MIRASOL RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

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, 2020 and 2019, 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, 2020 and 2019, 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 27, 2020

Mirasol Resources Ltd.

Consolidated Statements of Financial Position

As of June 30, 2020, and June 30, 2019

(Expressed in Canadian Funds, except where indicated)

ASSETS	June 30, 2020	June 30, 2019
Current Assets		
Cash and cash equivalents	$ 8,886,501	$ 4,648,284
Short-term investments *(Note 6)*	6,707,866	16,836,008
Receivables and advances *(Note 7)*	226,136	458,707
Marketable securities *(Note 8)*	655,422	-
	16,475,925	21,942,999
Non-Current Assets		
Equipment *(Note 9)*	155,148	201,041
Right of use assets *(Note 10)*	258,774	-
Exploration and evaluation assets *(Note 11)*	2,344,040	3,047,718
	2,757,962	3,248,759
Total Assets	**$ 19,233,887**	**$ 25,191,758**

LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities *(Note 12)*	$ 524,186	$ 430,239
Current portion of lease liabilities *(Note 10)*	75,480	-
Advances from JV partner *(Note 11)*	-	846,947
	599,666	1,277,186
Long-Term Liabilities		
Non-current portion of lease liabilities *(Note 10)*	205,043	-
Total Liabilities	$ 804,709	$ 1,277,186
EQUITY		
Share Capital *(Note 13)*	$ 57,767,690	$ 57,677,690
Reserves	17,690,529	17,354,426
Accumulated Other Comprehensive Loss	(34,760)	(25,742)
Deficit	(56,994,281)	(51,091,802)
	18,429,178	23,914,572
Total Liabilities and Equity	**$ 19,233,887**	**$ 25,191,758**

Nature of business *(Note 1)*
Commitments *(Note 16)*
Subsequent events *(Note 17)*

On Behalf of the Board:

" Patrick Evans " , Director

" Nick DeMare " , Director

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

Mirasol Resources Ltd.

Consolidated Statements of Loss and Comprehensive Loss

For the Years Ended June 30

(Expressed in Canadian Funds, except where indicated)

		2020		2019
Operating Expenses				
Exploration expenditures *(Note 11)*	$	3,863,486	$	2,656,673
Business development		354,528		628,549
Management fees *(Note 12a i)*		759,605		622,691
Marketing and investor communications		144,588		267,569
Office and miscellaneous		317,221		353,461
Share-based payments *(Notes 13c ii, 13e)*		426,103		859,562
Professional fees		193,868		220,022
Director fees *(Note 12a iii)*		182,220		180,750
Travel		36,589		78,635
Transfer agent and filing fees		45,185		41,478
Depreciation *(Notes 9 and 10)*		74,331		8,395
		(6,397,724)		(5,917,785)
Interest income		286,877		440,137
Interest expense		(44,595)		-
Loss on marketable securities fair value *(Note 8)*		(168,537)		-
Foreign exchange gain (loss)		421,500		(1,169,138)
		495,245		(729,001)
Loss for the Year	$	(5,902,479)	$	(6,646,786)
Other Comprehensive Loss				
Exchange differences on translation of foreign operations		(9,018)		2,380
Loss and Comprehensive Loss for the Year	$	(5,911,497)	$	(6,644,406)
Loss per Share (Basic and Diluted)	$	(0.11)	$	(0.12)
Weighted Average Number of Shares Outstanding (Basic and Diluted)		54,114,001		53,926,419

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

Mirasol Resources Ltd.

Consolidated Statement of Changes in Equity

For the Years Ended June 30

(Expressed in Canadian Funds, except where indicated)

	Share Capital					
	Number of Shares	Amount $	Reserves $	Accumulated Other Comprehensive Loss $	Deficit $	Total Equity $
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 13)*	75,000	86,250	-	-	-	86,250
Options exercised (*Note 13)*	51,250	67,897	(22,797)	-	-	45,100
Share-based payments (*Note 13)*	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**
Share-based payments *(Note 13)*	115,000	90,000	336,103	-	-	426,103
Foreign currency translation adjustment	-	-	-	(9,018)	-	(9,018)
Loss for the year	-	-	-	-	(5,902,479)	(5,902,479)
Balance – June 30, 2020	**54,148,878**	**57,767,690**	**17,690,529**	**(34,760)**	**(56,994,281)**	**18,429,178**

