MIRASOL RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2019

Canadian Funds

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Mirasol Resources Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Mirasol Resources Ltd. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2019 and 2018 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Stephen Hawkshaw.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada — Chartered Professional Accountants

October 25, 2019

Mirasol Resources Ltd.

Consolidated Statements of Financial Position

Canadian Funds
As at

ASSETS		June 30, 2019		June 30, 2018
Current Assets				
Cash and cash equivalents *(Note 3d)*	$	4,648,284	$	2,892,948
Short-term investments *(Note 6)*		16,836,008		23,650,478
Receivables and advances *(Note 7)*		458,707		733,591
		21,942,999		27,277,377
Equipment and Software *(Note 8)*		201,041		101,661
Exploration and Evaluation Assets *(Note 9)*		3,047,718		3,000,762
	$	25,191,758	$	30,379,800
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities *(Note 10)*	$	430,239	$	743,842
Advances from JV Partner *(Note 9e and Note 9k)*		846,947		67,892
		1,277,186		811,734
EQUITY				
Share Capital *(Note 11)*		57,677,690		57,426,143
Reserves		17,354,426		16,615,061
Accumulated Other Comprehensive loss		(25,742)		(28,122)
Deficit		(51,091,802)		(44,445,016)
		23,914,572		29,568,066
	$	25,191,758	$	30,379,800

Nature of Business *(Note 1)*
Commitments *(Note 14)*
Subsequent Event *(Note 15)*

On Behalf of the Board:

"Norman Pitcher", Director

"Nick DeMare", Director

Mirasol Resources Ltd.

Consolidated Statements of Loss and Comprehensive Loss

For the Years Ended June 30
Canadian Funds

		2019		2018
Operating Expenses				
Exploration expenditures *(Note 9 and 10b)*	$	2,656,673	$	2,762,028
Share-based payments *(Note 11c)*		859,562		500,620
Business development		628,549		667,361
Management fees *(Note 10a)*		622,691		478,613
Office and miscellaneous		353,461		307,142
Marketing and investor communications		267,569		241,370
Professional fees *(Note 10b)*		220,022		170,141
Director's fees *(Note 10a)*		180,750		186,241
Travel		78,635		98,369
Transfer agent and filing fees		41,478		40,871
Depreciation *(Note 8)*		8,395		5,229
		(5,917,785)		(5,457,985)
Interest income		440,137		360,756
Foreign exchange gain (loss)		(1,169,138)		756,098
		(729,001)		1,116,854
Loss for the Year	$	(6,646,786)	$	(4,341,131)
Other Comprehensive income (loss) to be Reclassified to Profit or Loss in Subsequent Periods				
Exchange differences on translation of foreign operations		2,380		(4,684)
Loss and Comprehensive Loss for the Year	$	(6,644,406)	$	(4,345,815)
Loss per Share (Basic and Diluted)	$	(0.12)	$	(0.09)
Weighted Average Number of Shares Outstanding (Basic and Diluted)		53,926,419		49,450,240

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

Mirasol Resources Ltd.

Consolidated Statement of Changes in Equity

Canadian Funds

	Share Capital Common Shares		Reserves	Accumulated Other Comprehensive Loss	Deficit	Total
	Number	$	$	$	$	$
Balance – June 30, 2017	**49,116,078**	**48,303,568**	**16,361,942**	**(23,438)**	**(40,103,885)**	**24,538,187**
Shares issued – Private Placement	4,317,750	8,635,500	-	-	-	8,635,500
Shares issue costs	-	(196,090)	-	-	-	(196,090)
Option exercised *(Note 11b)*	388,800	683,165	(247,501)	-	-	435,664
Share-based payments *(Note 11c)*	-	-	500,620	-	-	500,620
Foreign currency translation adjustment	-	-	-	(4,684)	-	(4,684)
Loss for the year	-	-	-	-	(4,341,131)	(4,341,131)
Balance – June 30, 2018	**53,822,628**	**57,426,143**	**16,615,061**	**(28,122)**	**(44,445,016)**	**29,568,066**
Bonus shares issued *(Note 10a)*	75,000	86,250	-	-	-	86,250
Option exercised *(Note 11b)*	51,250	67,897	(22,797)	-	-	45,100
Share-based payments *(Note 11))*	85,000	97,400	762,162	-	-	859,562
Foreign currency translation adjustment	-	-	-	2,380	-	2,380
Loss for the year	-	-	-	-	(6,646,786)	(6,646,786)
Balance – June 30, 2019	**54,033,878**	**57,677,690**	**17,354,426**	**(25,742)**	**(51,091,802)**	**23,914,572**

Mirasol Resources Ltd.

Consolidated Statement of Changes in Cash flows

For the Years Ended June 30

Canadian Funds

	2019	2018
Operating Activities		
Loss for the year	$ (6,646,786)	$ (4,341,131)
Adjustments for:		
Share-based payments	859,562	500,620
Bonus shares	86,250	
Interest income	(440,137)	(360,756)
Depreciation	8,395	5,229
Depreciation included in exploration expenses	44,547	29,562
Unrealized foreign exchange	579,775	91,592
	(5,508,394)	(4,074,884)
Changes in non-cash working capital items:		
Receivables and advances	560,860	166,110
Accounts payable and accrued liabilities	(313,603)	211,193
Advance from joint venture partner	779,055	67,892
Cash used in operating activities	(4,482,082)	(3,629,689)
Investing Activities		
Short-term investments	6,814,470	(6,857,713)
Acquisition of exploration and evaluation assets	(75,205)	(61,491)
Recovery of exploration and evaluation assets	28,249	61,491
Interest received	154,521	5,197
Purchase of equipment and software	(152,322)	(32,775)
Cash used in investing activities	6,769,712	(6,885,291)
Financing Activities		
Shares issued, net of issuance costs	-	8,439,410
Exercise of incentive share purchase options	45,100	435,664
Cash provided by financing activities	45,100	8,875,074
Effect of Exchange Rate Change on Cash and Cash Equivalents	(577,395)	(96,276)
Change in Cash and Cash Equivalents	1,755,336	(1,736,182)
Cash and Cash Equivalents - Beginning of Year	2,892,948	4,629,130
Cash and Cash Equivalents - End of Year	$ 4,648,284	$ 2,892,948

	2019	2018
Supplemental Schedule of Non-Cash Investing and Financing Transactions:		
Fair value of options exercised	$ 22,797	$ 247,501
Fair value of bonus warrants	$ -	$ -

	2019	2018
Cash and Cash Equivalents Consist of:		
Cash	$ 4,642,067	$ 1,172,260
Cash equivalents	$ 6,217	$ 393,994
	$ 4,648,284	$ 2,892,948

	2019	2018
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

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

1. Nature of Business

Mirasol Resources Ltd. ("Mirasol" or the "Company") is incorporated under the laws of the Province of British Columbia, Canada. The Company's corporate registered and records office is located at 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.

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

2. Basis of Presentation

Statement of compliance

The consolidated 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"). The policies presented in Note 3 were consistently applied to all periods presented. The Board of Directors approved the consolidated financial statements on October 25th, 2019.

Basis of measurement

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

3. Significant Accounting Policies

a) Consolidation

These consolidated financial statements include the accounts of the Company (the "Parent") and its subsidiaries. The principal subsidiaries of the Company, their activities, and their geographic locations as at June 30, 2019 were as follows:

Subsidiary	Principal activity	Location	Proportion of interest held by the Company
Minera Mirasol Chile Limitada	Mineral exploration	Chile	100%
Cabo Sur S.A.	Mineral exploration	Argentina	100%
Australis S.A.	Mineral exploration	Argentina	100%
Minera Del Sol S.A.	Mineral exploration	Argentina	100%
Nueva Gran Victoria S.A.	Mineral exploration	Argentina	100%
La Curva Exploraciones S.A.	Mineral exploration	Argentina	100%
Oroaustral Exploraciones S.A.	Mineral exploration	Argentina	100%
Recursos Mirasol Holdings Ltd.	Holding company	British Virgin Islands	100%
MDS Property Holdings Ltd.	Holding company	British Virgin Islands	100%

Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition or control and up to the effective date of disposition or loss of control. Control is achieved when the Company has power over the investee, is exposed to or has rights to variable returns from its involvement with an investee, and has the ability to affect those returns through its power over the investee.

The transactions among the entities in the consolidated group pertain to the transfer of funds and payment of third party costs. All inter-group transactions and balances have been eliminated upon consolidation.

La Curva Exploraciones S.A and Oroaustral Exploraciones S.A were incorporated as of July 10, 2017 and December 28, 2017 respectively in order to carry out exploration on joint ventured projects.

b) 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.

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.

b) Significant Accounting Estimates and Judgments (Cont'd…)

Significant accounting estimates and judgments are related to, but are not limited to, the following:

(i) Impairment of exploration and evaluation assets: The capitalized carrying value of each property group is reviewed regularly for conditions that are indicators of impairment. This review requires significant judgment as the Company does not have any proven and probable reserves that enable future cash flows to be compared to the carrying values. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the claims' value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the claims' acquisition, or cost of holding; whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future; and whether the Company has the necessary funds to be able to maintain its interest in the mineral claims.

The Company has concluded that impairment conditions do not exist as at June 30, 2019.

Ownership of exploration and evaluation assets involves certain risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many exploration and evaluation assets.

The Company has investigated ownership of its exploration and evaluation assets and, to the best of its knowledge, ownership of its interests are in good standing.

(ii) Valuation of share purchase options: The Company provides compensation benefits to its employees, directors and officers through a stock option plan. The fair value of each option award is estimated on the date of the grant using the Black-Scholes option pricing model.

Expected volatility assumption used in the model is based on the historical volatility of the Company's share price. The Company uses historical data to estimate the period of option exercises and their forfeiture rates for use in the valuation model.

The risk-free interest rate for the expected term of the option is based on the yields of government bonds. Changes in these assumptions, especially the volatility and the expected life determination could have a material impact on the Company's profit or loss. All estimates used in the model are based on historical data which may not be representative of future results.

(iii) Income taxes: The Company is subject to income taxes in numerous jurisdictions. Uncertainties exist with respect to interpretations of tax regulations.

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. The recognition of deferred tax assets requires management to assess the likelihood that the Company will generate taxable income in future periods to utilize the deferred tax assets. Due to a history of losses deferred tax assets have not be recognized.

(iv) Functional currencies: The functional currency of an entity is the currency of the primary economic environment in which an entity operates. The determination of an entity's functional currency requires judgment based on analysis of relevant factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates* ("IAS 21").

Except for the Company's subsidiaries in the British Virgin Islands (Note 3a) above), the Company has determined that its subsidiaries in Chile and Argentina incur costs in United States Dollars, Canadian Dollars, Australian dollars as well as the Chilean and Argentine Pesos and therefore do not indicate a single primary currency for operating in these jurisdictions. These subsidiaries including the British Virgin Islands are financed entirely by its Canadian Parent and therefore act as its extension. The Company has therefore determined that the functional currency of all of its subsidiaries is the Canadian Dollar, similar to the Parent.

c) Foreign Currencies

The functional currency of the Company and its operating subsidiaries, Minera Del Sol S.A., Australis S.A., Nueva Gran Victoria S.A., Cabo Sur S.A., La Curva Exploraciones S.A., Oroaustral Exploraciones S.A., and Minera Mirasol Chile Limitada, is the Canadian Dollar ("$"). The functional currency of its holding subsidiaries, Recursos Mirasol Holdings Ltd., and MDS Property Holdings Ltd. is the United States Dollar.

Any transactions in currencies other than the functional currency have been translated to the Canadian Dollar in accordance with IAS 21. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Assets and liabilities of entities with a functional currency other than the Canadian Dollar are translated at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting changes are recognized in accumulated other comprehensive income (loss) ("AOCI") in equity as a foreign currency translation adjustment. The Company's presentation currency is the Canadian Dollar.

d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with banks and short-term interest-bearing investments with maturities of three months or less at the purchase date. Deposits with banks and short-term interest-bearing investments with original term to maturity greater than three months but less than one year are presented as short-term investments.

e) Financial Instruments

As at July 1, 2018, the Company adopted all of the requirements of IFRS 9, which replaced IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and a new "expected credit loss model" for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is substantially unchanged.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9.

