ended June 30, 2019, the Company entered into an option agreement to acquire a 100% interest in certain other claims now included in the Sascha-Marcelina Project. The Company can acquire the claims under option by making staged option payments totalling US\$3.4 million over four years. The Company has a minimum US\$300,000 exploration spending commitment during the three years of the option period. The property owner retains a 1.5% NSR royalty.

Option payments are due as follows:

On signing (paid)	US\$25,000
On or before January 23, 2020 (paid)	US\$50,000
On or before January 23, 2021	US\$75,000
On or before January 23, 2022	US\$100,000
On or before January 23, 2023	US\$3,150,000
<u>Total</u>	<u>US\$3,400,000</u>

##### f) *Coronación option to joint venture*

On October 4, 2019, the Company entered into a definitive agreement with First Quantum Minerals ("FQM") for its Coronación Copper/Gold Project in northern Chile.

The Company granted to FQM the option to earn-in 80% of the project over 6 years by:

- Making annual cash payments totaling US\$875,000 (US\$50,000 received);
- Completing at least 10,000 m of drilling; and
- Delivering a NI 43-101 compliant Prefeasibility Study Report.

As part of the agreement, FQM is committed to completing 3,000 m of drilling and a systematic geophysical program on the project over the first 24 months of the agreement. Following this period, FQM is required to spend a minimum of US\$500,000 per year over the term of the agreement. FQM will be the operator during the option period. Following the completion of the 80% earn-in, FQM will have a one-time option to acquire



## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Nine Months Ended March 31, 2020

(Expressed in Canadian Funds, except where indicated)

#### 9. Exploration and Evaluation Assets (Cont'd...)

the remaining 20% on terms to be negotiated between the parties. If this option is not exercised, the parties will form a participating joint venture to further fund the development of the project.

##### g) Nord Property

On October 31, 2019, the Company signed a Memorandum of Understanding (“MOU”) with Minería Activa (“Minería”) for its Nord project in northern Chile. The MOU is subject to legal due diligence and execution of a definitive agreement. Mirasol has granted Minería an exclusivity period to allow for these processes to be completed.

Under the MOU, Mirasol will grant to Minería the option to earn-in 100% of the project over four years by:

- Making annual cash payments totaling US\$3,000,000:
  - On signing of definitive agreement: US\$50,000
  - 1st anniversary: US\$200,000
  - 2nd anniversary: US\$400,000
  - 3rd anniversary: US\$600,000
  - 4th anniversary: US\$1,750,000
- Committing to complete at least US\$500,000 of exploration expenditures over the first two years of the option period.

Upon completion of the option, Minería will earn a 100% interest in the project and Mirasol will retain a 2% NSR royalty, of which 0.5% can be bought back by Minería within eight years of signing of the definitive agreement for a US\$3 million payment.

##### h) Zeus Property

The Company owns a 100% interest in certain mineral claims, which now form part of the Zeus Gold Project located in northern Chile.

During the year ended June 30, 2018, the Company entered into an option agreement to acquire a 100% interest in certain other claims of the Zeus Gold project. The Company can acquire the claims under option by making staged option payments totalling US\$2.747 million over five years and incur US\$300,000 in exploration expenditures within three years. The property owner retains a 1.5% NSR royalty. The Company has a right to buy 0.5% of the royalty for US\$3 million. Option payments are due as follows:

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

##### i) Inca Property

On January 13, 2020, the Company signed an option agreement with subsidiaries of Newmont Corporation (“NEM”) to acquire the Inca Gold Project in northern Chile.

The Company was granted the option to earn-in 100% of the project over five years, subject to a 1.5% NSR royalty, by drilling 1,000 m on the project over two years and incurring US\$3 million in exploration expenditures over five years.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Nine Months Ended March 31, 2020

(Expressed in Canadian Funds, except where indicated)

#### 9. Exploration and Evaluation Assets (Cont'd...)

The Company can terminate the agreement at any time after the completion of the initial 1,000 m drilling commitment.

Upon completion of this option, NEM will have the right to earn back 70% of the project, in two stages, by:

- Stage 1:
  - Making a cash payment of US\$3 million to the Company; and
  - Funding US\$6 million in exploration expenditures over three years.

If NEM completes Stage 1 but not Stage 2, the Company will retain 100% of the project and NEM will be granted an additional 0.5% NSR royalty which may be bought back by the Company at fair market value.

- Stage 2:
  - Delivering a NI 43-101 compliant Prefeasibility Study reflecting a resource of no less than 2 million ounces of gold-equivalent using agreed upon cut-off grades; or
  - Incurring an additional US\$15 million in exploration expenditures over three years.

If NEM completes Stage 2, the Company and NEM will hold 30% and 70%, respectively, in a joint venture company holding the project. The Company will then have the option to either fund its 30% interest or reduce it to a 25% interest in exchange for a loan from NEM to fund the project development to commercial production.

#### j) Virginia Property

On February 27, 2020, the Company signed a Letter of Intent (“LOI”) with Golden Opportunity Resources Corp. (“Golden Opportunity”) for its Virginia Silver project in the Santa Cruz Province of Argentina.

Under the LOI, Mirasol will grant Golden Opportunity the option to acquire 100% of the project over three years by:

- Making share issuances totalling 19.9% of the shares outstanding (the “S/O”) of Golden Opportunity at the time of vesting:
  - On signing of the definitive agreement: 9.9% of the S/O
  - 1<sup>st</sup> anniversary: 5% of the S/O
  - 2<sup>nd</sup> anniversary: 5% of the S/O
  - 3<sup>rd</sup> anniversary: top up to 19.9% of the S/O (inclusive of the previous issuances)
- Completing US\$6 million in exploration expenditures
  - Year 1: US\$1 million (firm commitment)
  - Year 2: US\$2 million
  - Year 3: US\$3 million
- Mirasol will be the operator of the project during the option period and will receive a management fee.

Upon completion of the option, Golden Opportunity will have earned a 100% interest in the project and Mirasol will retain a 3% NSR royalty, of which 1% can be bought back by Golden Opportunity for US\$2 million.

The LOI is subject to customary conditions including exchange approval, definitive agreement drafting as well as Golden Opportunity completing an equity financing of not less than US\$1 million within 90 days. Mirasol has granted Golden Opportunity an exclusivity period to complete this transaction.

Subsequent to March 31, 2020, a definitive option agreement with Golden Opportunity was signed.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Nine Months Ended March 31, 2020

(Expressed in Canadian Funds, except where indicated)

#### 9. Exploration and Evaluation Assets (Cont'd...)

##### *k) Pipeline Properties:*

The Company carries out exploration programs on a number of properties which are prospective for gold and/or silver mineralization in Chile and Argentina.

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

As at March 31, 2020, the Company has Nil (2019 - \$846,947) of unspent exploration advances.

---

#### 10. Commitments

- i. In November 2018, the Company signed a 12-month trailing consulting agreement, effective July 2018, and renewed on July 1, 2019, with Global Ore Discovery Pty Ltd. ("Global Ore") to perform the duties of exploration services for the Company. Under the terms of the Global Ore agreement, the Company has retained the services of Global Ore to provide target generation related consulting services to the Company on an exclusive basis throughout Chile and Argentina.

As part of the 12-month trailing contract, the Company has agreed to a one-year commitment to pay a minimum monthly retainer of AUD\$20,000 and a quarterly minimum of AUD\$75,000.

The Company has also agreed to issue Global Ore 25,000 common shares (issued) on commencement of the 12-month trailing contract and 25,000 common shares after six months (issued).

On April 1, 2020, the trailing agreement was amended, and the Company is no longer committed to the monthly retainer.

- ii. On February 6, 2019, the Company signed a lease for its head office located at 1150 - 355 Burrard Street, Vancouver, British Columbia, effective May 1, 2019 to April 30, 2025 (Note 5). This lease is classified as an operating lease. The Company has made a security deposit of \$20,000.
-



## **Management Discussion and Analysis For Mirasol Resources Ltd.**

("Mirasol" or the "Company")

### **INTRODUCTION**

The Management Discussion and Analysis ("MD&A") is prepared as of May 28<sup>th</sup>, 2020 and is intended to supplement the Company's condensed consolidated interim financial statements for the period ended March 31, 2020. All financial information, unless otherwise indicated, has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). 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 for the year ended June 30, 2019, and its condensed consolidated interim financial statements for the period ended March 31, 2020 and related notes.

### **COVID-19**

In March 2020, the world health organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the company to predict the duration or magnitude of the results of the outbreak and its effects on the Company's business or results of operations at this time.