Mirasol Resources Ltd.
Consolidated Statement of Changes in Cash Flows
For the Years Ended June 30
(Expressed in Canadian Funds, except where indicated)

		2020		2019
Operating Activities				
Loss for the year	$	(5,902,479)	$	(6,646,786)
Adjustments for:				
Share-based payments		426,103		859,562
Bonus shares		-		86,250
Interest income		(286,877)		(440,137)
Interest expense		44,595		-
Loss on marketable securities fair value		168,537		-
Depreciation		93,094		8,395
Depreciation included in exploration expenses		21,698		44,547
Unrealized foreign exchange		(401,103)		579,775
		(5,836,432)		(5,508,394)
Changes in non-cash working capital items:				
Receivables and advances		9,776		560,860
Accounts payable and accrued liabilities		93,947		(313,603)
Advance from joint venture partner		(846,947)		779,055
Cash used in operating activities		(6,579,656)		(4,482,082)
Investing Activities				
Purchase of short-term investments		10,128,142		6,814,470
Exploration and evaluation assets, net of recovery		(120,281)		(46,956)
Purchase of equipment		(16,266)		(152,322)
Interest received		509,672		154,521
Cash provided by investing activities		10,501,267		6,769,712
Financing Activity				
Lease payments		(75,479)		-
Proceeds received from exercise of share purchase options		-		45,100
Cash provided by (used in) financing activities		(75,479)		45,100
Effect of Exchange Rate Change on Cash and Cash Equivalents		392,085		(577,395)
Change in Cash and Cash Equivalents		4,238,217		1,755,336
Cash and Cash Equivalents - Beginning of Year		4,648,284		2,892,948
Cash and Cash Equivalents - End of Year	$	8,886,501	$	4,648,284
Cash and Cash Equivalents Consist of:				
Cash	$	2,117,717	$	4,642,067
Cash equivalents	$	6,768,784	$	6,217
	$	8,886,501	$	4,648,284
Supplemental Schedule of Non-Cash Investing and Financing Transactions:				
Fair value of options exercised	$	-	$	22,797
Marketable securities received as recovery pf E&E assets	$	823,959	$	-
Recognition of right of use assets and liabilities	$	311,407	$	-
Cash paid during the year for interest	$	44,595	$	-
Cash paid during the year for income taxes	$	-	$	-

1. Nature of Business

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

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

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

COVID-19

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

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

---

2. Basis of Presentation

Statement of compliance

The 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 years presented. The Board of Directors approved the consolidated financial statements on October 23rd, 2020.

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.

(Expressed in Canadian Funds, except where indicated)

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 of June 30, 2020 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.

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.

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

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

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 of June 30, 2020.

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 is 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 been 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

Classification

Financial assets are classified at initial recognition as either: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Fair value through other comprehensive income ("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 derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

e) Financial Instruments (Cont'd)

Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL.

The Company classifies its financial instruments as follows:

Cash and cash equivalents	FVTPL
Short-term investments	FVTPL
Marketable securities	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Advances from JV partner	Amortized cost

Measurement

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's credit risk will be recognized in OCI.

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost, contract assets and debt instruments carried at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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.

f) Impairment of Non-Financial Assets (Cont'd…)

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

Equipment is 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

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.

i) Provisions (Cont'd…)

(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.

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.

k) Share-based Payments (Cont'd…)

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

IFRS 16 – Leases

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

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The Company will recognize lease liabilities related to its lease commitments for each of its leases. The lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate as at January 1, 2019, the date of initial application, resulting in no

(Expressed in Canadian Funds, except where indicated)

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

adjustment to the opening balance of deficit. The associated right-of-use assets will be measured at the lease liabilities amount, plus prepaid lease payments made by the Company. The Company has implemented the following accounting policies permitted under the new standard:

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

The following table summarizes the adjustments to opening balances resulting from the initial adoption of IFRS 16:

		Previously Reported under IAS 17		IFRS 16 Transition Adjustments		As reported under IFRS 16
Right of Use Assets	$	-	$	311,407	$	311,407
Lease Liabilities	$	-	$	(311,407)	$	(311,407)

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

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

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

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

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

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

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension

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

or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

IFRIC 23 – Uncertainties over income tax

IFRIC 23 clarifies the application of recognition and measurement requirements in IAS 12, Income taxes, when there is uncertainty over income tax treatments. It specifically addresses whether an entity considers each tax treatment independently or collectively, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and how an entity considers changes in facts and circumstances. IFRIC 23 became effective for fiscal years beginning on or after January 1, 2019, with earlier application permitted. The Company has adopted this interpretation as July 31, 2019 and has assessed no significant impact as a result of the adoption of this interpretation.