	Original classification IAS 39	New classification IFRS 9
Financial assets		
Cash and cash equivalents	Financial assets – FVTPL	Financial assets - FVTPL
Short term investments	Financial assets – FVTPL	Financial assets - FVTPL
Receivables	Loans and receivables - amortized cost	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities - amortized cost	Amortized cost
Advances from JV Partner	Other financial liabilities - amortized cost	Amortized cost

e) Financial instruments (Cont'd)

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). The following are new accounting policies for financial assets under IFRS 9.

The Company classifies its financial assets in one of the following categories: (1) financial assets at fair value through profit or loss ("FVTPL"), (2) loans and receivables at amortised cost or (3) financial assets at fair value through other comprehensive income ("FVTOCI"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss in the period in which they arise.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on de-recognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial Liabilities

Financial liabilities are recognized initially at fair value and in the case of financial liabilities not subsequently measured at fair value, net of directly attributable transaction costs. Financial liabilities are derecognized when the obligation specified in the contract is discharged, canceled, or expired. Trade payables and accrued liabilities, debentures and deferred consideration on acquisition are classified as financial liabilities to be subsequently measured at amortized cost.

Expected Credit Losses

The Company recognizes an allowance for expected credit losses ("ECL") for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss

Expected Credit Losses (Cont'd…)

allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. A financial asset is considered in default when contractual payments are 365 days past due. Therefore, the Company does not track changes in credit risk but makes a loss allowance based on 12 months ECL.

A financial asset may also be considered to be in default if internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

f) Impairment of Non-Financial Assets

The carrying amounts of non-financial assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units" or "CGUs").

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Non-financial assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized in profit or loss in the period of such reversal.

g) Equipment and Software

Equipment and software are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced.

The Company provides for depreciation as follows:

- Exploration equipment: 30% declining balance;
- Computer hardware: 30% declining balance; and
- Computer software: straight-line over the estimated life of three years.

The Company allocates the amount initially recognized to each asset's significant components and depreciates each component separately. Residual values, depreciation methods and useful lives of the assets are reviewed periodically and adjusted on a prospective basis as required.

h) Exploration and Evaluation Assets

The Company capitalizes the direct costs of acquiring mineral property interests as exploration and evaluation assets. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option.

Exploration and evaluation costs are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, and is technically feasible, in which case the balance is tested for impairment and subsequent development costs are capitalized. Exploration costs include value-added taxes because the recoverability of these amounts is uncertain.

The receipt of option payments from the Company's joint venture partners are applied first towards the capitalized cost for the acquisition of pertinent mineral property interests. Option payments in excess of the capitalized acquisition costs are netted against the exploration costs for the period. JV management fees are included in exploration expenditures on the statement of loss and comprehensive loss.

i) Provisions

(i) Decommissioning and restoration provision: Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a liability based on estimated future cash flows discounted at a risk free rate. The decommissioning and restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the pre-tax rate for risk specific to the liability.

The liability is also accreted to full value over time through periodic charges to profit or loss. This unwinding of the discount is charged to financing expense in profit or loss.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and depreciated to profit or loss. The method of depreciation follows that of the underlying asset. The costs related to a decommissioning and restoration provision are only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit.

For the years presented, the Company does not have any decommissioning or restoration provisions.

(ii) Other provisions: Provisions are recognized when a current legal or constructive obligation exists, as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate pre-tax rate for risk specific to the liability.

j) Income Taxes

Income tax expense (recovery) is comprised of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the date of statement of financial position and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

j) Income Taxes (Cont'd…)

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are presented as non-current.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current tax assets and liabilities on a net basis.

k) Share-based Payments

The Company grants share options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based payment expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based payment expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the equity instruments issued. Otherwise, such share-based payments are measured at the fair value of goods or services received.

The Company grants to employees, officers, directors and consultants, Restricted Share Units ("RSUs") in such numbers and for such terms as may be determined by the Board. RSUs granted under the RSU Plan are exercisable into common shares for no additional consideration after the vesting conditions, as specified by the Board, are met. The Company intends to settle each RSU with one common share of the Company and therefore RSUs are accounted for as equity-settled instruments.

RSUs are measured at fair value on the date of grant and the corresponding share-based compensation is recognized over the vesting period in profit or loss.

l) Loss per Share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the year.

The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the loss per share. The dilutive effect of convertible securities is reflected in the diluted loss per share by application of the "if converted" method. For the year presented, this calculation proved to be anti-dilutive.

m) Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in equity which results from transactions and events from sources other than the Company's shareholders. The Company's translation of its subsidiaries which have a functional currency other than the Canadian Dollar is the only item affecting comprehensive income (loss) for the years presented.

n) Share Capital

Common shares of the Company are classified as equity. Transactions costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effect.

The Company uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the quoted bid price on the issuance date. The balance, if material, was allocated to the attached warrants. Any fair value attributed to the warrants on exercise is recorded as equity. If the warrants are exercised the related reserves are reclassified from reserves to share capital.

4. Recent Accounting Pronouncements and Adoptions

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC.

a) IFRS 9 Financial Instruments addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized costs, fair value through OCI and FVTPL. The basis of classification depends on entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at FVTPL with the irrevocable option at inception to present changes in fair value in OCI. There is a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at FVTPL.

   IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the hedged ratio to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

   The standard is effective for accounting periods beginning on or after January 1, 2018. Adoption of this standard did not have a significant impact on the Company other than increased disclosure.

b) IFRS 15 Revenue from Contracts with Customers deals with revenue recognition and establishes principles of reporting useful information to the users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

   Revenue is recognized when the customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 Revenue, and IAS 11 Construction Contracts and related interpretations.

   It is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. Adoption of this standard did not have an impact on the Company.

4. Recent Accounting Pronouncements and Adoptions (Cont'd…)

c) IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after July 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 applying 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 plans to apply IFRS 16 effective July 1, 2019 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 obligations related to its lease commitment. It will be measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at July 1, 2019. The associated right of use asset will be measured at the lease obligation amount, less prepaid lease payments, resulting in no adjustment to the opening balance of deficit. The Company intends to apply the following practical expedients permitted under the new standard:

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

The impacts on profit or loss will be an elimination of lease expense within general and administrative expenses, for those contracts with are recognized as leases, and instead will be replaced by an amortization of the right of use asset and interest (finance) costs on the lease liability.

As at July 1, 2019 the Company expects to recognize approximately $326,000 in right-of-use assets, a corresponding lease liability of $326,000.

5. Financial Instruments

Categories of financial instruments

		June 30, 2019		June 30, 2018
Financial assets				
Fair Value Through Profit or Loss				
Cash and cash equivalents	$	4,648,284	$	2,892,948
Short-term investments		16,836,008		23,650,478
Amortized Cost				
Receivables		331,505		568,692
	$	21,815,797	$	27,112,118
Financial liabilities				
Amortized Cost				
Advances from JV Partner	$	846,947	$	67,892
Accounts payable and accrued liabilities		430,239		743,842
	$	1,277,186	$	811,734

a) Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

		June 30, 2019		June 30, 2018
Level 1				
Cash and cash equivalents	$	4,648,284	$	2,892,948
Short-term investments	$	16,836,008	$	23,650,478

The fair values of the Company's other financial instruments approximate their carrying values because of the short-term nature of these instruments.

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

To maximize ongoing exploration, 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 is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the year.

b) Management of Financial Risk

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

(i) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Argentina and Chile and a portion of its expenses are incurred in United States ("US") 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.

b) Management of Financial Risk (Cont'd…)

At June 30, 2019, the Company is exposed to currency risk through the following assets and liabilities denominated in US and Australian dollars and Argentine and Chilean Pesos:

	US Dollars	Australian Dollars	Argentine Peso	Chilean Peso
Cash and cash equivalents	686,026	434,197	19,932,529	535,335,164
Short-term investments	10,900,246	487,759	-	-
Receivables and advances	-	-	893,566	19,866,735
Accounts payable and accrued liabilities	(15,504)	(22,127)	(8,804,776)	(10,389,639)

Based on the net exposures as at June 30, 2019, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US and Australian dollar would result in an increase/decrease of $1,514,266 and $82,577, respectively in the Company's comprehensive loss. Likewise, a 10% depreciation or appreciation of the Canadian dollar against the Argentine and Chilean Peso would result in an increase/decrease of $36,905 and $105,149, respectively in the Company's comprehensive loss.

(ii) Credit risk

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

The Company's cash and cash equivalents is held through large financial institutions. The Company's receivables primarily consist of interest receivable due from major financial institutions on short term investments. Management believes that credit risk concentration with respect to receivables is remote.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. As at June 30, 2019, the Company's financial liabilities consist of accounts payable and accrued liabilities and advances from JV partner. All of the Company's obligations are expected to be paid within 90 days. Management believes the Company has sufficient funds to meet its liabilities as they become due.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash and cash equivalents is limited because these investments are generally held to maturity. The applicable rates of interest on such investments range between 0.05% and 3.25%.

(v) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk and foreign currency risk. The Company is not exposed to significant other price risk.

6. Short-term Investments

Short term investments comprise cashable and non-cashable Guaranteed Investment Certificates ("GIC") placed with major Canadian and US financial institutions bearing interest between 1.25% and 5.00% per annum. Maturity dates of these GIC's are between three to twelve months.

7. Receivables and Advances

		June 30, 2019		June 30, 2018
Goods and services tax receivable	$	6,745	$	10,134
Interest receivable		324,760		199,656
Prepaid expenses and advances		127,202		165,259
Due from joint venture partners		-		358,902
	$	458,707	$	733,951

8. Equipment and Software

		Exploration Equipment		Computer Hardware		Computer Software		Total
Cost								
Balance as at June 30, 2017	$	477,231	$	57,883	$	37,834	$	572,948
Additions for the year		-		32,775		-		32,775
Balance as at June 30, 2018	$	477,231	$	90,658	$	37,834	$	605,723
Additions for the year		150,490		1,832		-		152,322
Balance as at June 30, 2019	$	627,721	$	92,490	$	37,834	$	758,045
Accumulated Depreciation								
Balance as at June 30, 2017	$	386,826	$	44,611	$	37,834	$	469,271
Depreciation for the year		27,122		7,669		-		34,791
Balance as at June 30, 2018	$	413,948	$	52,280	$	37,834	$	504,062
Depreciation for the year (i)		41,151		11,791		-		52,942
Balance as at June 30, 2019	$	455,099	$	64,071	$	37,834	$	557,004
Carrying Amounts								
As at June 30, 2018	$	63,283	$	38,378	$	-	$	101,661
As at June 30, 2019	$	172,622	$	28,419	$	-	$	201,041

(i) Allocated between depreciation expense ($8,395) (2018 - $5,229) and exploration costs ($44,547) (2018- $29,562) on the statement of loss and comprehensive loss.

9. Exploration and Evaluation Assets

A reconciliation of capitalized acquisition costs is as follows:

Acquisition Costs

	Balance at June 30, 2018	Cost	Recoveries	Balance at June 30, 2019
Chile				
Atlas - Dos Hermanos	$ 171,777	$ -	$ -	$ 171,777
Los Amarillos (Enami)	-	13,260	-	13,260
Zeus	-	28,249	(28,249)	-
Argentina				
Santa Rita and Virginia	2,808,819	-	-	2,808,819
Sascha-Marcelina	-	33,696	-	33,696
Pipeline projects	20,166	-	-	20,166
	$ 3,000,762	$ 75,205	$ (28,249)	$ 3,047,718

	Balance at June 30, 2017	Cost	Recoveries	Balance at June 30, 2018
Chile				
Atlas - Dos Hermanos	$ 171,777	$ -	$ -	$ 171,777
Zeus	-	61,491	(61,491)	-
Argentina				
Santa Rita and Virginia	2,808,819	-	-	2,808,819
Pipeline projects	20,166	-	-	20,166
	$ 3,000,762	$ 61,491	$ (61,491)	$ 3,000,762

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 both San Juan and Catamarca provinces of northern Argentina. The Company also focuses on generative exploration to identify and acquire new prospects.

Chile

a) Altazor option to joint venture

The Company owns a 100% interest in certain 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 property, 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, the Company is no longer the operator for exploration and is not receiving the management fees.