## **FORWARD LOOKING INFORMATION**

This MD&A contains certain forward-looking statements and information relating to Mirasol that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. 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, the Company’s goals and plans going forward, regulatory compliance, the sufficiency of current working capital, and 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. The material factors and assumptions used to develop forward-looking information include, but are not limited to, the future prices of gold, silver and copper, success of exploration activities, permitting time lines, currency exchange rate fluctuations, government regulation of mining operations, environmental risks, the estimation of mineral resources, capital expenditures, costs and timing of the development of new discoveries, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage, continued availability of capital and financing, and general economic, market or business conditions.

Forward looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change, except as may be required by applicable law.

Norm Pitcher, President and CEO, and a “Qualified Person” under National Instrument 43-101 (“NI 43-101”), has reviewed and approved the scientific and technical information in this MD&A.

## **CORPORATE AND STRATEGIC OVERVIEW**

Mirasol (TSXV: MRZ) is a mineral exploration company targeting gold, silver and copper (“Au”, “Ag” and “Cu” respectively) deposits, in the Atacama-Puna region of northern Chile and Argentina, and in the Santa Cruz Province of southern Argentina. Both regions are highly prospective and are host to many large-scale precious and base metal mines, operated by some of the world’s largest mining companies.

While Mirasol applies the joint venture business model as a central pillar of its exploration strategy, it will also fund advanced exploration and drilling of certain high-grade and infrastructure advantaged Au+Ag projects. This hybrid strategy was developed to accelerate the drill testing of key projects and the path to potential discoveries.

Mirasol currently has four active option agreements in Chile and executed an additional non-binding agreement, which are expected to close in the months ahead. Under these option agreements Mirasol’s partners are funding all exploration, land holding costs and are making staged option payments, which allows Mirasol to focus its available capital on further exploration and business development activities while retaining exposure to a major discovery.

Mirasol believes that this well-managed and focused exploration strategy can deliver further discoveries within its generative regions and lead to an increase in shareholder value.

### **Mirasol’s Exploration Focus**

Mirasol maintains a high-quality portfolio of exploration properties with the potential to deliver economic discoveries by applying innovative, concept-driven geological techniques integrated with detailed fieldwork. In the recent years, the primary focus of the Company’s project generation efforts has been the Atacama-Puna program where Mirasol is exploring the world class Tertiary age mineral belts in northern Chile. Mirasol is also exploring on its Santa Cruz, Argentina projects and, in some areas, has staked or optioned new claims to consolidate its project portfolio.

#### **Chile/Argentina: Atacama – Puna Generative Region**

The Company’s generative program in the Atacama-Puna region encompasses a 1,700 km-long segment of three north-south oriented prolific mineral belts which run through Chile and Argentina and host many world-class Cu+Au mines and occurrences of differing ages spanning millions of years (Ma). From youngest to oldest, these are:

Miocene to Pliocene (Mio-Pliocene, 23-5 Ma): High-sulfidation epithermal (“HSE”) Au+Ag and porphyry Cu+Mo

In this belt north of the Maricunga Belt, Mirasol controls approximately 109,000 ha of granted exploration claims. In the Mio-Pliocene aged “Southern Porphyry Belt”, Mirasol holds exploration rights to approximately 28,000 ha of granted claims.

Middle Eocene to Early Oligocene (Eocene-Oligocene 40-28 Ma): Porphyry Cu+Mo

Mirasol presently holds approximately 36,000 ha of granted exploration claims in this belt.

Paleocene to Early Eocene (Paleocene, 66-53 Ma): Low-intermediate-sulfidation epithermal Au+Ag and porphyry Cu+Mo

Mirasol presently controls approximately 37,000 ha of granted exploration claims in this belt.

#### **Argentina: Santa Cruz Province Generative Region**

The Company’s generative program in Argentina is focussed in Santa Cruz Province and encompasses the area of the Deseado Massif, a 60,000 km<sup>2</sup> region of upper-middle Jurassic age volcanics which are recognized as having a high potential for hosting low- and intermediate-

sulfidation epithermal Au+Ag deposits. Mirasol controls approximately 333,000 ha of exploration and mining claims in the province.

The Company is closely monitoring the impact of the rapid currency devaluation (inflation) and the policies implemented under the newly elected president, and ongoing debt restructuring negotiation. To date, these issues have not impacted Mirasol's capacity to operate in Argentina and Mirasol has received continued interest for its Argentine projects. The Company remains focused on securing new partner investments in its Argentine projects.

The Company continually assesses the investment and operating climate in Argentina and is adjusting its activities in response to the evolving investment and operational environment, as necessary.

## **JOINT VENTURE, EXPLORATION AND BUSINESS DEVELOPMENT ACTIVITIES**

On March 19, 2020, Mirasol reported that it temporarily suspended field activities at its projects in Chile and Argentina due to the COVID-19 pandemic. This decision was taken to ensure the safety of our employees and the communities in which they work and live. The Company intends to swiftly reinstate its exploration programs when it is safe to do so and to provide regular updates on its activities.

### **Activities on Projects Under Option Agreements**

#### **Chile**

Altazor Au project, Northern Chile: Operated and funded by Newcrest Mining

Altazor is an HSE Au project covering 33,230 ha located in an underexplored section of the Mio-Pliocene age mineral belt. Mirasol completed a first-pass reconnaissance sampling over approximately 50% of the project area and reported the results on October 11, 2017. These results showed comparable geology, alteration patterns and Au ppb level anomalous assays in soil and rock chip samples to those reported from surface sampling at Gold Fields' Salares Norte development stage project, which has a geological setting analogous to Altazor and is also located in the Mio-Pliocene mineral belt of Chile.

On November 21, 2017 Mirasol announced the signing of an option and farm-in agreement with Newcrest International Pty Limited ("NCM"). The agreement grants NCM the right to acquire up to an 80% interest in the Altazor project by making at least US\$10 million in exploration expenditures, delivering a feasibility study and, at Mirasol's request, funding to commercial production the Company's 20% retained project equity. The first-year spending commitment of US\$ 1.5 million was directed to an aggressive property wide surface exploration and geophysics program for drill target definition. NCM is also required to pay US\$ 1.9 million in staged option payments to Mirasol over the duration of the agreement.

On November 12, 2018 the Company reported that the initial 12-month Option stage of the Altazor agreement had been completed with NCM incurring exploration expenditures in excess of US\$1.5 million. NCM exercised its option to enter the farm-in stage, triggering a US\$500,000 payment to Mirasol.

In late 2019, Mirasol and NCM agreed to extend the first earn-in period from its initial 4 years to the earlier of 5 years and the completion of the US\$7.5 million in exploration expenditures required to vest the initial 51% interest in the project. This amendment was agreed between the parties to provide NCM with enough time to adequately complete the required expenditures given that their exploration activities at the project has been delayed as they work to gain community consent for their exploration activities.

## Exploration Program Results

Mirasol's initial reconnaissance sampling, completed in 2017 prior to the NCM agreement, covered approximately 50% of the project area. A total of 216 stream sediment, 395 soil and 933 rock chip samples were collected and returned significantly anomalous Au, Ag, Cu, Pb, Zn and epithermal path finder element assays, from sampling in the vicinity of and from mapped breccia bodies (news release October 11, 2017).

In November 2018, Mirasol reported the results from the 2017/18 exploration program completed under the exploration agreement with NCM, which included alteration analysis of soils and radiometric age dates as well as results from a 1,035 line-km ground magnetic survey, geological mapping and rock chip sampling over an area of 128 km<sup>2</sup>, a 2,030 sample, low detection limit soil grid covering 85.6 km<sup>2</sup>, and a 66.9 line-km Controlled Source Audio-Magnetotellurics (CSAMT) resistivity geophysical survey. Integrated analysis of the combined data sets shows Altazor to be a district-scale, zoned alteration system, preserved at a level that could conceal HSE gold deposits beneath "barren" steam heated cap rocks and post mineral cover, as has been the case at recent multimillion-ounce discoveries elsewhere in the Mio-Pliocene mineral belt in Chile.

The 2017/18 Altazor exploration results highlight the very large areal extent of the alteration system at the project where it will require several seasons of work to complete a first pass evaluation. The first season's exploration has identified multiple compelling large-scale drill targets in three principal prospects that have alteration, geochemical and geophysical characteristics in common with the predrill target signatures of Salares Norte and other recent HSE gold discoveries.

Mirasol and NCM have also staked an additional 10,000 ha of exploration claims covering potential extensions of the Altazor alteration system, bringing the total area covered by the project to approximately 32,000 ha. NCM has assembled a Chile-based exploration team and elected to take operatorship of the exploration program from July 1, 2018.