New accounting standards issued but not yet in effect

Classification of liabilities as current or non-current (Amendments to IAS 1)

The IASB has published *Classification of Liabilities as Current or Non-Current* (Amendments to IAS 1) which clarified the guidance on whether a liability should be classified as either current or non-current. The amendments:

(i) Clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period";
(ii) Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
(iii) Make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined. There is currently a proposal outstanding that would defer the effective date until January 1, 2023.

Definition of a business (Amendments to IFRS 3)

The IASB has issued *Definition of a Business* (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

(i) Clarify the minimum attributes that the acquired assets and activities must have to be considered a business;
(ii) Remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs;
(iii) Narrow the definition of a business and the definition of outputs; and
(iv) Add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business.

This amendment is effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted. The Company does not expect the adoption of this new amendment to have a significant impact on the consolidated financial statements.

(Expressed in Canadian Funds, except where indicated)

5. Financial Instruments

Categories of financial instruments

		June 30, 2020		June 30, 2019
Financial assets				
Fair Value Through Profit or Loss				
Cash and cash equivalents	$	8,886,501	$	4,648,284
Short-term investments		6,707,866		16,836,008
Marketable securities		655,422		-
Amortized Cost				
Receivables		103,370		331,505
	$	16,353,159	$	21,815,797
Financial liabilities				
Amortized Cost				
Advances from JV Partner	$	-	$	846,947
Accounts payable and accrued liabilities		524,186		430,239
	$	524,186	$	1,277,186

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, 2020		June 30, 2019
Level 1				
Cash and cash equivalents	$	8,886,501	$	4,648,284
Short-term investments	$	6,707,866	$	16,836,008
Marketable securities	$	655,422	$	-

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

(Expressed in Canadian Funds, except where indicated)

5. Financial Instruments (Cont'd…)

b) 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.

c) 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.

At June 30, 2020, 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	781,679	33,485	1,629,487	152,795,150
Short-term investments	8,173,007	600,000	-	-
Receivables and advances	-	-	1,189,659	24,067,904
Accounts payable and accrued liabilities	(40,959)	(5,191)	(9,254,864)	(82,886,244)

Based on the net exposures as at June 30, 2020, 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 $1,225,927 and $58,947, 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 $(12,517) and $15,600, respectively in the Company's comprehensive loss.

5. Financial Instruments (Cont'd…)

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

(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 are 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, 2020, the Company's financial liabilities consist of accounts payable and accrued liabilities, and advances from JV partner. All of the Company's current obligations are expected to be paid within one year. 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 0.25% and 1.95%.

(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, foreign currency risk and equity price risk. The Company is not exposed to significant other price risk. As at June 30, 2020, with other variables unchanged, a 10% decrease in the market value of the Company's marketable securities would result in an increase of the Company's loss and comprehensive loss of $65,542.

---

6. Short-term Investments

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

(Expressed in Canadian Funds, except where indicated)

7. Receivables and Advances

		June 30, 2020		June 30, 2019
Goods and services tax receivable	$	5,724	$	6,745
Interest receivable		97,646		324,760
Prepaid expenses and advances		122,766		127,202
	$	226,136	$	458,707

8. Marketable Securities

As part of the Agreement with Silver Sands (Note 11k), the Company received 3,745,269 common shares of Silver Sands. The market price on the date of receiving the shares was $0.22 for consideration of $823,959. As at June 30, 2020, the market price of the shares was $0.175 per share. Accordingly, the Company recorded an unrealized fair value loss of $168,537 in the consolidated statement of loss and comprehensive loss resulting in a balance of $655,422 as at June 30, 2020.