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

a) Altazor option to joint venture (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 and can earn up to 51% of the interest of the property by spending an additional US$8.5 million in exploration within the next four years of the agreement. NCM is the operator and will be managing all exploration activities at the project.

b) Zeus option to joint venture

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

During the year ended June 30, 2018, the Company entered into an option agreement to acquire a 100% in certain other claims, which form part of the Zeus Gold project. The Company can acquire the claims under option by making staged option payments totalling US$2.747 million over five years and incur US$300,000 in exploration expenditures within three years. The property owner retains a 1.5% Net Smelter Returns ("NSR") royalty. The Company has a right to buy 0.5% of the royalty for US$3.0 million. Option payments are due as follows:

On signing (paid)	US $12,000
On or before October 10, 2018 (paid)	US $30,000
On or before October 10, 2019 (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
Total	US $2,747,000

On February 22, 2018, the Company signed an exploration and option agreement with NCM whereby, NCM has been granted the option to acquire up to an 80% interest in the property, exercisable in stages over a nine-year, or shorter, earn-in period. The agreement required NCM to fund US$1.5 million in exploration expenditures in the first 18 months and to make a US$100,000 option payment (received) upon signing option agreement. The Company served as operator for exploration during the option period in return for 10% management fee. As of July 1, 2018, the Company is no longer the operator for exploration and is not receiving the management fee. On December 10, 2018 the Company and NCM agreed to terminate the agreement. On February 1, 2019, the Company received US$200,000 payment from NCM for termination of the Zeus Gold project joint venture.

c) Indra option to joint venture

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

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.

c) *Indra option to joint venture (Cont'd…)*

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

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

HOC can earn in stages additional 10% interest in the property by funding the delivering a positive PEA and further 9% by delivering a BFS.

The Company will retain a 30% interest or can exercise the funding option requiring HOC to fund its interest to production in the Indra project and retain 25%. The Company serves as operator during the option phase in return for a 10% management fee from exploration contracts with values less than US$250,000 and 5% fee on contracts over US$250,000.

During the year ended June 30, 2019, the Company received US$1,153,486 in advances from Hochschild to be used on exploration expenditures. As of June 30, 2019, of the advanced amounts, $846,494 is included in cash and cash equivalents.

d) Gorbea option to joint venture

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

On January 28, 2019, the Company signed a definitive agreement with NCM whereby, NCM has been granted the option to acquire up to an 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$4.0 million in exploration expenditures and make a US$100,000 option payment (received) in the first year 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$15.0 million in exploration within the next four years of the agreement with 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 the four years after earning the 51% interest.

The Company can 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 BFS stage.

e) Los Amarillos option to purchase

The Company owns a 100% interest in certain claims, which now form part of the Los Amarillos Gold-Silver project located in Northern Chile acquired by way of staking.

During the year ended June 30, 2019, the Company entered into an option agreement to acquire a 100% in certain other claims, which form part 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 incur 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
Total	US $100,000

Argentina

f) Claudia option to joint venture

The Company owns a 100% interest in certain claims located in Santa Cruz Mining District, Argentina and referred to as the Claudia Gold property.

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

The first earn-in option for OGC to earn 51% interest over four years from the date of the Agreement required spending US$10.5 million on exploration, and making US$1 million in staged payments to the Company. The Company served as operator of the project in return for a 5% management fee.

OGC paid US$100,000 on signing of the agreement. OGC's first-year commitment required US$1.75 million in exploration expenditures with a minimum of 3,000 metres of drilling, and an additional US$100,000 option payment (received) to continue into the second year commitment.

On March 22, 2019, the Company received notice from OGC that it terminated the agreement. The minimum first-year exploration commitment was not met by OGC as of the termination date. A payment of US$128,410 was made in lieu of exploration commitments.

g) La Curva option to joint venture

The Company owns a 100% interest in certain claims located in the Santa Cruz Province of Argentina and referred to as the La Curva Gold project.

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

OGC completed its first-year commitment of US$1.25 million in exploration expenditures, including 3,000 metres of drilling, and made a US$100,000 option payment to the Company on signing the Agreement.

g) La Curva option to joint venture (Cont'd…)

OGC continued into the second-year commitment of the La Curva Gold project by making a US$200,000 option payment (received) during the year ended June 30, 2019. The Company served as operator for exploration in return for 5% management fee.

On March 22, 2019, the Company received notice from OGC that it terminated the agreement.

h) Sascha-Marcelina option to purchase

The Company owns a 100% interest in certain claims, which now form part of the Sascha-Marcelina Gold project located in Santa Cruz, Argentina acquired by way of staking.

During the year ended June 30, 2019, the Company entered into an option to purchase agreement to acquire a 100% in certain other claims, which form part of 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	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
Total	US $3,400,000

i) Santa Rita Property and Virginia Zone

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

The Santa Rita property also hosts the Virginia prospect, thus together Santa Rita and Virginia account for total expenditures on the Santa Rita property.

j) Pipeline Projects:

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

k) Advances to/from joint venture partners:

The Company is the operator for one joint venture project. As of June 30, 2019, the Company has $846,947 (2018-$67,892) of unspent exploration advances. Expense reimbursement receivable of $Nil (2018-$118,467) is included in accounts receivable as of June 30, 2019.

10. 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:

		Year Ended June 30, 2019		2018
Management compensation (i)	$	579,015	$	501,273
Share-based payments (ii)		853,972		261,084
Director's fees (iii)		180,750		186,241
Bonus shares (iv)		86,250		-
	$	1,699,987	$	948,598

i. Management compensation is included in Management fees (2019 - $352,639; 2018 - $272,046) and in exploration expenditures (2019 - $226,376; 2018 - $229,227).

ii. Share-based payments represent the expense for the years ended June 30, 2019 (Note 11 c (ii)) and 2018.

iii. The independent directors of the Company are paid $2,100 per month (2018 - $2,100 per month) while the Chairman of the Board of Directors receives an additional $7,100 per month for serving in this capacity (2018 - $7,100).

iv. In November 2018, the Company signed consulting agreements, effective July 2018, with Global Ore Discovery Pty Ltd. ("Global Ore"), a company related through former CEO, 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 consultants until June 30, 2019, to provide target generation related consulting services to the Company on an exclusive basis throughout Chile and Argentina. The Company has agreed to pay a minimum monthly retainer of Australian Dollar ("AUD") $50,000 and six month minimum of $350,000. The Company has an additional trailing one-year contact with Global Ore commencing July 1, 2019 to June 30, 2020 (Note 14).

Further, as additional consideration, the Company has agreed to issue 75,000 Retention Bonus Shares ("the Bonus Shares") (Issued January 3, 2019), subject to vesting, to key representatives of Global Ore other than Mr. Stephen Nano, the previous CEO of the Company.

The Bonus Shares were issued, subject to receipt of TSX Venture Exchange ("TSXV") acceptance, and are subject to escrow restrictions whereby 37,500 were released upon TSXV acceptance and signing of the Global Ore consulting contract; 18,750 released on January 1, 2019 and 18,750 released on April 1, 2019. The Global Ore trailing contract can be terminated at any time by Global Ore after four months from its commencement on July 1, 2019 with a one month's notice to the Company.

b) Transactions with other related parties

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

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

	Nature of transactions
Miller Thomson	Legal fees
Global Ore Discovery Pty Ltd. ("Global Ore")	Project generation, exploration management and GIS services
Evrim Resources Corp. ("Evrim")	Office administration support services and office sharing
Chase Management Ltd.	Professional fees
Mathew Lee	CFO services

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

	Year Ended June 30, 2019		2018
Legal fees	$ 213,426		$ 189,138
CFO services	54,000		101,750
Office sharing and administration services	-		49,440
Project generation, exploration expenses and GIS services	788,077		711,619
	$ 1,055,503		$ 1,051,947

Included in accounts payable and accrued liabilities at June 30, 2019, is an amount of $45,085 (2018 - $153,904) owing to directors and officers of the Company and to companies where the directors and officers are principals.

11. Share Capital

a) Authorized Share Capital

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

b) Changes in Share Capital

i. Financing

No financings were conducted by the Company during the year ended June 30, 2019.

During the year ended June 30, 2018, the Company completed a non-brokered private placement issuing 4,317,750 units for gross proceeds of $8,635,500. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each full warrant is exercisable into one common share at a price of $3.00 for two years from the closing date.

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

ii. Options exercised

During the year ended June 30, 2019, the Company issued 51,250 (2018 – 388,800) shares on exercise of share purchase option for gross proceeds of $45,100 (2018 - $435,664). The options had a fair value of $22,797 (2018 - $247,501).

iii. Bonus shares

During the year ended June 30, 2019, the Company issued 75,000 bonus shares, pursuant to the executed consulting contract with Global Ore Discovery Pty Ltd. ("Global Ore") with a fair value of $86,250 (2018- $Nil) (Note 10 a (iv)).

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 June 30, 2019, a total of 5,403,388 options were reserved under the option plan with 3,711,876 options outstanding.

(i) Movements in share purchase options during the year

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

	Number of Options	Weighted Average Exercise Price
Options outstanding as at June 30, 2017	2,984,626	$1.50
Granted	935,000	$1.70
Exercised	(388,800)	$1.12
Expired / Forfeited	(465,000)	$1.08
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
Options exercisable at June 30, 2019	3,265,626	$1.55

(ii) Fair value of share purchase options granted

Total share-based payments for options granted and vested recognised for the year ended June 30, 2019 amounted to $737,262 (June 30, 2018 - $500,620).

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

	Year Ended June 30, 2019	2018
Expected dividend yield	0.0%	0.0%
Expected share price volatility	78.07%	64.46%
Risk-free interest rate	1.82%	1.57%
Expected life of options	2.73 years	2.33 years
Fair value of options granted (per share option)	$0.56	$0.65

(iii) Share purchase options outstanding at the end of the year

A summary of the Company's options outstanding as at June 30, 2019 is as follows:

Expiry Date	Exercise price $	Options Outstanding	Weighted Average Remaining Life of Options (years)	Options Exercisable
August 4, 2019	0.88	140,000		140,000*
April 29, 2021	0.88	505,000		505,000
April 29, 2021	1.38	255,000		255,000
August 26, 2019	2.85	566,876		566,876*
September 12, 2021	1.80	150,000		110,000
September 12, 2020	1.80	150,000		150,000
December 19, 2020	1.61	195,000		195,000
December 20, 2020	1.65	330,000		330,000
July 18, 2021	1.76	60,000		60,000
December 14, 2021	1.10	397,500		397,500
January 31, 2022	1.27	150,000		150,000
January 31, 2023	1.27	600,000		200,000
March 14, 2023	1.09	200,000		200,000
April 15, 2022	0.68	12,500		6,250
		3,711,876	1.94	3,265,626

*Options expired unexercised subsequent to June 30, 2019.

d) Warrants

On June 8, 2018, the Company issued 2,158,875 of share purchase warrants with an exercise price of $3.00 expirying June 1, 2020. These warrants were outstanding as of June 30, 2019 (2018 - 2,158,875). These warrants were issued in connection with the Company's private placement offering (Note 11 b (i)).

e) Restricted Share Unit ("RSU") Plan

On April 26th, 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 TSXV on July 17, 2018. The RSU Plan provides for the issuance of up to 1,000,000 restricted share units (the "RSUs").Under the RSU Plan, RSUs may be granted to directors, officers, employees and consultants of the Company (excluding investor relations consultants) as partial compensation for the services they provide to the Company. The RSU Plan is a fixed number plan, and the number of common shares issued under the RSU Plan, when combined with the number of stock options available under the Company's stock option plan, will not exceed 10% of the Company's outstanding common shares. The Company's Compensation Committee and Board of Directors have approved an award of 120,000 RSUs.

During the year ended June 30, 2019, the vesting conditions of 85,000 RSU's were met and the Company issued 85,000 common shares with a fair value of $97,400 was recorded as share-based payments in the Company's consolidated statements of loss and comprehensive loss. An additional $24,900 was recorded as share-based payments for vesting of RSUs for which common shares have not yet been issued.

Subsequent to June 30, 2019, 35,000 RSU's were granted.

12. 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:

Total Non-Current Assets		June 30, 2019		June 30, 2018
Canada	$	19,588	$	27,983
Argentina		2,961,146		2,844,780
Chile		268,025		229,660
	$	3,248,759	$	3,102,423

13. Income Taxes

The Company is subject to Canadian federal and provincial tax rates.