During the first half of 2019, NCM reinitiated surface exploration of the large Altazor alteration systems, aimed at exploring extensions of the prospects identified during last season's program, to undertake first pass exploration of new claims staked at the end of last season, and to cover interpreted extensions of the alteration system. Fieldwork consisted of rock chip and alteration sampling as well as detailed geologic mapping.

Drilling wasn't completed as planned during the field season due to the opposition from the community to exploration activities in the region, the broader civil unrest experienced in Chile, and restrictions implemented in response to the COVID-19 pandemic. A new detailed community engagement program is being implemented with the aim of obtaining community support for exploration activities by October 2020.

### Gorbea Au Project, Northern Chile: Operated and funded by Newcrest Mining

The Gorbea Project comprises a package of claims totaling 32,000 ha, including the Atlas Au+Ag and the Titan Au (Cu) zones, located in the Mio-Pliocene age mineral belt of northern Chile.

The Gorbea properties were subject to a previous joint venture with Yamana Gold that was terminated in April 2018, after the partner had incurred exploration expenditures in excess of US\$ 8 million. The exploration identified a significant body of HSE gold mineralization at the Atlas zone, which returned a drill intercept of 114 m grading 1.07g/t Au, including 36 m grading 2.49g/t Au (news release September 11, 2017).

On January 28, 2019, the Company announced the signing of an agreement granting NCM the right to acquire, in multiple stages, up to 75% of the Gorbea Project by completing at least US\$19 million in exploration expenditures and delivering a feasibility study as well as making staged option payments to Mirasol. Upon NCM earning 75% of the project, Mirasol can elect to fund its share and retain a 25% project equity position, or exercise a one-time equity conversion option to convert up



to 10% of its equity to a Net Smelter Returns (“NSR”) royalty at a rate of 2.5% equity per 0.5% NSR royalty (maximum 2% NSR royalty).

NCM has reported exploration expenditures of approximately US\$8.6 million on the property to the end of March 2020, thereby completing both the expenditure and drilling commitments over the option period. However, given the suspension of the exploration activities at the site as a safety precaution due to the COVID-19 pandemic, NCM and Mirasol have agreed to extend the option period by 6 months to January 25, 2021. NCM has committed to drilling at least 2,000m at the project over the upcoming season.

### Exploration Program Results

The Atlas project is centred on a +20 km<sup>2</sup> HSE gold alteration system hosting multiple gold and silver targets and contains many of the key geological, mineralization features and area extent to other economic systems in the area, such as Salares Norte (Gold Fields), Alturas (Barrick Gold) and La Coipa (Kinross Gold), supporting its potential to host large-scale gold mineralization.

The latest round of drilling on the Atlas project, brings the total drilling to 15,925 m in 35 holes by both NCM and Mirasol’s previous partner, and demonstrates widespread mineralization within the central breccia complex. In addition, lithochemical studies on drill samples indicate that the geochemical footprint is larger than the area covered by the drilling to date and is open to the north, east and southwest. During the first half of 2019, NCM as operator of the Gorbea exploration program, completed two diamond drill holes for 903m, 50km of CSAMT geophysics over the Atlas target as well as reconnaissance mapping and sampling over several other target areas in the Gorbea property package. Drilling was initially targeting a coincident geophysical, geochemical and alteration anomaly at depth below a barren steam-heated leach cap, following up on previous drilling results.

During the 2019/2020 field season, NCM completed 9 additional drill holes at the Atlas target, for a total of 4,523 m of diamond drilling this season.

Best Results from this season include:

ATL-DDH-001A: 0.52 g/t Au and 6.81 g/t Ag over 164m (from 372m), including:

- 1.07 g/t Au and 7.18 g/t Ag over 14m (from 372m), and
- 1.31 g/t Au and 7.82 g/t Ag over 16.5m (from 402.5m)

ATL-DDH-010: 0.54 g/t Au and 2.65 g/t Ag over 129m (from 363m), including:

- 1.4 g/t Au and 2.08 g/t Ag over 17m (from 364m), also including:
  - 2.09 g/t Au and 3.00 g/t Ag over 10m (from 371m)
- 1.84 g/t Au and 3.57 g/t Ag over 3m (from 425m)

Mineralization encountered to date is associated with phreatomagmatic and hydrothermal breccias and intensely advanced argillically altered porphyritic andesite, often where a vuggy silica texture has developed. The area has been deeply oxidized to depths of over 400 m, which is potentially advantageous for the development of favorable metallurgy.

Initial wide spaced drilling has been important to test the large size of the system and distribution of favorable outcropping breccia targets. Future efforts to define higher grade zones will now be guided by targeting resistive units identified by CSAMT geophysics along with structural mapping, geochemistry, and vectors to feeder zones from alteration zonation and alunite composition.

Mirasol continues to work closely with NCM to better understand the controls on the higher-grade mineralization and to collaborate in the definition of quality targets for future drilling, which is scheduled to restart in the southern hemisphere spring season of 2020. In addition, NCM intends to

drill-test the El Dorado prospect as well as continue field evaluation work at selected regional prospects (Ventura, Sirio, Orion and Titan).

#### Coronación Cu Project, Northern Chile: Operated and funded by First Quantum Minerals

On October 7, 2019, Mirasol announced the signing of a definitive agreement with First Quantum Minerals (“FQM”) for its 1,200 ha Coronación Cu+Au Project in the Region II of Northern Chile. FQM was granted the option to earn 80% in the Project over 6 years, by making annual cash payments totaling US\$875,000, completing at least 10,000 m of drilling and delivering a NI 43-101 compliant Prefeasibility Study Report. Following the completion of the 80% earn-in, FQM will have a one-time option to acquire the remaining 20% on terms to be negotiated between the parties at that time. If this option is not exercised, the parties will form a participating joint venture to further fund the development of the project. FQM is the operator under the agreement.

#### Exploration Program Results

The Project is located on a major NW structural trend associated with several Andean porphyry Cu deposits. Work completed by Mirasol indicates the potential presence of a porphyry/breccia system intruding a layered Miocene aged volcanic sequence of dacitic domes and pyroclastic units. Two distinct and coincident alteration areas interpreted using ASD spectral analysis, display affinities to a HSE system to the east, with the western side displaying a more typical porphyry deposit related style of alteration. Geochemical sampling has also defined a large 600 by 800 m Cu-Mo geochemical anomaly on the western side within the overall 3 by 2.5 km alteration halo.

During the last quarter of 2019, FQM completed an initial exploration program including surface mapping, sampling, geophysical surveys as well as collection of samples for age dating. FQM is interpreting the results of this work to define drill targets and is working on community engagement. Drilling activity is expected to occur next field season.

#### Nord Polymetallic Project, Northern Chile: Operated and funded by Minería Activa

On October 31, 2019, Mirasol announced the signing of a memorandum of understanding (MOU) with Minería Activa (“Minería”) for its Nord Project in northern Chile. Minería is a mining focused, Chilean private equity fund with over US\$150 million in assets under management. The project was staked by Mirasol as part of its ongoing Atacama-Puna generative program and lies adjacent to the Ciclon-Exploradora polymetallic-epithermal project, which is currently being advanced toward production by Minería.

Under the terms of the MOU, Mirasol will grant to Minería the option to earn 100% of the Project over 4 years by making annual cash payments totaling US\$3,000,000 and committing to complete at least US\$500,000 of exploration expenditures over the first 2 years of the option period. Upon completion of the option, Minería will earn a 100% interest in the Project and Mirasol will retain a 2% NSR royalty, of which 0.5% can be bought back by Minería within 8 years of signing of the definitive agreement for a US\$3 million payment. The MOU is subject to legal due diligence and execution of a definitive agreement. Mirasol has granted Minería an exclusivity period to allow for these processes to be completed.

#### Exploration Program Results

The 1,967 ha Nord Project is located in Region III of Chile within the Exploradora District, which lies on the western side of the N-S trending, regional scale Domeyko fault zone, and within the world class Eocene-Oligocene Porphyry Copper belt. Based on Mirasol’s initial surface exploration, the project has the potential to host two main styles of mineralization.

The first type is characterized by large vein type mineralization injected into fault structures as seen in the active small-scale mines located near the NE corner of the claim boundary and at Minería’s

Ciclon-Exploradora development project, which is located adjacent to the eastern blocks of the project. These veins and related breccias occupy NNW, ENE & WNW trending faults hosting polymetallic (Cu, Zn, Pb, Ag, Au) mineralization. While surface geochemistry has returned only low to anomalous results, Minería's understanding will be valuable to define drill targets for potential extensions or parallel structures to the known mineralization.