9. Equipment

		Exploration Equipment		Computer Hardware		Total
Cost						
Balance as at June 30, 2018	$	477,231	$	90,658	$	567,889
Additions for the year		150,490		1,832		152,322
Balance as at June 30, 2019	$	627,721	$	92,490	$	720,211
Additions for the year		15,677		589		16,266
Balance as at June 30, 2020	$	643,398	$	93,079	$	736,477
Accumulated Depreciation						
Balance as at June 30, 2018	$	413,948	$	52,280	$	466,228
Depreciation for the year		41,151		11,791		52,942
Balance as at June 30, 2019	$	455,099	$	64,071	$	519,170
Depreciation for the year (i)		52,984		9,175		62,159
Balance as at June 30, 2020	$	508,083	$	73,246	$	581,329
Carrying Amounts						
As at June 30, 2019	$	172,622	$	28,419	$	201,041
As at June 30, 2020	$	135,315	$	19,833	$	155,148

(i) Allocated between depreciation expense ($21,698) (2019 - $8,395) and exploration costs ($40,461) (2019- $44,547) on the consolidated statement of loss and comprehensive loss.

(Expressed in Canadian Funds, except where indicated)

10. Right of Use of Assets and Lease Liabilities

Right of Use Assets

		Office Lease
Cost:		
At June 30, 2019	$	-
Adjustment on initial adoption of IFRS 16 (Note 4)		311,407
At June 30, 2020		311,407
Depreciation:		
At June 30, 2019		-
Charge for the year		52,633
At June 30, 2020		52,633
Net Book Value:		
At June 30, 2019		-
At June 30, 2020	$	258,774

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

Lease Liabilities

Lease liabilities recognized as of June 30, 2019	$	311,407
Lease payments made		(75,479)
Interest expense on lease liabilities		44,595
		280,523
Less: current portion		(75,480)
At June 30, 2020	$	205,043

The following are the minimum lease payments for the next five years:

Period	Amount
In 1 year	$75,480
Second year	$81,030
Third year	$82,140
Fourth year	$87,690
Fifth year	$74,000

(Expressed in Canadian Funds, except where indicated)

11. Exploration and Evaluation Assets

A reconciliation of capitalized acquisition costs is as follows:

Acquisition Costs

	Balance at June 30, 2019	Cost	Write-offs and Recoveries	Balance at June 30, 2020
Chile				
Atlas - Dos Hermanos	$ 171,777	$ -	$ -	$ 171,777
Los Amarillos (Enami)	13,260	-	(13,260)	-
Zeus	-	64,398	-	64,398
Argentina				
Santa Rita and Virginia	2,808,819	-	(823,959)	1,984,860
Sascha-Marcelina	33,696	69,143	-	102,839
Pipeline projects	20,166	-	-	20,166
	$ 3,047,718	$ 133,541	$ (837,219)	$ 2,344,040

	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

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

Chile

a) *Altazor option to joint venture*

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

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

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

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

11. Exploration and Evaluation Assets (Cont'd…)

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

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

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

b) Indra option to joint venture

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

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

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

As of June 30, 2020, the Company had received US$1,071,957 in advances from HOC to be used on exploration expenditures. As of June 30, 2020, all the advanced amounts have been spent.

c) Gorbea option to joint venture

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

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

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

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

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

(Expressed in Canadian Funds, except where indicated)

11. Exploration and Evaluation Assets (Cont'd…)

d) Los Amarillos option to purchase

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

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

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

In May 2020, the Company made the decision to terminate the option agreement, and wrote-of the capitalized costs on the project in the amount of $13,260.

e) Coronación option to joint venture

On September 24, 2019, the Company entered into a definitive agreement with First Quantum Minerals ("FQM") for its Coronación Copper/Gold Project in northern Chile.

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

- Making annual cash payments totaling US$875,000:
  - On signing of definitive agreement: US$50,000 (received)
  - 1st anniversary: US$50,000 (subsequently received)
  - 2nd anniversary: US$75,000
  - 3rd anniversary: US$100,000
  - 4th anniversary: US$150,000
  - 5th anniversary: US$200,000
  - 6th anniversary: US$250,000

- Completing at least 10,000 m of drilling; and
- Delivering a NI 43-101 compliant Prefeasibility Study Report.