The Company has no taxable income in Canada.

The tax expense at statutory rates for the Company can be reconciled to the reported income taxes per the statement of loss and comprehensive loss as follows:

		Year Ended June 30, 2019		Year Ended June 30, 2018
Net loss before income taxes	$	(6,646,786)	$	(4,341,131)
Canadian federal and provincial income tax rates		27.00%		26.50%
Expected income tax recovery based on the above	$	(1,795,000)	$	(1,150,400)
Non-deductible expenses		(1,063,000)		216,756
Change in statutory and foreign tax rates		-		710,673
Tax effect of deferred tax assets for which no tax benefit has been recorded		1,455,000		(2,316,280)
Foreign exchange and other		1,403,000		2,539,251
Total income tax recovery	$	-	$	-

13. Income Taxes (Cont'd…)

The Company's unrecognized deferred tax assets are as follows:

		June 30, 2019		June 30, 2018
Unrecognized deferred income tax assets:				
Non-capital losses	$	2,673,000	$	2,552,000
Exploration and evaluation assets		4,983,000		3,639,936
Share issue costs		48,000		67,051
Other		21,000		12,154
Total unrecognized deferred income tax assets	$	7,725,000	$	6,271,140

In assessing the recoverability of deferred tax assets other than deferred tax assets resulting from the initial recognition of assets and liabilities that do not affect accounting or taxable profit, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

Deductible temporary differences, unused tax losses and unused tax credits:

		June 30, 2019		June 30, 2018	Expiry date Range
Non-capital losses	$	9,934,000	$	9,403,016	See below
Exploration and evaluation assets		17,055,000		12,413,823	Not applicable
Share issue costs		179,000		248,336	2036
Other		79,000		45,121	Not applicable

The Company has non-capital loss carry-forwards of approximately $9,934,000 that may be available for tax purposes. The loss carry-forwards are principally in respect of Canadian, Argentine and Chilean operations and expire as follows:

		Canada		Argentina		Chile
2020	$	-	$	322,000	$	-
2021		-		-		-
2022		-		492,000		-
2023		-		-		-
2024		-		113,000		-
2036 to 2039		7,164,000		-		-
No-expiry		-		-		1,843,000
	$	7,164,000	$	927,000	$	1,843,000

14. Commitments

a. On June 30, 2019, the Global Ore contract (Note 10 a (iv)) will expire. The Company has agreed to a 12-month trailing contract commencing on July 1, 2019. 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. The Global Ore trailing contract can be terminated at any time by Global Ore after four months from its commencement on July 1, 2019 with one month's notice to the Company.

b. 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. This lease is classified as an operating lease. The Company has made a security deposit of $20,000. The minimum commitment is as follows:

Period	Amount
In 1 year	$75,480
1 – 5 years	$404,780
5 + years	Nil

15. Subsequent Event

On October 4, 2019, the Company entered into definitive agreement (the "Agreement") with First Quantum Minerals ("FQM") for its Coronación Copper/Gold Project (the "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 10,000m of drilling; and
- Delivering a NI 43-101 compliant Prefeasibility Study Report.

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 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.

Management Discussion and Analysis
For Mirasol Resources Ltd.
("Mirasol" or the "Company")

INTRODUCTION

The Management Discussion and Analysis ("MD&A") is prepared as of October 25th, 2019 and is intended to supplement the Company's annual audited condensed consolidated financial statements for the year ended June 30, 2019. 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 and related notes for the year ended June 30, 2019.

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.

This MD&A also uses the terms pit constrained mineral resources estimate and indicated resource. The Company advises that these terms are recognized by Canadian securities regulations (under National Instrument 43-101 "Standards of Disclosure for Mineral Projects"). Investors are cautioned not to assume that any part of or all, of the mineral occurrences in these categories will ever be converted into reserves. 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 searching for 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. These regions are highly prospective and host many large-scale precious and base metal mines, operated by some of the world’s largest mining companies (Figure 1). Mirasol believes that well-managed and focused exploration can deliver further discoveries within its generative regions and increase shareholder value.

Mirasol has four active option to joint venture agreements with major and mid-tier precious metals producers in Chile. Under these agreements, the partners fund all exploration, land holding costs and make staged option payments to Mirasol as well as pay project management fee for the programs operated by the Company. This exploration model allows Mirasol to focus its available capital on further exploration and business development activities while having multiple projects being drill tested by its partners.

While the Company retains the joint venture business model as the central pillar of its philosophy, Mirasol has expanded its business and exploration strategy to fund drilling of certain infrastructure advantaged and high-grade Au+Ag projects. These Mirasol funded programs will give the Company greater deal-making leverage and place it in a better position to monetize its assets in the event of positive exploration results. This strategy will accelerate drill testing of key projects and the path to potential discoveries.

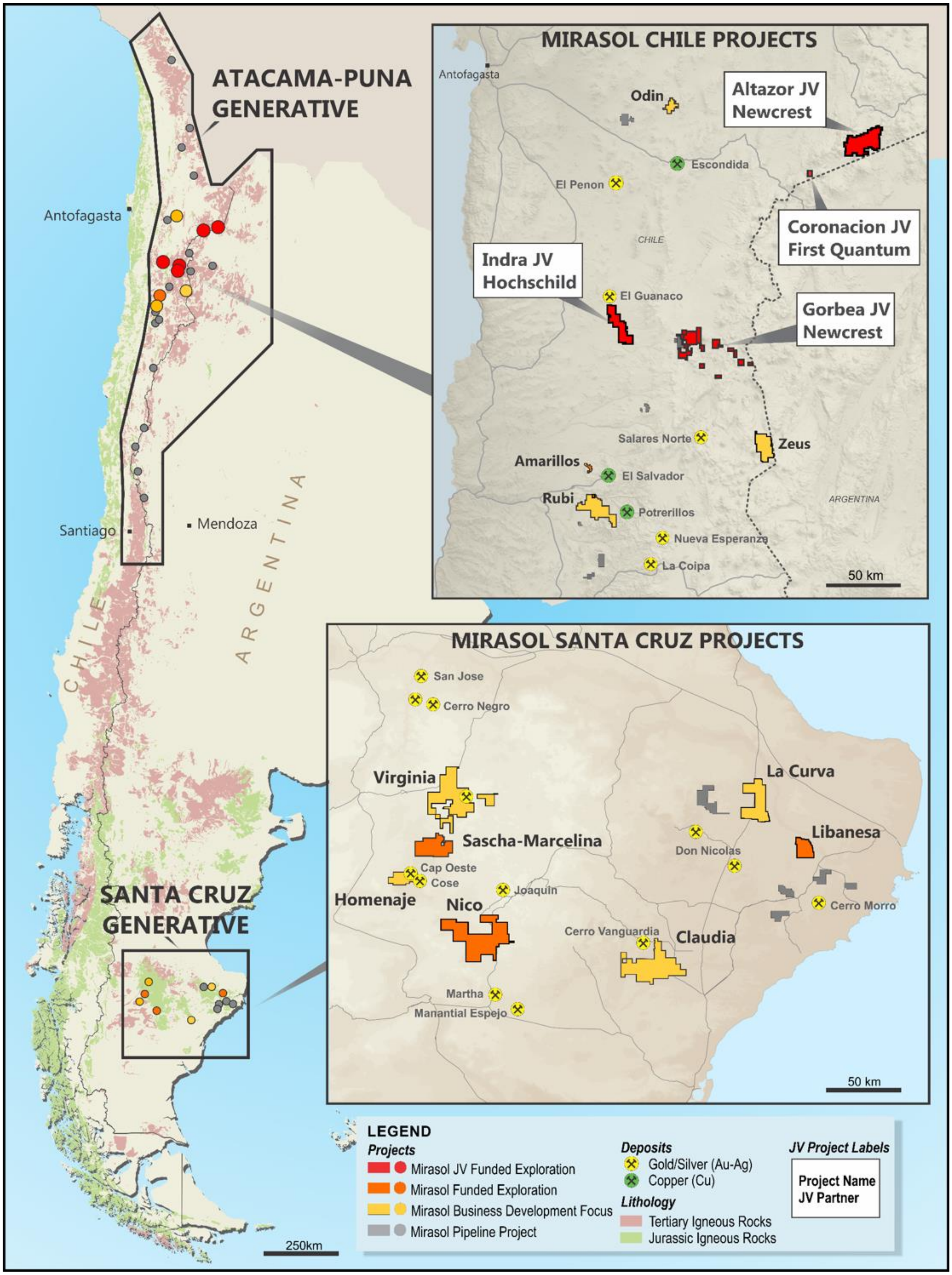

Figure 1: Location of Mirasol's Exploration Projects, Joint Ventures, and Generative Programs.

Financial Condition

Mirasol remains in a strong financial position with cash and short-term investment of $21,484,292 as of June 30, 2019. 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 year, the Company incurred total company-wide net cash expenditures of $5,049,828. The financial statements show a total expenditure of $5,917,785 of which non-cash items such as share-based payments and depreciation totalled $867,957.

The total net cash expenditure was distributed between head office corporate spending of $3,261,112, inclusive of officer's salaries, board fees, business development, corporate administration, investor relations and regulatory compliance; and a total net exploration expenditure of $2,656,673. For the year, the Company has accounted for $3,377,679 in exploration reimbursements, $1,518,570 in option/termination payments and $139,017 in management fee income from partners, which are offset against the Company's exploration and in-country management and operating costs.

Mirasol's Exploration Strategy

Mirasol is a leading project generation and exploration company with a mission to create shareholder value from resource discoveries.

The Company 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 field work. 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, staked or optioned new claims to consolidate its project portfolio.

Mirasol's exploration strategy is to advance prospects with technical merit by either:

1) entering into option to joint venture agreements with major and mid tier mining companies to fund exploration and drill testing of large-scale / higher exploration risk and cost projects, or
2) self-funding exploration and drilling programs to test high grade / infrastructure advantaged / lower exploration risk targets.

Mirasol's Joaquin and Virginia silver discoveries in Argentina are evidence of successful outcomes of these processes. Joaquin was monetized through a sale to Coeur d'Alene Mines (now Coeur Mining) in 2012.

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 and Au mines and occurrences and are of differing ages in millions of years (Ma; Figure 2).

From youngest to oldest, these are:

- Miocene to Pliocene (Mio-Pliocene, 23-5 Ma): High-sulfidation epithermal ("HSE") Au+Ag and porphyry Cu+Mo
- Middle Eocene to Early Oligocene (Eocene-Oligocene 40-28 Ma): Porphyry Cu+Mo
- Paleocene to Early Eocene (Paleocene, 66-53 Ma): Low-intermediate-sulfidation epithermal Au+Ag and porphyry Cu+Mo