The potential for porphyry Cu-Au style mineralization is also present on the Project. In the central part of the property package, a large alteration zone exists displaying patterns of quartz-sericite and advance argillic alteration with thin tourmaline veinlets, which are characteristic of some porphyry style alteration assemblages.

#### Indra Project, Northern Chile: Operated by Mirasol, funded by Hochschild Mining

Indra is a 20,000 ha epithermal precious metals project located in the Paleocene Age Mineral Belt, 5 km south of the El Guanaco Au mine in northern Chile. The project was interpreted to potentially host the upper levels of a low to intermediate sulfidation epithermal Au+Ag system. The Project is characterized by a large carbonate+silica vein and breccia system with weakly anomalous Au+Ag rock chip assays and strongly anomalous epithermal pathfinder geochemistry.

On October 17, 2018, the Company announced the signing of an option and earn-in agreement with Hochschild Mining plc ("HOC") for Indra, and the beginning of a surface exploration program on the Project. On December 19, 2019, Mirasol reported that it had been advised by HOC of its decision to terminate the agreement. Based on the results and Hochschild's decision to terminate the agreement, Mirasol will drop the Indra project and focus its exploration and business development efforts on other opportunities.

#### Exploration Program Results

On October 31, 2019, Mirasol reported that as operator it had completed a 6 hole, 1,685 m reverse circulation drill program on its Indra property in Chile. The program was targeting the depth extension of the carbonate veins mapped and sampled at surface. The assay results have been received and no significant mineralization was encountered in the drilling.

## **Argentina**

#### Virginia Ag Project, Santa Cruz: Operated by Mirasol, funded by Golden Opportunity

On February 27, 2020, Mirasol announced the signing of a Letter of Intent with Golden Opportunity Resources Corp. ("Golden Opportunity") for its Virginia Silver project in the Santa Cruz Province of Argentina. The definitive agreement was announced on May 21, 2020, following the completion of a \$2.2 million financing by Golden Opportunity.

Mirasol has granted Golden Opportunity the option to acquire 100% of the Virginia project over 3 years by making annual share issuances totalling 19.9% of the shares outstanding of Golden Opportunity at the time of vesting and completing US\$6 million in exploration expenditures, of which US\$1 million is committed. Mirasol will be the operator of the project during the option period and receive a management fee.

Upon completion of the option, Golden Opportunity will have earned a 100% interest in the Project and Mirasol will retain a 3% NSR royalty, of which 1% can be bought back by Golden Opportunity for US\$2 million.

## Exploration Program Results

Mirasol first discovered the Virginia silver deposit in 2009, following-up a high-priority reconnaissance target identified by its generative team. Over the next few years, Mirasol defined high-grade, intermediate sulfidation epithermal style mineralization in a series of prominent outcrops of vein-breccia that are associated with a rhyolitic volcanic flow dome field. Rock chip and saw cut channel sampling over these outcrops defined significant strike lengths of continuously mineralized vein-breccia, with many samples assaying over 1,000 g/t Ag. From 2010 to 2012, Mirasol completed a series of drill programs at the Project, drilling a total of 23,318 m of diamond core in 223 holes, testing the mineralized structures to a maximum depth of 266 m. This work was followed by the filing of an amended NI 43-101 Resource Estimate report in 2016 defining seven outcropping bodies of high grade silver mineralization, constrained <sup>1</sup>within conceptual pits, with an indicated mineral resource of 11.9 million ounces of silver at 310 g/t Ag and a further inferred 3.1 million ounces of silver at 207 g/t Ag (see amended NI 43 -101 technical report filed on SEDAR on February 29, 2016).

Later that year, Mirasol reported that preliminary prospecting of new claims identified quartz vein and vein-breccia rock float, scattered along a 2 km trend. With a strong belief in the exploration potential of the Virginia district, Mirasol further expanded its property holdings in 2017 with an extra 27,017 ha of claims to the south of the limit of previous drilling. In May 2018, high grade silver assay results were reported from the additional prospecting of three new target areas, suggesting the potential for an unrecognized, shallow soil covered, high grade mineralization that would expand the potential of the Virginia silver project.

## Exploration Activities On 100% Owned or Controlled Claims

### Chile

#### Los Amarillos Au+Ag Project, Northern Chile

On June 26, 2019 Mirasol announced that it has executed an option to purchase agreement with Empresa Nacional de Minería (“ENAMI”) of Chile to consolidate and gain control of mineral claims hosting potential extensions to the mapped mineralization on the surface of its Los Amarillos Project.

Mirasol holds the right to acquire 100% of 288 ha of claims (the “ENAMI Claims”) by completing US\$300,000 in exploration expenditures over 3 years (including a committed US\$50,000 for the first 12 months) and by making total cash payments of US\$100,000 over the same period. The first US\$10,000 payment was made on signing. Once the option period is completed, ENAMI will hold a 1.5% NSR royalty on the ENAMI Claims, which will be subject to a right of first refusal held by Mirasol.

The consolidated Los Amarillos project occupies 1,857 ha and is 15 km north of Mirasol’s Rubi Project and 10 km northwest of Codelco’s El Salvador mine. The property sits at elevations ranging from 1700 m to 2100 m ASL. Year-round road access is excellent, and both power and water lines traverse the northern edge of the claim block.

The project is part of the Paleocene-Lower Eocene Caldera and is located within the Ojos Del Salado trans-orogen structure that also hosts the El Salvador (Cu-Mo-Au), Potrerillos (Cu-Au), and La Coipa (Ag-Au) deposits. Mineralization at Los Amarillos is hosted within a thick sequence of rhyodacitic to trachytic pyroclastics and flows within the caldera, with quartz-adularia-carbonate Intermediate Sulfidation veins hosted along N-S structures, coincident with rhyolitic to dacitic dyke swarms.

---

<sup>1</sup> The Qualified Persons responsible for this amended Technical Report were commissioned by Mirasol Resources Ltd. to review all geologic, geochemical, geophysical, surface trenching, diamond drill core sampling and metallurgical recovery data pertaining to the Virginia Project for the purpose of completing a Mineral Resource estimate in accordance with the guidelines of the Canadian Institute of Mining and Metallurgy (CIMM). For calculating conceptual pits, a silver price of US\$20 per ounce was used. Sensitivity analyses by the Qualified Persons indicate that the Mineral Resources are not particularly sensitive to operating costs or silver price fluctuations. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

During the initial prospecting campaigns, numerous vein structures up to 3 m wide were mapped over a 7 km strike length throughout the project. Vein filling is massive to banded quartz with polymetallic (Au-Ag-Cu-Pb-Zn) mineralization and barren later stage carbonates. In addition, there was evidence of wider zones of sheeted veins and breccias zones.

A Mirasol funded trenching program was permitted and completed in early in 2020, to provide better exposure for geological mapping and sampling of both the vein and stockwork zones, and will also allow sampling of the wall rock between the high-grade vein structures. In total 21 trenches were completed for 1,128m. The trenches were targeting sub-cropping quartz veins and rock chip and float samples with anomalous Au and Ag assays. Due to the limited surface exposure the trenches were excavated to determine the widths of the sub-cropping veins and the potential for mineralization between vein structures. The trenches ranged from 1 to 3m deep and were all successful in exposing bedrock. Channel samples were taken along the length of the trench wall and sample widths ranged from 0.2m to 2.0m horizontally.

Assay results from the trench sampling indicate that the Au and Ag mineralization in the vein structures does not extend far into the wall rock between the veins. Geologic mapping of the walls of the trench show very narrow, mostly under 10cm wide quartz veins carrying sporadic grades. The veins are boudinaged and brecciated in shear zones, making them pinch and swell from 1cm to 50cm in width, and their wide spacing (1 to 20m) is such that a bulk mineable target has not been identified.

In addition, a total of 20 line km of Pole Dipole Induced Polarization (“IP”) in 13 lines with 50 m station spacing (with test lines of 25m spacing) was completed on the project. The results showed that in some cases the vein swarms produced a higher resistivity response where surface samples gave low grades, however most of the veined areas did not produce a discrete resistivity anomaly which could be used to target continuation of the veins under cover and at depth.

Mirasol may follow up in the field on selected chargeability anomalies to better assess the potential for larger, disseminated sulfide targets associated with rhyo-dacitic domes.