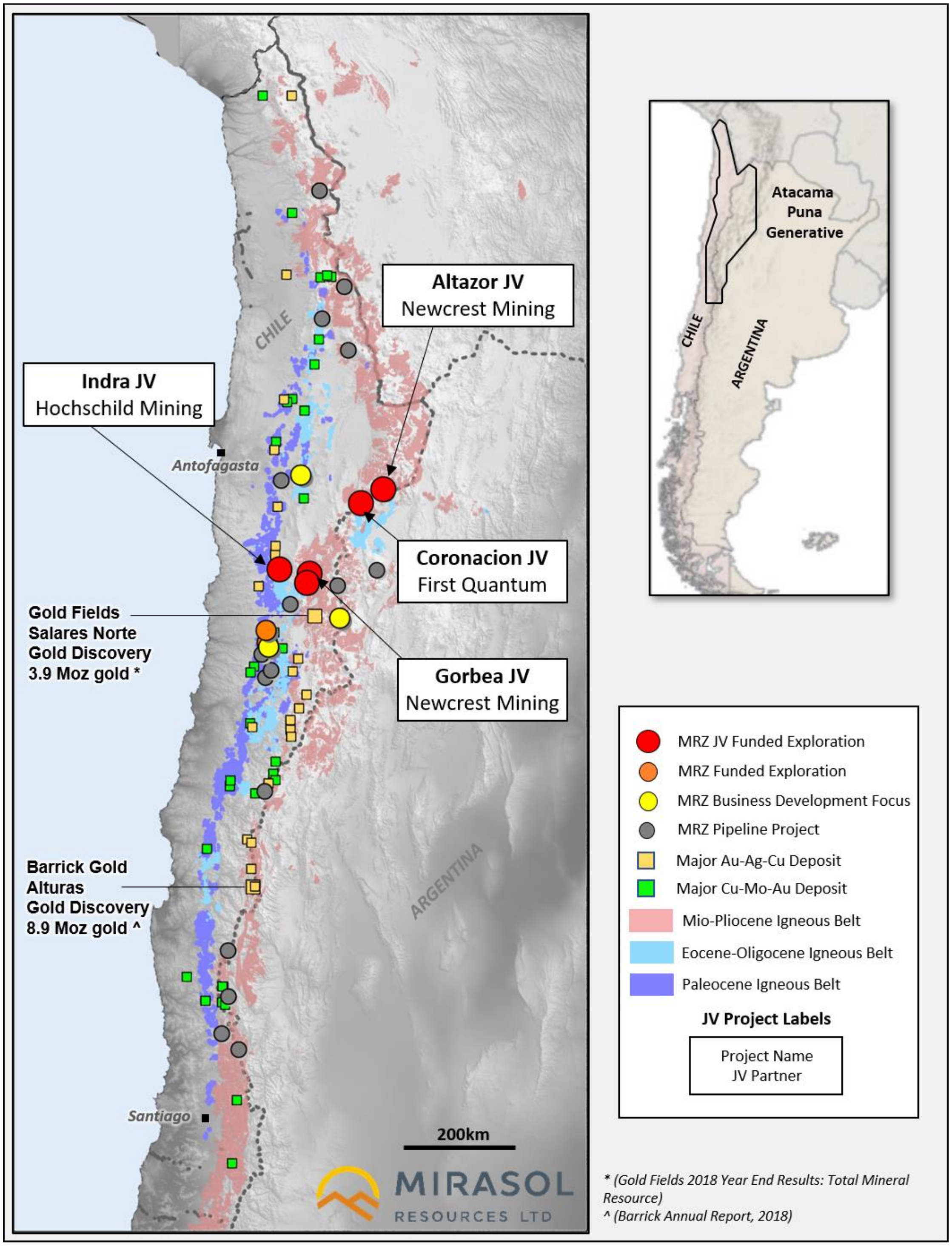

Figure 2: Mirasol's Atacama - Puna Generative Program.

Mirasol uses its advanced scientific analysis techniques to target areas with high potential for discovery of quality mineral prospects. The Company also applies several risk qualifying filters to both minimize exposure to and/or increase awareness of areas that may have environment and/or community sensitivities.

The following are brief explanations of the three metallogenic belts and Mirasol's target concepts:

Miocene – Pliocene belt

This mineral belt, in-particular, has been the focus of two recent substantial discoveries of multi-million-ounce HSE oxide Au deposits;

- Alturas deposit, with Inferred resources of 8.9 Moz Au grading 1.06 g/t Au contained within 261.3 Mt (Barrick 2018 Mineral Reserves and Mineral Resources).
- Salares Norte deposit, with a maiden reserve of 3.5 Moz Au at 5.1 g/t Au and 39.3 Moz Ag contained within 21.1 Mt. Gold Fields announced in February 2019, the completion of a positive feasibility study on this project and its confidence that that the project will be developed. Gold Fields is working on permitting and detailed engineering with construction potentially in late 2020 (Gold Fields Ltd. 2018 Year End Results).

Alturas and Salares Norte are large-tonnage, near-surface oxidized Au deposits, which are largely concealed beneath geochemically barren, but hydrothermally altered, cap rocks (the "steam heated cap") which obscured earlier recognition. These discoveries were further complicated by their remote location and high elevation. Mirasol is actively exploring for this type of Au deposit at its Atlas and Titan projects in the Gorbea property package and at the Altazor project, where Mirasol announced (news release November 21, 2017 and December 10, 2018) the signing of two option and farm-in agreements with a subsidiary of Newcrest Mining Limited ("NCM").

In addition to HSE targets, the Mio-Pliocene belt can also host large scale porphyry deposits such as First Quantum Minerals ("FQM") Taca Taca development project in Argentina. This type of deposit will be the exploration focus for the Coronación project which is subject to an agreement between Mirasol and FQM (news release October 7, 2019).

In the Mio-Pliocene belt north of the Maricunga Belt, Mirasol has approximately 119,000 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 – Early Oligocene belt

The Eocene-Oligocene belt hosts many giant porphyry Cu mines such as Escondida, Chuquicamata and Collahuasi that significantly contribute to the annual Cu production in Chile. This Cu belt is considered a "mature exploration terrain" but it is also recognized as prospective for future Cu discoveries. The continued prospectivity of this belt is attributed to its extensive post-mineral cover, and in some cases, its "geochemically barren" alteration caps concealing a substantial proportion of the most productive and logistically accessible segments of the belt. While Cu was not previously considered a core commodity for Mirasol, several factors point toward possible supply deficits. Mirasol considers the projected supply shortfall a potential driver for increased demand for Cu exploration projects and, accordingly, has staked claims and expanded existing claim holdings in this belt to secure quality exploration ground to build a pipeline of Cu exploration projects.

Mirasol presently holds approximately 38,000 ha of granted exploration claims in the Cu-rich Eocene-Oligocene belt, including the Rubi and Odin projects.

Paleocene to Early Eocene belt

This belt hosts significant mines, including BHP's Spence porphyry Cu+Mo mine, and Yamana Gold's El Peñón, a high-grade, low-sulfidation epithermal Au+Ag deposit. In this belt, Mirasol is targeting large-scale multi-million-ounce epithermal Au+Ag and large porphyry Cu deposits. Mirasol is actively exploring for this type of Au deposit at its Indra project where Mirasol announced the signing of Option and Earn-in Agreements with Hochschild Mining ("HOC") (news release August 29 and 30, 2018 and October 17th, 2018).

Mirasol presently controls approximately 29,000 ha of granted exploration claims in Paleocene 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 sq-km region of upper-middle Jurassic age volcanics which are recognized as having a high potential for hosting low- and intermediate-sulfidation epithermal Au and Ag deposits. Mirasol controls approximately 344,000 ha of exploration and mining claims in the province.

Santa Cruz Province hosts seven operating Au+Ag mines with the recent commissioning of the Cerro Morro mine operated by Yamana Gold. Five of the mines are owned and operated by international, mid-tier to major precious metal producing companies. Mineralization in Santa Cruz typically occurs in high-grade vein systems with both Low Sulfidation Epithermal ("LSE") and Intermediate Sulfidation Epithermal ("ISE") styles. These deposits are mined by both open-pit and underground mining techniques.

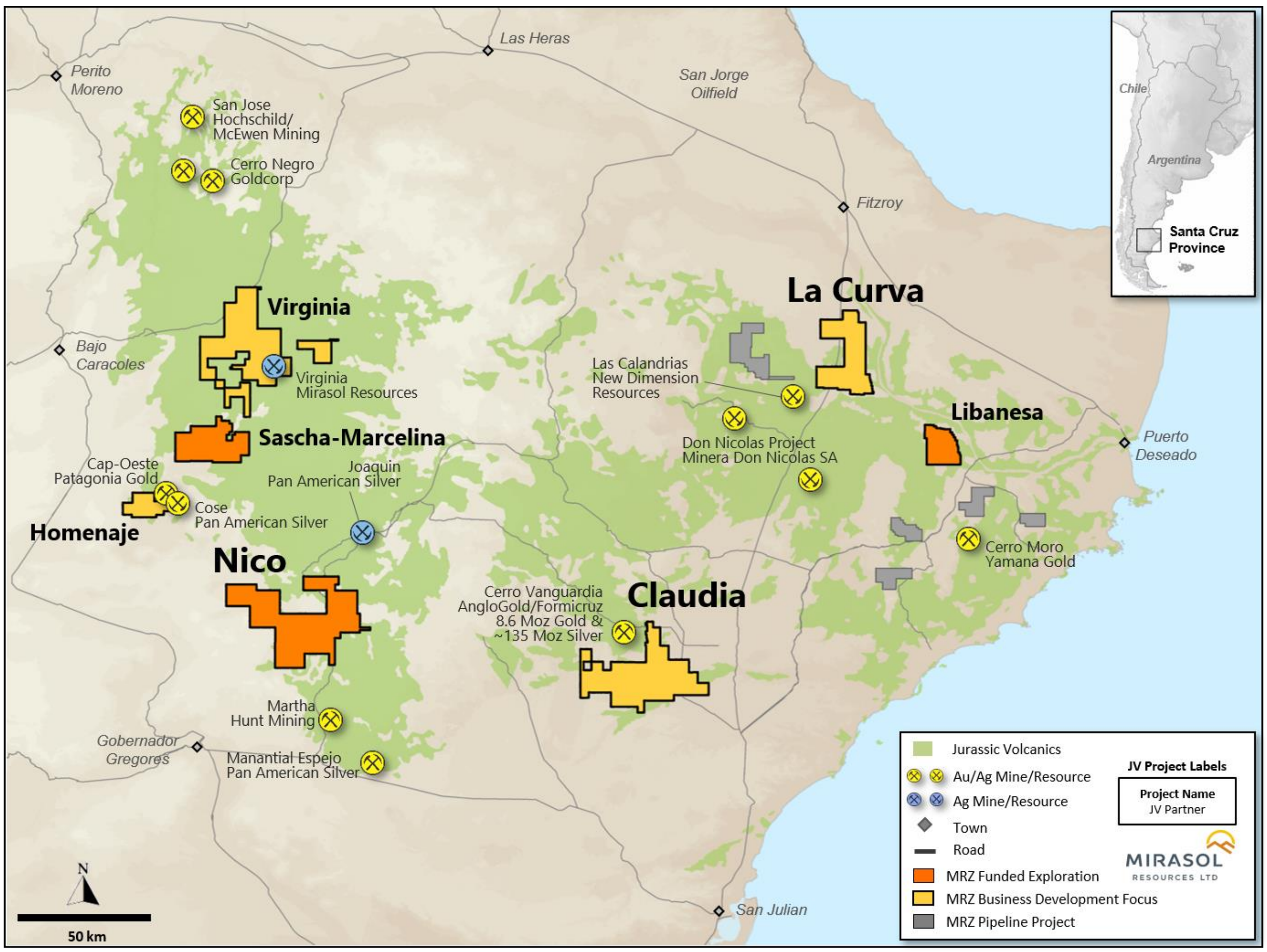

Figure 3: Santa Cruz Project Portfolio.

Mirasol has been exploring in Santa Cruz for over 15 years and has a successful track record of targeting, securing and delivering attractive, district-scale projects to precious metal producers as demonstrated by the discovery of two Ag deposits: Joaquin, sold to joint venture partner Coeur Mining in 2012; and Virginia which remains 100% owned by the Company.

The Company's strategy in Santa Cruz since December 2016, has been focused on consolidating claims holdings around key mineral districts where Mirasol already has established projects and where the Company's exploration has confirmed the potential for, large-sized precious metal systems.

The Company is closely monitoring the impact of the export tax announced in September 2018, the rapid currency devaluation (inflation) and the upcoming presidential election. To date, these issues have not impacted Mirasol's capacity to operate in Argentina and Mirasol has received continued interest for its Argentine projects for potential new exploration agreements, from mid-tier to major producers and listed junior resource companies. Mirasol remains focused on securing new partner investments in its Argentine projects.

The Company continually assesses the investment and operating climate in Argentina and will adjust its activities in response to the evolving investment and operational environment, if necessary.

JOINT VENTURE, BUSINESS DEVELOPMENT AND EXPLORATION ACTIVITIES

Activities on Projects Under Option to Joint Venture

Chile

<u>Altazor-NCM: Altazor Au project, northern Chile</u>

Altazor is an HSE Au project covering 33,230 ha located in an underexplored section of the Mio-Pliocene age mineral belt. Mirasol has completed a first-pass reconnaissance sampling over approximately 50% of the project area and reported the results on October 11, 2017. The results show 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 Project, which has a geological setting analogous to Altazor 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. The agreement grants NCM the right to acquire up to an 80% interest in the Altazor project by making 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 has 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.

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 low-level but significantly anomalous Au, Ag, Cu, Pb, Zn and epithermal path finder element assays, from sampling in the vicinity, and of 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 sq. km, a 2,030 sample, low detection limit soil grid covering 85.6 sq. km, 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 2017/2018 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 integrated leading-edge technologies applied during the first season's exploration have 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 extension 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. This has freed Mirasol exploration and management teams to peruse new project opportunities.