#### Inca Gold Au+Ag Project, Northern Chile

On January 13, 2020, Mirasol announced the signing of an option agreement with subsidiaries of Newmont Mining Corporation (“NEM”) to acquire the Inca Gold Project in Northern Chile. This agreement gives Mirasol the opportunity to add to its portfolio a district-scale and underexplored, intermediate sulfidation epithermal project in the prolific Paleocene belt of Chile. The project hosts multiple attractive targets that have never been drill tested, and it fits well with the Company’s strategy to fund drilling on high quality prospects with favorable infrastructure.

Mirasol was granted the option over 5 years to earn 100% of the Project, subject to a 1.5% NSR royalty, by drilling 1,000 m over 2 years; and incurring US\$3 million in exploration expenditures over 5 years. Mirasol can terminate the agreement at any time after the completion of the initial 1,000 m drilling commitment.

Upon completion of this option, NEM will have the right to earn back 70% of the Project, in two stages, by paying in cash US\$3 million to Mirasol; and delivering a NI 43-101 compliant Prefeasibility Study reflecting a resource of no less than 2 million ounces of gold-equivalent using agreed upon cut-off grades; or incurring an additional US\$21 million in exploration expenditures over 6 years.

#### Exploration Results

The 14,000 ha Inca Gold project is located in Region III of Chile, approximately 100 km north of Copiapo and 17 km east of the town of Inca de Oro. The project lies between 2,000 to 3,000 m ASL and has good access allowing for year-round exploration activities. NEM’s exploration work to date has been limited to surface and prospecting activities, which have identified five target areas, none of which have been drill tested.

Locally, the project is within the Inca Del Oro mining district, which hosts Santiago Metals' San Pedro de Cachiyuyo Cu-Au tourmaline breccia deposit and PanAust/Codelco's Inca de Oro Cu-Mo-Au porphyry deposit. Local geology on the southern portion of the project is characterized by a thick volcanic-sedimentary sequence consisting of ignimbrites, lava flows, and volcanic breccias. The northern portion consists of an older sequence of intensely folded and faulted ignimbrites and volcanic breccias. These two geologic domains are separated by a regional NE lineament mostly covered by Atacama gravels.

The Sandra prospect is located at the southwestern border of the property and is the better-known target where a large hydrothermal vein system with development of intermediate sulfidation mineralization has been recognized. Mirasol will initially focus most of its exploration efforts on this prospect. Mineralization at Sandra comprises of at least five subparallel trends striking NW within an area of 2.5 km x 4 km, with continuous individual vein trends extending over lengths of up to 1.2 km with wide individual veins (up to 3 m) and intervening sheeted vein zones (20 m). Vein textures are comprised of brecciated and crustiform-colloform banding with commonly bladed textures. Multiple pulses of vein fill is observed with a first stage of crystalline quartz with elevated Cu-low Au grades, generally occupying the margin of the veins at the contact with host rocks, and a second stage of colloform-crustiform banding with fine-grained quartz and abundant Mn oxides, sulfide-rich bands (now completely leached and replaced by hematite), and high Ag-Zn-Pb ( $\pm$ Au) values.

Mirasol's exploration plans include a systematic geological mapping and sampling program as well as electrical IP geophysics to aid in the selection of the best targets for the maiden drill program. Structural mapping and interpretation will be used to gain a clear understanding of the controls on mineralization and to define drill targets. Mirasol will use a small portable diamond drill rig to minimize environmental impact during the first drill campaigns, which will include up to 1,500 m as an initial test-of-concept at this exciting under-explored prospect.

Mirasol's environmental consultants have completed the field component required to prepare a base line study at the project. The focus is now on the remaining work needed to finalize this report and the drill permit application. A surface exploration program to define drill targets is being finalized and it will be implemented when conditions permit.

## **Argentina**

### Sascha – Marcelina Au+Ag Project, Santa Cruz

Mirasol staked the Sascha Project in 2003 to secure the 5 km long Sascha Vein Zone, which was partially drill tested on the western end while under an exploration agreement to Coeur Mining ("Coeur") from 2006 to 2009. Coeur terminated the agreement in 2009 and returned 100% of the Project to Mirasol. On January 23, 2019, Mirasol signed an option to purchase agreement with a private mining company for the 5,700 ha Marcelina exploration claims, consolidating for the first time the full district under one company.

Mirasol can acquire 100% of the Marcelina claims, by making staged option payments totalling US\$3.4 million over 4 years and subject to a 1.5% NSR royalty. US\$3.15 million of the option payments are due on the 4th anniversary. Mirasol committed to a minimum US\$300,000 exploration spend during the first three years of the option period.

Mirasol has completed an integrated interpretation of district-scale exploration data sets collected prior to 2009. Anomalous rock chip Au+Ag assays and Aster satellite alteration anomalies define a 16.5 x 4.0 km (65 km<sup>2</sup>) "footprint" to the district, showing a large-scale, zoned alteration system characteristic of a large LSE Au+Ag system. Five, multi-kilometre long, mineralized vein and silicified breccia trends have been recognized to date across the consolidated district. The trends traverse the Pellegrini Silica Cap, or outcrop through post mineral gravel and basalt cover that surrounds the Silica Cap.

The geologic and geomorphic setting of the Pellegrini Silica Cap and related silica structures and veins is analogous to the setting of the Cerro Negro Mine, which is a high grade, low cost underground mine operated by Newmont Goldcorp. Cerro Negro is located approximately 100 km to the north of the Sascha – Marcelina project.

Interpretation of mapped volcanic and sedimentary stratigraphy, Au+Ag and multielement geochemistry and alteration mineralogy shows that different levels of the epithermal system outcrop across the district, exposing what are interpreted to be different levels of the mineralized column of an LSE Au+Ag system.

The surface exploration activities completed this field season on the Sascha Marcelina Project (see news release July 18, 2019) include geological mapping aided by the acquisition of drone supported high-resolution base images, detailed rock chip sampling, extensive soil grid sampling (with PXRF sourced geochemistry) and the acquisition of alteration data using in-house handheld Analytical Spectral Devices (“ASD”) technology on all of the rock chips and soil samples collected to date. This recent work has defined a large alteration footprint located in the immediate vicinity of the Marcelina claims, and hosting an epithermal silica vein system with multiple mineralized trends. Within this area, new prospects have been recognized, with the “Estancia Trend” and the “Igloo Trend”, both located in close proximity to an extensive Pellegrini Silica Cap, which is interpreted as representing the preserved fossil paleosurface of a low sulfidation system.

To date, a total of 422 new rock chip samples have been collected from within the Marcelina area with assays averaging 0.25 g/t Au and 2.46 g/t Ag and up to 27.7g/t Au and 121g/t Ag, taken from epithermal silica vein/veinlets and silica-hematite hydrothermal breccias. These precious metal values are accompanied by highly elevated epithermal pathfinder elements including arsenic, antimony, tellurium, and anomalous lead and zinc.

Mirasol has also completed further surface exploration including a total of 40 line-km of IP geophysics survey over the three principle areas - the Estancia Trend (20.5 line-km), the Pellegrini silica cap (14.2 line-km) and the Igloo trend (5.35 line-km). Mirasol has integrated these results, along with those from the recent mapping and sampling campaigns to define drill targets at all three prospects. Mirasol continues to search for a partner to drill the project.

### **Other Properties**

Mirasol holds several additional drill-ready and early-stage exploration properties which are prospective for Au and/or Ag+Cu mineralization in southern Argentina and northern Chile.

This year, the Company re-initiated its field evaluation program on Mirasol owned properties in the Mio Pliocene belt of Chile. First pass field evaluations were completed on three properties, two high sulfidation epithermal and one porphyry targets, as well as a second pass review on a second porphyry project. The final field evaluation campaign scheduled for this year has been postponed and will be completed during the next field season. This generative program has to date delivered several quality targets, as illustrated by Mirasol’s multiple partnership agreements in this belt.

Mirasol has signed confidentiality agreements, distributed data sets and conducted field reviews with selected Au+Cu companies with the objective of securing potential new partnerships for these properties.

## HIGHLIGHTS FOR THE PERIOD JULY 1, 2019 TO MAY 28, 2020

### Financial Condition

Mirasol remains in a strong financial position with cash and short-term investment of \$17,425,003 and working capital of \$17,249,824 as of March 31, 2020. The annual level of spending by the Company is largely determined by its ability to secure financing through the sale of its securities, sales of assets and exploration agreements with its industry partners.

During the period, the Company incurred total company-wide net cash expenditures of \$4,260,074. The financial statements show a total expenditure of \$4,628,487 of which non-cash items such as share-based payments and depreciation totalled \$368,413.

For the nine months ended March 31, 2020 the total net cash expenditure was distributed between head office corporate spending of \$1,569,250, inclusive of officer's salaries, board fees, business development, corporate administration, investor relations and regulatory compliance; and a total net exploration expenditure of \$2,690,824 (table 1).

### Exploration Financial Summary

The Company's total exploration costs include generative exploration, property retention costs of the exploration project portfolio, costs associated with preparing projects for joint venture, in-country operation and management, and local value added taxes (VAT). For the period ended March 31, 2020, Mirasol invested \$1,572,729 on exploration in Chile and \$1,118,095 in Argentina (table 1).

The Company received \$731,948 in cost recoveries during the nine months ended March 31, 2020; including claims fees, salaries of Mirasol employees seconded to the partner-funded programs and other operational costs that are covered by the partners under the terms of the agreements. Mirasol earned \$42,762 of management fee income during the period. The Company also received \$64,321 in option payments from its Coronación project (table 1).

### Corporate Matters

On November 8, 2019, Mirasol announced the grant of stock options under its Equity Incentive Plan for certain key members of its management team as long-term incentives and to align interest with shareholders. A total of 1,410,000 options were granted which are exercisable at \$0.52 per share for a period of four years. The options are subject to vesting restrictions over a three-year period.

The Mirasol Board also approved a short-term incentive structure consisting of performance bonuses representing up to 25% of the individual's salary. Key members of management may be entitled to receive bonuses, at the end of each fiscal year, provided that certain prescribed corporate and personal performance objectives are attained. The bonuses, if earned, shall be payable in a combination (50% each) of cash and restricted share units ("RSUs"). The number of RSUs to be issued will be determined by dividing 50% of the cash value of the bonus by the closing price of the common shares on the last trading day before the end of the fiscal year. The RSUs shall vest on the date they are issued.



## Results of Operations

### FOR THE NINE MONTHS ENDED MARCH 31, 2020 AND 2019

The Company's net loss for the nine months ended March 31, 2020 ("2020") was \$3,542,327 or \$0.07 per share compared to a net loss of \$4,671,671 or \$0.09 per share for the nine months ended March 31, 2019 ("2019"), a decrease of \$1,115,556.

The decrease in net loss during 2020 is due to a combination of an increase in exploration expenses and a decrease in administration, the overhead costs related to the exploration activities, and a foreign exchange gain from foreign currency.

The Company's total operating expenses were \$4,628,487 and \$4,409,091 for the nine months ended March 31, 2020 and 2019, respectively.

The Company recorded interest income of \$231,830 from its investments during the period ended March 31, 2020 as compared to \$324,458 from the same period during last fiscal year.

The Company recorded a gain of \$890,419 on foreign exchange from conversion of funds during the period ended March 31, 2020 as compared to a loss of \$587,038 from the same period during last fiscal year.

Share-based payments decreased to \$307,832 in 2020 from \$786,043 in 2019, and depreciation expense increased to \$60,581 in 2020 from \$6,296 in 2020. Both items are non-cash items.

Other notable variances include an increase in exploration expenditures of \$2,690,824 in 2020 as compared to \$1,754,711 in 2019 (table 1) mainly due to the increase in exploration activities; a decrease in business development, marketing and investor communications expenses to \$396,078 in 2020 from \$751,695 in 2019; an increase of management and directors fees of \$729,095 in 2020 as compared to \$611,202 in 2019; a decrease in office administration, filing fees, and travel expenses of \$299,190 in 2020 compared to \$316,046 in 2019; and a decrease in professional fees of \$144,887 in 2020 compared to \$183,098 in 2019 from various consultants.

The following tables provides changes in exploration expenditures and cost recoveries in the current period presented compared to the same period in the prior fiscal year:

**Table 1:** Summary of exploration expenditures for the nine months ended March 31, 2020 and 2019

Table 1 - Exploration summary	Total Chile		Total Argentina		Total Mirasol	
	2020	2019	2020	2019	2020	2019
Exploration costs	1,703,414	1,915,117	392,616	2,885,531	2,096,031	4,800,648
Exploration recovery	(731,948)	(954,247)	-	(2,073,686)	(731,948)	(3,027,933)
Management fees	(42,762)	(58,441)	-	(73,978)	(42,762)	(132,419)
Option income	(64,321)	(1,122,830)	-	(395,740)	(64,321)	(1,518,570)
Corporate Operation	708,346	708,492	725,478	924,492	1,433,824	1,632,985
<b>Net Exploration expenses</b>	<b>1,572,729</b>	<b>488,091</b>	<b>1,118,095</b>	<b>1,266,619</b>	<b>2,690,824</b>	<b>1,754,711</b>

A breakdown by Country and group of projects of the Company's exploration and evaluation expenses for the nine months ended March 31, 2020 and 2019.

**Table 2: Chile exploration expenditures per project under active exploration**

Table 2 - Chile	Join Venture Projects		Join Venture Projects		Mirasol Funded Exploration				Total Chile	
	Not Operating		Operating		Los Amarillos		Pipeline			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Exploration costs</b>										
Assays and sampling	53	27,849	96,878	17,185	57,657	4,322	26,726	18,946	181,314	68,302
Camp and general	1,124	119,863	27,164	80,860	56,408	2,922	29,910	48,004	114,606	251,649
Contractors and consultants	90,526	176,576	128,623	235,898	275,625	20,694	202,983	292,870	697,757	726,038
Drilling	-	-	251,290	-	2,312	-	-	-	253,603	-
Environmental	-	-	16,220	-	64,058	-	20,121	-	100,398	-
Geophysics	-	-	-	7,739	1,994	-	1,633	38	3,627	7,777
Management fees	-	-	-	58,441	-	-	-	-	-	58,441
Mining rights and fees	46,853	385,245	5,289	53,488	54,085	9,799	98,224	159,953	204,452	608,485
Professional fees	-	2,373	-	-	-	-	8,167	-	8,167	2,373
Resource studies	6,797	13,051	30,283	26,877	18	-	-	-	37,097	39,928
Travel & accommodation	1,205	59,466	5,609	59,407	61,814	8,001	33,766	25,250	102,393	152,124
Total exploration costs	146,559	784,423	561,355	539,895	573,971	45,738	421,529	545,061	1,703,414	1,915,117
Option income	-	(795,550)	-	(65,380)	-	-	(64,321)	(261,900)	(64,321)	(1,122,830)
Exploration cost recovered	(47,086)	(314,236)	(684,862)	(561,285)	-	-	-	(78,726)	(731,948)	(954,247)
<b>Net exploration costs</b>	<b>99,472</b>	<b>(325,363)</b>	<b>(123,506)</b>	<b>(86,770)</b>	<b>573,971</b>	<b>45,738</b>	<b>357,208</b>	<b>204,435</b>	<b>907,145</b>	<b>(161,960)</b>
Management fee income	-	-	(42,762)	(58,441)	-	-	-	-	(42,762)	(58,441)
<b>Net expenditures (recoveries), for the period - Chile</b>	<b>99,472</b>	<b>(325,363)</b>	<b>(166,268)</b>	<b>(145,211)</b>	<b>573,971</b>	<b>45,738</b>	<b>357,208</b>	<b>204,435</b>	<b>864,383</b>	<b>(220,401)</b>

**Table 3: Argentina exploration expenditures per project under active exploration**

Table 3 - Argentina	Join Venture Projects - Not Operating				Mirasol Funded Exploration				Total Argentina	
	Claudia		La Curva		Sasha-Marcelina		Pipeline			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Exploration costs</b>										
Assays and sampling	-	5,996	-	89,653	3,717	4,402	202	82,585	3,920	182,636
Camp and general	-	67,088	-	156,488	38,894	2,562	23,938	276,137	62,832	502,275
Contractors and consultants	-	184,285	-	296,166	107,766	9,753	48,499	288,400	156,264	778,604
Drilling	-	-	-	706,310	-	-	-	275,570	-	981,880
Environmental	-	9,459	-	1,146	733	1,663	4,440	8,125	5,173	20,393
Geophysics	-	12,437	-	-	18,270	-	1,933	13,141	20,203	25,578
Management fees	-	4,817	-	62,719	-	-	-	-	-	67,536
Mining rights and fees	-	102,477	-	40,682	5,788	645	132,378	97,453	138,166	241,257
Professional fees	-	4,025	-	1,097	-	-	-	505	-	5,627
Resource studies	-	-	-	-	-	-	-	-	-	-
Travel & accommodation	-	12,390	-	33,859	5,778	5,581	280	27,915	6,058	79,745
Total exploration costs	-	402,974	-	1,388,120	180,946	24,606	211,670	1,069,831	392,616	2,885,531
Option income	-	(132,700)	-	(263,040)	-	-	-	-	-	(395,740)
Exploration reimbursements	-	(437,136)	-	(1,636,550)	-	-	-	-	-	(2,073,686)
<b>Net exploration costs</b>	<b>-</b>	<b>(166,862)</b>	<b>-</b>	<b>(511,470)</b>	<b>180,946</b>	<b>24,606</b>	<b>211,670</b>	<b>1,069,831</b>	<b>392,616</b>	<b>416,105</b>
Management fee income	-	-	-	-	-	-	-	(73,978)	-	(73,978)
<b>Net expenditures (recoveries), for the period - Argentina</b>	<b>-</b>	<b>(166,862)</b>	<b>-</b>	<b>(511,470)</b>	<b>180,946</b>	<b>24,606</b>	<b>211,670</b>	<b>995,853</b>	<b>392,616</b>	<b>342,127</b>

## FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

The Company's net loss for the three months ended March 31, 2020 ("2020") was \$438,534 or \$0.01 per share compared to a net loss of \$3,440,524 or \$0.07 per share for the three months ended March 31, 2019 ("2019"), a decrease of \$3,001,990.