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. Field work consisted of rock chip and alteration sampling as well as detailed geologic mapping.

Two target areas were defined by the fieldwork completed and NCM is anticipating to complete an initial 2,000m diamond drilling program and in-fill CSAMT geophysics during the upcoming field season.

Gorbea – NCM: Gorbea Au Project, Atacama Puna, Northern Chile

The Gorbea Project comprises a package of projects totaling 28,600 ha, including the Atlas Au+Ag and the Titan Au (Cu) projects, 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 project, which returned a drill intercept of 114 m grading 1.07 g/t Au, including 36 m grading 2.49 g/t Au (news release September 11, 2017).

On December 10, 2018, the Company announced a Heads of Agreement granting NCM the right to acquire, in multiple stages, up to 75% of the Gorbea Project by completing 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 NSR royalty at a rate of 2.5% equity per 0.5% NSR royalty (max 2% NSR royalty). NCM has committed to spend a minimum of US$4 million and complete a minimum of 3,000 m of drilling over an initial 18-month period. The Company announced the signing of the definitive Letter Agreement on January 28, 2019.

Exploration Program Results

On January 7, 2019, Mirasol reported significant progress in geological understanding derived from Mirasol's initial interpretation of exploration data generated under a recently terminated partnership on the Gorbea package (see news release April 13, 2018).

The outcomes of this work include the recognition of a large breccias complex at Atlas that hosts the better gold mineralization, the development of a new alteration vectoring model suggesting that a number of previous drill holes with anomalous Au+Ag assays may have been terminated too early above the potentially better mineralized zone, and the recognition of new target areas where gold mineralization may occur closer to surface.

The scale of the Atlas Au+Ag system, combined with the relatively modest amount of exploration drilling to date (10,499 m in 26 holes) and the range of priority targets identified, highlights the project as a large, under-explored HSE system, requiring further drill testing for potential large tonnage bulk minable Au+Ag mineralization.

NCM is operating the Gorbea exploration program and was able to complete, before the onset of winter, two diamond drill holes for 391m and 512m respectively (of a planned a 2,000m drilling program), 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. The first hole drilled by NCM was terminated in mineralization and abandoned early due to ground conditions. Drilling was targeting a coincident geophysical, geochemical and alteration anomaly at depth below a barren steam-heated leach cap and was following up on the drilling results from Mirasol's previous partner (see news release July 24, 2019 for assay results). NCM is planning to extend the hole that was abandoned and to complete its initial 2,000m program at the beginning of the next field season.

Indra-HOC: Indra Precious Metals project, Northern Chile

Indra is a 20,000-ha epithermal precious metals project located in the Paleocene Age Mineral Belt, 5 km south of the 1.37 Moz Au equivalent El Guanaco Au mine in northern Chile (reserves, resources and historic production; SNL Metals & Mining – December 31, 2017). The project is interpreted to host the upper levels of a large 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 path finder geochemistry.

On October 17, 2018, the Company announced the signing of an Option and Earn-in Agreement with HOC for Indra, and the beginning of a surface exploration program on the project. The agreement gives HOC the right to acquire, in multiple stages, up to 70% of the project by completing a series of exploration and development milestones and making staged option payments. Mirasol can elect to contribute its 30% of development expenditures or exercise an option for HOC to finance 100% of the development costs through to production, in this latter scenario, Mirasol would retain a 25% interest in the project and HOC's interest would be increased to 75%. HOC is also required to pay US$ 725,000 in staged option payments to Mirasol over the duration of the agreement and committed to spending US$800,000 over the first 18 months.

Exploration Program Results

The Indra project was staked by Mirasol as an outcome of the Company's Atacama – Puna generative exploration program and encompasses what Mirasol interprets may be the upper levels of a large epithermal Au-Ag system. Mirasol has identified a limited number of prospect pits at Indra, estimated to be from the 1900's, however, there is no evidence of modern exploration at the project despite year-round access and its location adjacent to an operating mine (news release August 30, 2018).

The project hosts the following prospects:

- Agni, with a large chalcedony and opal silica alteration system and associated silica – barite structures; and

- Indra, with a large carbonate-silica vein and vein-breccia zone.

On the successful completion of a surface program on the project that included ground magnetic, geological mapping and rock chip geochemical sampling and also alteration vectoring, HOC has agreed to a maiden drill program.

Six reverse circulation drill holes were drilled in late August 2019, targeting the depth extension of the carbonate veins mapped and sampled at surface, with the objective of determining if the carbonate composition of the veins grades into silica at depth along with an associated increase in the Au and Ag values. Results are pending and Mirasol will update its shareholders once results have been received and analysed.

Coronación – FQM: Coronación Cu Project, Northern Chile

On October 7, 2019, Mirasol announced the signing of a definitive agreement with FQM for its 1,200 ha Coronación Copper/Gold 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 10,000m 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 this agreement.

The project is located on a major NW structural trend associated with several Andean porphyry 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.

Exploration Activities On 100% Owned Mirasol 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 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 has been 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 Coldelco's El Salvador mine. The property sits at elevations ranging from 1700m to 2100m 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 north-south structures, coincident with rhyolitic to dacitic dyke swarms.

Numerous vein structures up to 3 m wide have been 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. Reconnaissance rock chip sampling of quartz veins has returned assays up to 40.5 g/t Au with anomalous antimony, arsenic, and barium. Zones of narrow veinlets and stockwork within the wall rock carry up to 2.7 g/t Au. In addition, there is evidence of wider zones of sheeted veins and breccias zones that may be a target for bulk mining. Numerous old and small-scale artisanal pits exist within the claim block but there has been no modern exploration or drilling beyond the initial reconnaissance work completed by Mirasol.

Mirasol is conducting follow up mapping and sampling and recently completed a ground magnetic geophysical survey over the entire project.

Zeus Au project, northern Chile

Zeus is a gold project covering 18,500 ha that is located 40 km east - southeast of the Salares Norte project.

On February 26, 2018, Mirasol announced the signing of an Option and Farm-in Agreement with NCM. Following execution of the agreement, a US$ 750,000 surface exploration program was completed (see News Release April 24, 2018). The program was focused on the known breccia bodies at Apollo and Artemisa prospects, and included detailed mapping, gridded systematic soil and rock chip sampling geochemistry, CoreScan alteration mapping and 32 line-km of CSAMT geophysics. Analysis of exploration data is currently being performed and will be completed during the second quarter of 2019.

On December 10, 2018, Mirasol announced that the companies had agreed to the early termination of the Zeus Option to Farm-in Agreement. NCM agreed to a US$200,000 early termination payment to Mirasol and NCM has no retained rights in the Zeus project.

Mirasol has initiated the business development process to identify a new exploration partner to continue exploration at the Zeus project. Mirasol believes that Zeus is a very prospective, underexplored, Au+Ag project hosted in a permissive geological setting, 43 km East of the Salares

Norte project. Mirasol also views Goldfields' reporting in February this year, of a positive feasibility study for the Salares Norte Project, as a potentially encouraging outcome for the Zeus project.

Exploration Program Results

The Zeus project consists of two primary prospects, Apollo and Artemisa that were the focus of the partner-funded exploration program during the 2017-2018 summer campaign. Exploration included a 36.3 km2 soil survey, prospect scale geological mapping, rock chip geochemical sampling (that notably returned up to 2.01 g/t Au and 17.45 g/t Ag in separate samples at Apollo), Corescan alteration analysis of soils and CSAMT resistivity geophysics. Mirasol's comprehensive analysis of results indicates that the geophysical anomalies, as outlined, are coincident with the alteration on surface and that they define attractive drill targets that remain to be tested. Mirasol is actively seeking an exploration partner to move forward exploration activities at the Zeus project. Additional technical information and results are available on the Company's website.

Odin Cu Project, Atacama Puna

Odin is located 20 km north of the giant Escondida Cu mine. The Odin claims cover a previously unexplored Mirasol-generated conceptual porphyry Cu mineralization target, concealed by a strongly altered geochemically barren lithocap.

Mirasol expanded reconnaissance rock chip sampling outward from the original Odin target into the new claims. Initial results have returned encouraging Cu + Mo + Au assays. These areas will be the focus of future exploration.

Rubi Cu Project, Atacama Puna

Rubi is located in the El Salvador Cu-Au mining district, Chile, and hosts the Lithocap, Zafiro and Puertozuelo porphyry Cu targets. The El Salvador district hosts large-scale porphyry Cu mines operated by Codelco, the Chilean national mining company.

Mirasol completed field evaluation and targeting programs at Rubi identifying three large-scale Cu + Mo + Au targets at the Lithocap, Zafiro, and Portezuelo prospects. The targets were defined by integrated analysis, including re-logging of drill samples and the re-interpretation of geophysics and geochemistry from previous partner exploration at Rubi. This was combined with recent Mirasol geological mapping, rock chip sampling and target vector modelling from field-based measurements of alteration minerology (news release July 24, 2017).

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 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.

Under the terms of the Agreement, 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 spending 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 sq. km) "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 ASD (Analytical Spectral Devices) 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 as high as 27.7 g/t Au and 121 g/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.

The recent prospecting/sampling, geological mapping and alteration vectoring studies have defined possible feeder structures that could potentially be the source of the hydrothermal fluids in each of the prospects. Next field season, Mirasol will focus on generating targets for drill testing by completing systematic electrical geophysical IP lines over main prospects. In parallel with its exploration program, Mirasol has also initiated a search for a partner to drill test the project.

<u>La Curva Au Project, Santa Cruz, Argentina</u>

The La Curva Au project, with 36,100 ha, includes three priority drill-ready prospects along the La Castora trend and a series of other early stage prospects in the Curva West area. The geological setting of the La Curva project is prospective for high-grade LSE breccia/sheeted veins, as well as fissure vein styles of Au+Ag mineralization.

On May 18, 2017, Mirasol signed a definitive agreement with OceanaGold Corporation (“OGC”) to explore the La Curva project. The agreement granted OGC the right to earn up to 75% of the project by spending US$ 7.0 million in exploration expenditures, delivering a feasibility study, a decision to mine and funding Mirasol 25% project equity position to commercial production.

On March 22, 2019, Mirasol announced that it was advised by OCG of its decision to terminate the agreement. Since the beginning agreement, OCG completed C$3.7 million in exploration expenditures on the project and drilled 6,250 m in 36 holes. Results from the second phase drill program were released on March 4, 2019 along with Mirasol’s geological interpretation and drill targets.

Exploration Program Results

On February 28, 2018, Mirasol announced the results from the first season of drilling at Curva. The 18-hole, 2,550 m, diamond drill program provided an initial test of three prospects on the Castora Trend: Cerro Chato, Loma Arthur and SouthWest. Drilling intersected widespread pervasive argillic alteration, silicification and Au+Ag mineralization indicative of a large LSE Au+Ag system.

Two distinct stages of Au mineralization were recognized: Stage 1) broad zones (up to 106.2 m downhole) of lower-grade, early quartz+pyrite mineralization; and Stage 2) an overprinting phase of higher-grade multi-pulse epithermal veins and veinlets with individual assays up to 12.72 g/t Au and 145.4 g/t Ag over 0.8 m (SW-DDH-02).

On March 4, 2019, Mirasol reported the assay results from the second program of drilling and initial cyanide extractable gold tests of the mineralization from the La Curva project.

The second program totalled 3,227.8 m in 17 holes, testing targets at the Curva West prospect and the Castora Trend's Cerro Chato, SouthWest and Pison prospects with encouraging anomalous Au+Ag intersections returned at the 3 Castora Trend Prospects.

Results from all drilling to date and surface geology at SouthWest, outline a NW oriented 1,100 m long and up to 300 m wide target zone for Au+Ag mineralization. Cross sections through this target, show Au+Ag grades vectors to depth and the north, toward a large NW striking normal fault that may have acted as a "feeder structure" to mineralization. This structure represents a compelling drill target for higher grade Au+Ag mineralization.

Nine samples weighing up to 1 kg, composited from mineralized drill assay pulps from the SouthWest and Cerro Chato prospects, were assayed via the LeachWELLTM process, as an initial test of cyanide recoverable gold characteristics of the main styles of mineralization recognized to date.