The decrease in net loss during 2020 is due to a combination of a decrease in exploration expenses and the administration of the overhead costs related to the exploration activities, and a foreign exchange gain from foreign currency.

The Company's total operating expenses were \$1,551,309 and \$2,399,249 for the three months ended March 31, 2020 and 2019, respectively.

The Company recorded interest income of \$70,709 from its investments during the three months ended March 31, 2020 as compared to \$75,621 from the same period during last fiscal year.

The Company recorded a gain of \$1,053,772 on foreign exchange from conversion of funds during the three months ended March 31, 2020 as compared to a loss of \$1,116,896 from the same period during last fiscal year.

Share-based payments decreased to \$109,247 in 2020 from \$478,741 in 2019, and depreciation expense increased to \$28,045 in 2020 from \$2,099 in 2020. Both items are non-cash items.

Other notable variances include a decrease in exploration expenditures of \$926,052 in 2020 as compared to \$1,207,827 in 2019 (table 4) mainly due to the decrease in exploration activities; a decrease in business development, marketing and investor communications expenses to \$110,743 in 2020 from \$223,857 in 2019; a decrease of management and directors fees of \$307,210 in 2020 as compared to \$317,253 in 2019; a decrease in office administration, filing fees, and travel expenses of \$16,356 in 2020 compared to \$112,342 in 2019; and a decrease in professional fees of \$53,656 in 2020 compared to \$57,130 in 2019 from various consultants.

The following tables provides changes in exploration expenditures and cost recoveries in the current three months period presented compared to the same period from prior fiscal year:

**Table 4:** Summary of exploration expenditures for the three months ended March 31, 2020 and 2019

Table 4 - Exploration summary	Total Chile		Total Argentina		Total Mirasol	
	2020	2019	2020	2019	2020	2019
Three months March 31,						
Exploration costs	499,391	914,233	111,199	779,724	610,590	1,693,957
Exploration recovery	(123,696)	(314,962)	-	(271,368)	(123,696)	(586,330)
Management fees	(6,827)	(18,277)	-	(5,858)	(6,827)	(24,135)
Corporate Operation	189,561	255,396	256,424	263,439	445,985	518,835
<b>Net Exploration expenses</b>	<b>558,428</b>	<b>441,890</b>	<b>367,624</b>	<b>765,937</b>	<b>926,052</b>	<b>1,207,827</b>

A breakdown by Country and group of projects of the Company's exploration and evaluation expenses for the three months ended March 31, 2020 and 2019.

**Table 5: Chile exploration expenditures per project under active exploration**

Table 5 - Chile	Join Venture Projects		Join Venture Projects		Mirasol Funded Exploration				Total Chile	
	Not Operating		Operating		Los Amarillos		Pipeline			
Three Months March 31,	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Exploration costs</b>										
Assays and sampling	53	12,295	76	1,475	22,588	-	4,640	11,332	27,358	25,102
Camp and general	6	5,572	-	12,233	39,592	293	5,544	42,834	45,142	60,932
Contractors and consultants	43,344	40,657	235	70,059	144,665	3,520	44,351	176,086	232,595	290,322
Drilling	-	-	-	-	2,312	-	-	-	2,312	-
Environmental	-	-	-	-	32,486	-	20,121	-	52,607	-
Geophysics	-	-	-	7,739	-	-	1,633	38	1,633	7,777
Management fees	-	-	-	18,277	-	-	-	-	-	18,277
Mining rights and fees	16,539	326,653	672	44,878	19,780	1,134	54,623	61,834	91,615	434,499
Professional fees	-	-	-	-	-	-	-	-	-	-
Resource studies	-	12,011	-	26,877	-	-	-	-	-	38,888
Travel & accommodation	816	9,554	-	12,990	36,026	1,278	9,287	14,614	46,130	38,436
Total exploration costs	60,759	406,742	984	194,528	297,450	6,225	140,198	306,738	499,391	914,233
Option income	-	(132,600)	-	-	-	-	-	(261,900)	-	(394,500)
Exploration cost recovered	-	(112,050)	(123,696)	(196,654)	-	-	-	(6,258)	(123,696)	(314,962)
Net exploration costs	60,759	162,092	(122,713)	(2,126)	297,450	6,225	140,198	38,580	375,694	204,771
Management fee income	-	-	(6,827)	(18,277)	-	-	-	-	(6,827)	(18,277)
<b>Net expenditures (recoveries), for the period - Chile</b>	<b>60,759</b>	<b>162,092</b>	<b>(129,540)</b>	<b>(20,403)</b>	<b>297,450</b>	<b>6,225</b>	<b>140,198</b>	<b>38,580</b>	<b>368,867</b>	<b>186,494</b>

**Table 6: Argentina exploration expenditures per project under active exploration**

Table 6 - Argentina	Join Venture Projects - Not Operating				Mirasol Funded Exploration				Total Argentina	
	Claudia		La Curva		Sasha-Marcelina		Pipeline			
Three Months March 31,	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Exploration costs</b>										
Assays and sampling	-	2,923	-	4,341	259	4,402	-	44,220	259	55,886
Camp and general	-	35,074	-	8,888	210	2,562	10,167	122,874	10,376	169,398
Contractors and consultants	-	56,574	-	70,897	37,126	9,753	15,914	98,656	53,040	235,880
Drilling	-	-	-	7,414	-	-	-	204,666	-	212,080
Environmental	-	-	-	-	733	1,663	219	500	952	2,163
Geophysics	-	12,437	-	-	5,288	-	-	58	5,288	12,495
Management fees	-	(5,359)	-	4,775	-	-	-	-	-	(584)
Mining rights and fees	-	31,789	-	7,527	1,225	645	39,667	30,072	40,893	70,033
Professional fees	-	-	-	-	-	-	-	-	-	-
Resource studies	-	-	-	-	-	-	-	-	-	-
Travel & accommodation	-	4,408	-	3,666	275	5,581	115	8,718	390	22,373
Total exploration costs	-	137,846	-	107,508	45,117	24,606	66,082	509,764	111,199	779,724
Option income	-	-	-	-	-	-	-	-	-	-
Exploration reimbursements	-	(157,094)	-	(114,274)	-	-	-	-	-	(271,368)
Net exploration costs	-	(19,248)	-	(6,766)	45,117	24,606	66,082	509,764	111,199	508,356
Management fee income	-	-	-	-	-	-	-	(5,858)	-	(5,858)
<b>Net expenditures (recoveries), for the period - Argentina</b>	<b>-</b>	<b>(19,248)</b>	<b>-</b>	<b>(6,766)</b>	<b>45,117</b>	<b>24,606</b>	<b>66,082</b>	<b>503,906</b>	<b>111,199</b>	<b>502,498</b>

The Financial Statements provide a breakdown of the Company's general and administration expenses for the three and nine months ended March 31, 2020 and 2019.

#### FOURTH QUARTER ANALYSIS

Not required for the interim MD&A

## SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company and is derived from unaudited quarterly consolidated financial statements prepared by management in accordance with IAS 34 and accounting policies consistent with IFRS.

Period	Revenues \$	Income (Loss) from Continued Operations \$	Basic Income (Loss) per Share from Continued Operations \$	Diluted Income (Loss) per Share from Continued Operations \$
3 <sup>rd</sup> Quarter 2020	Nil	(438,534)	(0.01)	(0.01)
2 <sup>nd</sup> Quarter 2020	Nil	(1,747,754)	(0.04)	(0.04)
1 <sup>st</sup> Quarter 2020	Nil	(1,356,039)	(0.03)	(0.03)
4 <sup>th</sup> Quarter 2019	Nil	(1,975,115)	(0.04)	(0.04)
3 <sup>rd</sup> Quarter 2019	Nil	(3,440,524)	(0.07)	(0.07)
2 <sup>nd</sup> Quarter 2019	Nil	336,804	0.01	0.01
1 <sup>st</sup> Quarter 2019	Nil	(1,567,951)	(0.03)	(0.03)
4 <sup>th</sup> Quarter 2018	Nil	(14,623)	(0.001)	(0.001)
3 <sup>rd</sup> Quarter 2018	Nil	(1,491,031)	(0.03)	(0.03)

The Company's quarterly results will vary primarily in accordance with the Company's exploration and business development activities. To finance its operations, the Company also grants incentive stock options to its directors, management, employees, and consultants, which will also cause variation in the Company's results from period to period.

The movement in the value of the US dollar relative to the Canadian dollar could also have a significant impact on the Company's results from one period to the next as the Company primarily holds its working capital in US dollars.

## INVESTING ACTIVITIES

The Company continued to invest Canadian, Australian and US dollars in interest-bearing financial instruments maturing up to one year. The total amount invested was \$15,390,885. The Company received interest income of \$231,830 for the period ended March 31, 2020 as compared to \$324,458 from March 31, 2019.

## CAPITAL RESOURCES AND LIQUIDITY

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company primarily 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.

The Company has no operations that generate cash flow and its long-term financial success is dependent on management’s ability to discover economically viable mineral deposits. The Company applies the Project Generator model where it seeks and presents partners with an option to joint venture the Company’s projects, in order to have those partners fund the exploration of the project to earn an interest. In some agreements, the Company receives cash option payments or common stock of the joint venture partner, as a portion of the partner’s cost to earn an interest. If any of its exploration programs are successful and the partners complete their earn-ins, the Company would have to provide its share of ongoing exploration and development costs in order to maintain its interests; and if not, reduce its equity interest through a monetization transaction or dilution of its ownership interest or conversion to a royalty interest. The Company does not anticipate mining revenues from sale of mineral production in the foreseeable future.

With working capital of approximately \$17.25 million on March 31, 2020, the Company has sufficient funds to conduct its administrative, business development, and discretionary exploration activities over the next twelve months. Actual funding requirements may vary from those planned due to several factors, including the Company’s joint venture partners encountering difficulty in financing exploration programs on the optioned properties. The Company further believes it has the ability to raise equity capital to meet its foreseeable longer-term working capital needs but recognizes that the ability to raise capital in the future involves risks beyond its control.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no significant off-balance sheet arrangements.

#### **PROPOSED TRANSACTIONS**

The Company has no proposed transactions.

#### **TRANSACTIONS WITH RELATED PARTIES**

Details of the transactions between the Company’s related parties are disclosed below.

##### **a) Compensation of key management personnel**

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole.

The remuneration of management and independent directors was as follows:

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2020	2019	2020	2019
Management compensation (i)	\$ 99,374	\$ 136,538	\$ 300,655	\$ 389,578
Share-based payments (ii)	77,924	661,259	214,881	860,816
Director’s fees (iii)	46,500	40,200	139,500	133,200
	<b>\$ 223,906</b>	<b>\$ 837,997</b>	<b>\$ 655,036</b>	<b>\$ 1,383,594</b>

(i) Management compensation is included in management fees (March 31, 2020 (“2020”) - \$225,000; March 31, 2019 (“2019”) - \$236,661) and in exploration expenditures (2020 - \$75,655; 2019 - \$152,918) in the Company’s condensed consolidated interim statements of loss and comprehensive loss.

(ii) Share-based payments is included in the share-based payments expense in the Company's condensed consolidated interim statements of loss for the three and nine months ended March 31, 2020 and 2019.

(iii) The independent directors of the Company are paid \$2,100 per month (2019 - \$2,100 per month) while the Chairman of the Board of Directors receives an additional \$7,100 per month for serving in this capacity (2019 - \$7,100).

As of April 1, 2020, members of the Board agreed to a reduced fee of 15%. In addition, the CEO and CFO have voluntarily taken a 17% and 44% annual salary reduction, respectively. These salary and fee reductions will be effective until further notice.

## b) Transactions with other related parties

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

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

	Nature of transactions
Miller Thomson	Legal fees
Chase Management Ltd.	Professional fees
Manning Lee Management Ltd.	CFO services

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

	For the Three Months Ended		For the Nine Months Ended	
	March 31,		March 31,	
	2020	2019	2020	2019
Legal fees	\$ 34,608	\$ 60,269	\$ 95,701	\$ 189,123
CFO services	9,500	14,175	36,500	42,525
Project generation, exploration expenses and GIS services	-	151,426	-	629,605
Office sharing and administration	-	13,355	-	39,163
	\$ 44,108	\$ 239,225	\$ 132,201	\$ 900,416

Included in accounts payable and accrued liabilities at March 31, 2020, is an amount of \$19,134 (2019 - \$13,206) owing to directors and officers of the Company and to companies where the directors and officers are principals.

## SIGNIFICANT ACCOUNTING POLICIES

The details of the Company's accounting policies are presented in Note 3 of the Company's consolidated financial statements for the year ended June 30, 2019. The following policies are considered by management to be essential to the understanding of 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.

## RECENT ACCOUNTING ADOPTION

On July 1, 2019, the Company adopted IFRS 16 – Leases (“IFRS 16”) which replaced IAS 17 Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The Company will recognize lease liabilities related to its lease commitments for each of its leases. The lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company’s estimated incremental borrowing rate as at January 1, 2019, the date of initial application, resulting in no adjustment to the opening balance of deficit. The associated right-of-use assets will be measured at the lease liabilities amount, plus prepaid lease payments made by the Company. The Company has implemented the following accounting policies permitted under the new standard:

- a) leases of low dollar value will continue to be expensed as incurred; and
- b) the Company will not apply any grandfathering practical expedients.

As at July 1, 2019 the Company recognized \$332,509 in right-of-use assets and \$332,509 of incremental lease obligations.

The lease liabilities were discounted at a discount rate of 15% as at July 1, 2019.

### *New accounting policy for leases under IFRS 16*

The following is the accounting policy for leases as of July 1, 2019 upon adoption of IFRS 16:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset



may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- a) fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) amounts expected to be payable under a residual value guarantee;
- d) exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

## **SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

## **FINANCIAL INSTRUMENTS**

The Company's financial instruments as at March 31, 2020, consist of cash and cash equivalents, receivables and advances, accounts payable and accrued liabilities and advances from joint venture partners. The fair value of all these instruments approximates their carrying value. There are no off-balance sheet financial instruments.

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.

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 United States dollars, Australian dollars and in Argentine and Chilean Pesos. A significant change in the currency exchange rates between the US and Australian 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.

The Company appointed a special treasury committee comprising of three board members to consider management's recommendations to mitigate the exposure to foreign currency risk. The committee and management maintain a ratio of 80:15:05 for US\$: CAD\$: AUD\$ of the treasury whenever practical.

## **MANAGEMENT OF CAPITAL RISK**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to pursue the development of its exploration and evaluation assets 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 equity.

The Company manages the capital structure and adjusts it considering 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. To facilitate the management of its capital requirements, the Company prepares annual and quarterly expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

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 twelve months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company does not invest in commercial paper. The Company is not subject to externally imposed capital requirements.

## **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Additional disclosure concerning the Company's operating expenses is provided above, and in the Company's condensed consolidated interim statements of loss and comprehensive loss of the condensed consolidated interim financial statements for the nine months ended March 31, 2020 that is available on the Company's website at [www.mirasolresources.com](http://www.mirasolresources.com) or on its SEDAR company page accessed through [www.sedar.com](http://www.sedar.com).

## **OUTSTANDING SHARE DATA**

As of the date of this MD&A, the Company had 54,148,878 issued and outstanding common shares. In addition, the Company has 4,375,000 options outstanding that expire through November 8<sup>th</sup>, 2023, and 2,158,875 warrants outstanding that expire through June 1<sup>st</sup>, 2020. At the date of this MD&A, 200,000 RSU's were outstanding.

Details of issued share capital are included in Note 7 of the condensed consolidated interim financial statements for the nine months ended March 31, 2020.

**APPROVAL**

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

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.mirasolresources.com](http://www.mirasolresources.com).