Claudia Au+Ag Project, Santa Cruz, Argentina

The large Claudia Au+Ag project (approximately 102,000 ha) comprises several drill-ready prospects and is contiguous with the Cerro Vanguardia Au+Ag district operated by Cerro Vanguardia S.A., ("CVSA") a 92.5 % owned subsidiary of Anglo Gold Ashanti. Mirasol's exploration has outlined five large-scale epithermal Au+Ag vein prospects at Rio Seco, Laguna Blanca, Ailen, Cilene and Curahue. At Curahue, six separate vein trends have been identified: Io, Europa, Ganymede, Callisto, Sinope and Themisto, along a 15 km corridor (news release July 27, 2015). A series of drill ready targets are also defined at Rio Seco, Ailen and the large Curahue zone.

A definitive option agreement was signed with OceanaGold Corporation on October 20, 2017, granting OGC the right to earn up to 75% of the project by spending US$ 10.5 million in exploration expenditures, delivering a feasibility study, a decision to mine and funding Mirasol's 25% project equity position to commercial production. On March 22, 2019, Mirasol announced that it was advised by OCG of its decision to terminate the agreement. OCG invested C$2 million since execution of the agreement and drilled 2,500m in 12 holes.

Exploration Program Results

During the 2018-2019 field program, Mirasol completed additional partner-funded surface exploration work on the property developing new drill targets that remain to be tested. A total of 249 rock chip samples were submitted for assays with results up to 7.99 g/t Au and 69 g/t Ag returned from the Curahue trend. In addition, two new IP geophysical surveys focused on the Curahue and Themisto prospects were completed extending existing survey coverage of the Claudia project to a total of 42.8 sq-km of Gradient Array survey and 96.32 line km of PDP survey.

Mirasol believes targets remain to be drill tested on the Curahue, Thermisto and Rio Seco prospects and has initiated a search for a new partner for the Claudia project.

Nico Au Ag Project, Santa Cruz

On September 25, 2018 Mirasol recommenced exploration at the Nico project for the 2018-19 southern hemisphere summer exploration season. In mid-December 2018, Mirasol initiated a shallow drill program at the project.

Mirasol completed 27 holes totalling 1,610.2 m, including 17 reverse circulation holes for 907m and 10 diamond core holes for 703.2 m. Drilling was designed to provide an initial shallow test of narrow structures that have returned high grade Au and Ag assays from surface rock chip and saw cut channel sampling.

On March 4, 2019, the Company reported that it had completed the self-funded drill program on the Nico property in Santa Cruz, Argentina. The majority of the assay results have been received and were generally of low grade.

On May 8, 2019, the Company announced that the full results were received for the program which can be viewed on the Company's website. Two factors have contributed to disappointing results: i) the majority of vein or vein breccia structures were found to maintain the same width, or pinch out rapidly at depth instead of dilating; and ii) the surface samples are strongly oxidised and there seems to have been significant supergene enrichment episode of Ag and Au very near surface that does not continue to depth.

At this time, Mirasol does not intend to do any further exploration on the Nico project.

Virginia Ag Project, Santa Cruz

The Virginia high grade, Ag vein zone was discovered by Mirasol in late 2009. In the 2015 financial year, Mirasol reported an initial mineral resource estimate for the Virginia project. The report presents a conceptual, open-pit constrained, mineral resource estimate focused exclusively on the high grade vein/breccia component of the mineralization as previously reported (news release February 7, 2013). The mineral resource estimate contains Indicated resources totalling 11.9 Moz Ag at 310 g/t, and Inferred material totalling 3.1 Moz Ag at 207 g/t, all contained within seven outcropping veins of high-grade Ag mineralization (news release January 28, 2015).

On March 29, 2016, Mirasol filed an amended technical report on SEDAR dated February 29, 2016. The Amended Report addressed specific technical comments received from the BC Securities Commission ("BCSC") following their routine review of technical disclosure. The base case Mineral Resource estimate contained in the Original Report remains unchanged in the Amended Report.

Mirasol's holdings at Virginia were expanded to 70,000 ha and preliminary prospecting south of the limit of Mirasol drilling on the newly acquired claims identified quartz vein and vein breccia "float", scattered along a 2 km trend (news release September 14, 2016).

During the last financial year, prospecting and reconnaissance mapping on the newly acquired claims resulted in the discovery of additional high-grade Ag mineralization (news release May 10, 2018). Surface Ag mineralization at Margarita was extended over a 450 m strike-length. The newly recognized Julia South Dome Trend is defined by intermittent vein and vein-breccia subcrop and float samples which extend 2.15 km south from the limits of drilling defining the resources at Virginia. The new East Zone target covers a 1.2 km x 600 m area where rock chip sampling of subcropping epithermal vein-breccia and aligned float blocks have returned high-grade Ag assays.

Detailed exploration, including surface electrical geophysics, trenching and shallow drilling are required to further test these new target areas to confirm if shallow cover is concealing undiscovered Ag veins that are the source of the float.

Other Properties

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

Mirasol is advancing first pass reconnaissance sampling of its Mio-Pliocene pipeline property portfolio and will report results from this exploration at the end of the 2019 southern hemisphere summer season.

Business Development Activities

Since the beginning of July 2018, Mirasol has signed confidentiality agreements, distributed data sets and conducted field reviews with selected Au and Cu companies with the objective of securing potential new partnerships for many of its projects including:

- Santa Cruz: Sascha-Marcelina Au Ag Projects, Libanesa, Homenaje and Virginia Ag Projects in Argentina.
- Eocene-Oligocene Belt: Odin and Rubi Cu Projects in Chile.
- Mio-Pliocene Belt: Zeus Project and other Mio-Pliocene pipeline projects in Chile.

The Company is also focusing its exploration activities on its Mio-Pliocene "pipeline" properties to advance them to drill-ready status.

HIGHLIGHTS FOR THE PERIOD JULY 1, 2018 TO OCTOBER 25, 2019

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 year, Mirasol invested $976,147 (Table 2) on exploration in Chile and $1,680,527 in Argentina.

The Company received $3,377,679 in cost recoveries for the year; 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 $139,017 of management fee income during the period.

Mirasol also received option payments of US $1,200,000 comprised of:

- In October 2018, the Indra signing payment from HOC of US$ 50,000.
- In August 2018, a La Curva option payment from OGC of US$ 200,000.
- In November 2018, a Claudia option payment from OGC of US$ 100,000.
- In November 2018, the Altazor option exercise payment from NCM of US$ 500,000.
- In February 2019, the Gorbea signing and Zeus termination payment from NCM of US$300,000.
- In October 2019, the Coronación signing payment from FQM of US$50,000

Corporate Matters

On July 17, 2018, the Company announced the appointment of Jonathan Rosset as Vice-President Corporate Development, together with the grant of 60,000 stock options and 110,000 restricted share units ("RSUs") under its Equity Incentive Plan to certain officers, employees and consultants. The options are exercisable at $1.76 per share for a period of three years from the date of grant and are subject to vesting whereby 50% shall be vesting immediately and the balance shall vest in six months, subject to certain contractual conditions. The RSUs are also subject to vesting whereby 50% shall vest on the date that new contracts are entered into with each recipient, and the balance shall vest 12 months thereafter. The RSUs entitle the holder to be issued one common share for each vested RSU. The Company currently has 3.265 million options allocated of the 5.4 million options available under the Company's Options Plan.

On November 21, 2018, the Company reported that Borden R. Putnam III resigned as a director effective November 20, 2018. Mr. Putnam served on the Board since December 2012 and was involved in various committees as an independent director during his tenure.

On December 18, 2018, the Company announced the annual grant of stock options under its Equity Incentive Plan. A total of 397,500 options were granted to directors, officers, employees and consultants, which are exercisable at $1.10 per share for a period of three years. The Company has also announced that it renewed consulting agreements with:

(i) Global Ore Discovery ("Global Ore") to provide continued technical services, under which the Company agreed to grant Global Ore 75,000 common shares in stages as a retention bonus, with 37,500 shares being issued with 10 days of TSX Venture Exchange acceptance, 18,750 shares on January 1, 2019, and 18,750 shares on April 1, 2019; and

(ii) Stephen Nano, who served at the time as CEO and President of the Company, under which the Company granted 50,000 RSUs under its Equity Incentive Plan to Mr. Nano, who is a principal of Global Ore.

Effective February 1, 2019, Norman Pitcher, P.Geo., was appointed President and CEO of the Company. In connection with his appointment, the Company granted 600,000 stock options to Mr. Pitcher. The options are exercisable at $1.27 per share for a period of four years subject to vesting restrictions whereby 200,000 options shall vest immediately; 200,000 options shall vest on February 1, 2020; and 200,000 options shall vest on February 1, 2021, provided that Mr. Pitcher's employment agreement is in effect on such dates. An additional 150,000 stock options were granted to the Chairman of the Board and are exercisable at $1.27 per share for a period of three years.

Effective March 14, 2019, Dr. Diane Nicolson has been appointed as an independent director of the Company. Mirasol also announced the grant of 200,000 stock options to certain directors under its Equity Incentive Plan. The options are exercisable at $1.09 per share for a period of four years, 100,000 of which are subject to vesting restrictions.

On March 21, 2019, the Company announced that Norman Pitcher, President and CEO, has been appointed to the Company's Board of Directors following the resignation of Stephen Nano from the board. Mr. Nano will continue as an advisor to the Company.

On May 9, 2019, results of the 2019 Annual General Meeting of shareholders were reported. The shareholders of the Company represented at the meeting elected Norman Pitcher, Dana Prince, Nick DeMare, John Tognetti, Patrick Evans and Diane Nicolson as directors of the Company for the ensuing year. Further, shareholders also approved: (i) the reappointment of Davidson & Company as the Company's independent auditor; and (ii) the Equity Incentive Plan, all as described in the Information Circular. Subsequent to the Meeting, the Board reappointed the following officers of the

Company: Norman Pitcher, President and CEO; Dana Prince, Chairman; Mathew Lee, CFO; Timothy Heenan, Country Manager; Jonathan Rosset, VP Corporate Development and Gregory Smith, Corporate Secretary.

RESULTS OF OPERATIONS

Table 2: *Exploration expenditures per projects under active exploration*

	For the Twelve Months Ended June 30, 2019	2018
CHILE		
Gorbea Package - Joint Venture		
Assays and sampling	1,356	-
Camp and general	1,061	46,011
Contractors and consultants	14,485	107,399
Mining rights and fees	35,546	11,064
Travel & accommodation	634	6,970
Option Income	(132,600)	-
Resource Studies	8,264	5,574
Professional fees	-	5,851
	(71,254)	182,869
Altazor - Joint Venture		
Assays and sampling	24,265	98,779
Camp and general	39,390	114,383
Contractors and consultants	92,591	530,338
Exploration costs recovered	(258,434)	(1,696,669)
Geophysics	-	416,730
Management fees	-	154,243
Mining rights and fees	68,809	106,687
Professional fees	2,373	1,240
Travel & accommodation	48,616	162,591
Resource Studies	4,787	33,774
Option income	(662,950)	(126,040)
	(640,552)	(203,944)
Zeus - Joint Venture		
Assays and sampling	7,325	35,229
Camp and general	(4,019)	240,934
Contractors and consultants	42,920	158,669
Exploration costs recovered	(90,530)	(759,113)
Geophysics	-	138,539
Professional fees	-	198
Management fees	-	69,010
Mining rights and fees	43,737	44,328
Option Income	(261,900)	(66,762)
Resource Studies	-	75,565
Travel & accommodation	1,248	15,484
	(261,219)	(47,919)
Indra Agni - Joint Venture		
Assays and sampling	17,185	-
Camp and general	96,880	-
Contractors and consultants	280,470	-
Exploration costs recovered	(701,429)	-
Geophysics	7,739	-
Management fees	61,244	-
Mining rights and fees	70,217	-
Option Income	(65,380)	-
Resource Studies	60,093	-
Travel & accommodation	69,579	-
	(103,403)	-
Ladera - Joint Venture		
Contractors and consultants	6,095	-
Mining rights and fees	2,904	-
	8,999	-
Total - Properties joint ventured to other companies	**(1,067,429)**	**(68,994)**

	For the Twelve Months Ended June 30, 2019	2018
Chile Pipeline Projects		
Assays and sampling	25,229	30,036
Camp and general	63,995	24,806
Contractors and consultants	316,162	179,418
Geophysics	38	565
Mining rights and fees	387,294	537,823
Travel & accommodation	48,180	21,593
	840,898	794,241
Gorbea		
Assays and sampling	2,228	-
Camp and general	83,428	-
Contractors and consultants	80,602	-
Geophysics	-	-
Mining rights and fees	25,724	-
Travel & accommodation	10,216	-
	202,197	-
Odin		
Assays and sampling	692	-
Camp and general	755	-
Contractors and consultants	741	-
Mining rights and fees	9,361	-
Travel & accommodation	696	-
	12,247	-
Zeus		
Contractors and consultants	422	
Mining rights and fees	30,914	-
	31,337	-
Total - 100% owned properties	**1,086,679**	**794,241**
Frontera - Joint Venture		
Camp and general	-	8
Geophysics	-	48
	-	56
Ladera		
Mining rights and fees	14,653	-
	14,653	-
Enami (Los Amarillos)		
Assays and Sampling	787	-
Mining rights and fees	341	-
Joint venture payments	13,260	-
	14,388	-
Total - Earn-in joint venture on third party projects	**29,041**	**56**
Project Generation	12,115	11,043
Management Fee Income	(61,244)	(223,253)
Corporate Operation & Management - Chile	976,984	996,065
Total Chile	**976,146**	**1,509,158**

	For the Twelve Months Ended June 30, 2019	2018
ARGENTINA		
Claudia - Joint Venture		
Assays and sampling	5,996	75,629
Camp and general	71,977	266,217
Contractors and consultants	192,021	342,261
Drilling	-	572,498
Environmental	9,459	11,947
Exploration costs recovered	(603,328)	(1,667,369)
Geophysics	13,987	29,761
Interest	20	53
Management fees	-	70,488
Mining rights and fees	102,792	199,766
Option income	(132,700)	(126,552)
Professional fees	4,025	4,719
Travel & accommodation	12,391	44,261
	(323,360)	(176,321)
La Curva - Joint Venture		
Assays and sampling	89,653	97,823
Camp and general	163,029	306,606
Community relations	(4,775)	-
Contractors and consultants	304,887	460,662
Drilling	704,431	733,654
Environmental	1,146	8,941
Exploration costs recovered	(1,723,958)	(2,030,764)
Interest	-	133
Management fees	-	80,615
Mining rights and fees	40,733	61,036
Option income	(263,040)	-
Professional fees	1,097	6,026
Travel & accommodation	33,860	52,903
	(652,937)	(222,365)
Total - Properties joint ventured to other companies	**(976,297)**	**(398,686)**

	For the Twelve Months Ended June 30, 2019	2018
Argentina pipeline projects		
Assays and sampling	81,796	108,374
Camp and general	297,001	47,992
Contractors and consultants	293,888	139,615
Drilling	275,570	-
Environmental	8,125	11,374
Geophysics	56,368	6,214
Mining rights and fees	106,592	119,668
Professional fees	-	1,060
Travel & accommodation	32,094	44,952
	1,151,434	479,249
Claudia		
Assays and sampling	1,820	-
Camp and general	5,394	-
Contractors and consultants	22,899	-
Mining rights and fees	38,177	-
Travel & accommodation	1,661	-
	69,951	-
La Curva		
Camp and general	11	-
Community relations	4,698	
Contractors and consultants	23,404	-
Mining rights and fees	7,402	-
Travel & accommodation	301	-
	35,816	-
Sascha		
Assays and sampling	5,297	-
Contractors and consultants	20,865	-
Mining rights and fees	4,928	-
Professional fees	505	-
	31,595	-
Santa Rita and Virginia		
Camp and general	-	28,800
Contractors and consultants	-	16,588
Environmental	-	2,783
Mining rights and fees	-	33,903
Travel & accommodation	-	8
	-	82,082
Total - 100% owned properties	**1,288,796**	**561,331**

Marcelina		
Assays and sampling	26,024	-
Camp and general	34,648	-
Contractors and consultants	102,434	-
Environmental	4,297	-
Mining rights and fees	4,169	-
Travel & accommodation	10,577	-
Share Capital	226	-
Acquistion Costs	33,696	-
	216,071	-
Total - Earn-in joint venture on third party projects	**216,071**	**-**
Project Generation	150	59
Management Fee Income	(77,773)	(151,103)
Corporate Operation & Management - Argentina	1,229,580	1,241,269
Total Argentina	**1,680,527**	**1,252,870**
Total Exploration and Evaluation Costs	**2,656,673**	**2,762,028**

FOR THE YEAR ENDED JUNE 30, 2019 AS COMPARED TO THE YEAR ENDED JUNE 30, 2018

The Company's net comprehensive loss for the year ended June 30, 2019 ("2019") was $6,644,406 or $0.12 per share compared to a net comprehensive loss of $4,345,815 or $0.09 per share for the year ended June 30, 2018 ("2018"), an increase of $2,298,591.

The increase in net loss during 2019 is due to an increase in management fees from issuance of bonus shares and share based compensation issued to various directors and officers. The Company entered into a new lease agreement for head office space during the year which resulted in purchasing furniture, security deposit and increase in base rent. The Company recorded a loss on foreign exchange from conversion of funds during the year.

The Company's total operating expenses were $5,917,785 in 2019 compared to $5,457,985 in 2018.

As presented in Table 2 above, the Company incurred exploration costs of $2,656,673 in 2019, compared to $2,762,028 in 2018. Reduction in generative exploration and increased partner-funded project management in Argentina and Chile during 2019 resulted in reduction in exploration expenses.

Stock-based payments and depreciation are non-cash items. Excluding the above and the exploration cost, the Company incurred $2,393,155 in 2019 compared to $2,190,108 in 2018. The increase of $203,047 is attributable to the increase in management fees, office and miscellaneous, marketing and professional fees redirection of company objectives. This also includes the salary increases during 2019.

Reductions in cost of travel and business development in 2019 compared to 2018, were attributable to reduction in rates and the services obtained and efficient cost management.

The Company also recorded a foreign exchange loss of $1,169,138 during 2019 compared to the gain of $756,098 in 2018. The periodic variance in foreign exchange gain or loss recorded by the Company is primarily the result of the movement in the value of the US dollar relative to the Canadian dollar, due to the significant US dollar asset holding by the Company.

FOURTH QUARTER ANALYSIS

The Company carried out its generative exploration work during the fourth quarter. The net loss for the quarter ended June 30, 2019 ("Current Quarter") was $1,975,115 compared to net loss $14,623 for the quarter ended June 30, 2018 (Comparative Quarter). As for the current quarter the reason for the increase in the loss is due to a loss on the foreign exchange during the quarter.

The operating cost for the Current Quarter was less than the Comparative quarter due to a decrease in the exploration costs, marketing and investor communications and office and miscellaneous related to the operations. Allocation of resources to professional fees and an increase in share-based payments expense resulted in an increase in the related costs during the Current Quarter compared to the Comparative Quarter.

SELECTED ANNUAL FINANCIAL INFORMATION

	2019 $	2018 $	2017 $
Sales	-	-	-
Loss for the year	(6,646,786)	(4,341,131)	(6,945,647)
Loss per share – basic and diluted	(0.12)	(0.09)	(0.15)
Total assets	25,191,758	30,379,800	25,070,836
Total long-term liabilities	-	-	-
Dividends declared	-	-	-

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 $
4th Quarter 2019	Nil	(1,975,115)	(0.04)	(0.04)
3rd Quarter 2019	Nil	(3,440,524)	(0.07)	(0.07)
2nd Quarter 2019	Nil	336,804	0.01	0.01
1st Quarter 2019	Nil	(1,567,951)	(0.03)	(0.03)
4th Quarter 2018	Nil	(14,623)	(0.001)	(0.001)
3rd Quarter 2018	Nil	(1,491,031)	(0.03)	(0.03)
2nd Quarter 2018	Nil	(1,010,958)	(0.02)	(0.02)
1st Quarter 2018	Nil	(1,824,519)	(0.04)	(0.04)
4th Quarter 2017	Nil	(1,388,787)	(0.03)	(0.03)
3rd Quarter 2017	Nil	(1,789,281)	(0.04)	(0.04)
2nd Quarter 2017	Nil	(1,669,075)	(0.03)	(0.03)
1st Quarter 2017	Nil	(2,098,504)	(0.05)	(0.05)

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

Company continued to invest Canadian, Australian and US dollars in interest-bearing financial instruments maturing up to one year. The total amount invested was CAD$16,836,008. The Company received interest income of $440,137 during 2019 compared to $360,756 in 2018.

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 $20.7 million on June 30, 2019, 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:

	Year Ended June 30, 2019		2018
Management compensation (i)	$ 579,015	$	501,273
Share-based payments (ii)	853,972		261,084
Director's fees (iii)	180,750		186,241
Bonus shares (iv)	86,250		-
	$ 1,699,978	$	948,598

(i) Management compensation is included in Management fees (2019 - $352,639; 2018 - $272,046) and in exploration expenditures (2019 - $226,376; 2018 - $229,227).

(ii) Share-based payments represent the expense for the years ended June 30, 2019 and 2018.

(iii) The independent directors of the Company are paid $2,100 per month (2018 - $2,100 per month) while the Chairman of the Board of Directors receives an additional $7,100 per month for serving in this capacity (2018 - $7,100).

(iv) In November 2018, the Company signed consulting agreements, effective July 2018, with 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 consultants until June 30, 2019, to provide target generation related consulting services to the Company on an exclusive basis throughout Chile and Argentina. The Company has agreed to pay a minimum monthly retainer of AUD $50,000 and six month minimum of $350,000. The

Company has an additional trailing one-year contact with Global Ore commencing July 1, 2019 to June 30, 2020.

Further, as additional consideration, the Company has agreed to issue 75,000 Retention Bonus Shares (“the Bonus Shares”) (Issued January 3, 2019), subject to vesting, to key representatives of Global Ore other than Mr. Stephen Nano, the previous CEO of the Company.

The Bonus Shares shall be issued, subject to receipt of TSX Venture Exchange (“TSXV”) acceptance, and will be subject to escrow restrictions whereby 37,500 will be released upon TSXV acceptance and signing of the Global Ore consulting contract; 18,750 released on January 1, 2019 and 18,750 released on April 1, 2019. The Global Ore trailing contract can be terminated at any time by Global Ore after four months from its commencement on July 1, 2019 with a one month’s notice to the Company.

b) Transactions with other related parties

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

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

	Nature of transactions
Miller Thomson	Legal fees
Global Ore	Project generation, exploration management and GIS services
Evrim Resources Corp. (“Evrim”)	Office administration support services and office sharing
Chase Management Ltd.	Professional fees
Mathew Lee	CFO services

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

	Year Ended June 30, 2019	Year Ended June 30, 2018
Legal fees	$ 213,426	$ 189,138
CFO services	54,000	101,750
Office sharing and administration services	-	49,440
Project generation, exploration expenses and GIS services	788,077	711,619
	$ 1,055,503	$ 1,051,947

Included in accounts payable and accrued liabilities at June 30, 2019, is an amount of $45,085 (2018 - $153,904) 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 Company did not adopt any significant new accounting policies during the reporting period.

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.

The Company operates in Argentina which is classified as a hyperinflation economy. However, the Companies functional currency is US dollars. Therefore, the provisions of IAS 29 *Financial Reporting in Hyper-Inflationary Economies* have not been adopted nor have they been applied to the consolidated financial statements for the year ended June 30, 2019.

FINANCIAL INSTRUMENTS

The Company's financial instruments as at June 30, 2019, 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 70:15:15 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, in the Company's consolidated statements of loss and comprehensive loss of the audited annual consolidated financial statements for the year ended June 30, 2019 that is available on the Company's website at www.mirasolresources.com or on its SEDAR company page accessed through www.sedar.com.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 54,033,878 issued and outstanding common shares. In addition, the Company has 3,711,876 options outstanding that expire through March 14th, 2023, and 2,158,875 warrants outstanding that expire through June 1st, 2020. At the date of this MD&A, 110,000 RSU's were outstanding.

Details of issued share capital are included in Note 6 of the consolidated financial statements for the year ended June 30, 2019.

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 and on the Company's website at www.mirasolresources.com.