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

(Expressed in Canadian Funds, except where indicated)

11. Exploration and Evaluation Assets (Cont'd…)

f) Nord Property

On October 28, 2019, the Company signed a Memorandum of Understanding ("MOU") with Mineria Activa ("Mineria") for the Company's 100% owned Nord project in northern Chile. The MOU is subject to legal due diligence and execution of a definitive agreement. Mirasol has granted Mineria an exclusivity period to allow for these processes to be completed.

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

- Making annual cash payments totaling US$3,000,000:
  - On signing of definitive agreement: US$50,000 (subsequently received)
  - 1st anniversary: US$200,000
  - 2nd anniversary: US$400,000
  - 3rd anniversary: US$600,000
  - 4th anniversary: US$1,750,000

- Committing to complete at least US$500,000 of exploration expenditures over the first two years of the option period.

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

Subsequent to June 30, 2020, a definitive option agreement with Minera Activa was signed with the same terms as the MOU.

g) **Zeus** *Property*

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

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

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

11. Exploration and Evaluation Assets (Cont'd…)

h) Inca Property

On January 7, 2020, the Company signed an option agreement with subsidiaries of Newmont Corporation ("NEM") to acquire the Inca Gold Project in northern Chile.

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

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

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

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

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

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

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

i) Rubi Property

On June 19, 2020, the Company signed an agreement with Mine Discovery Fund Pty Ltd ("MDF"), a private Australian company, for the Company's 100% owned Rubi project in northern Chile.

Mirasol has granted MDF the option to earn-in 80% of the project over 8 years. MDF must complete 2,000m of drilling on the project over the later of:

- 18 months from execution of the agreement; or
- 12 months after receipt of necessary drill permits.

Following the completion of this initial commitment, MDF is required to spending a minimum of US$1,000,000 per year in exploration expenditures over the term of the agreement.

(Expressed in Canadian Funds, except where indicated)

11. Exploration and Evaluation Assets (Cont'd…)

Argentina

j) Sascha-Marcelina option to purchase

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

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

Option payments are due as follows:

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

k) Virginia Property

On May 21, 2020, the Company signed a definitive option agreement (the "Agreement") with Silver Sands Resources Corp. ("Silver Sands"), formally Golden Opportunity Resources Corp, for the Company's 100% owned Virginia Silver project in the Santa Cruz Province of Argentina.

Under the Agreement, Mirasol will grant Silver Sands the option to acquire 100% of the project over three years by:

- Making share issuances totalling 19.9% of the shares outstanding (the "S/O") of Silver Sands at the time of vesting:
  - On signing of the definitive agreement: 9.9% of the S/O (received) (Note 8)
  - 1st anniversary: 5% of the S/O
  - 2nd anniversary: 5% of the S/O
  - 3rd anniversary: top up to 19.9% of the S/O (inclusive of the previous issuances)
- Completing US$6 million in exploration expenditures:
  - Year 1: US$1 million (subsequently received)
  - Year 2: US$2 million
  - Year 3: US$3 million
- Mirasol will be the operator of the project during the option period and will receive a management fee.

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

l) 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.

11. Exploration and Evaluation Assets (Cont'd…)

l) Claudia option to joint venture (Cont'd…)

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.

m) 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.

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.

n) Pipeline Properties:

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

o) Advances to/from joint venture partners:

As at June 30, 2020, the Company has $nil (2019 - $846,947) of unspent exploration advances.

(Expressed in Canadian Funds, except where indicated)

12. 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, 2020		2019
Management compensation (i)	$	510,801	$	579,015
Share-based payments (ii)		289,987		853,972
Director's fees (iii)		182,220		180,750
Bonus shares (iv)		-		86,250
	$	983,008	$	1,699,987

i. Management compensation is included in management fees (June 30, 2020 ("2020") - $287,500; June 30, 2019 ("2019") - $352,639) and in exploration expenditures (2020 – $223,301; 2019 - $226,376) in the Company's consolidated statements of loss and comprehensive loss.

ii. Share-based payments is included in the share-based payments expense in the Company's consolidated statements of loss for the years ended June 30, 2020 and 2019.

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

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. As part of the 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.

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

b) Transactions with other related parties

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

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

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

(Expressed in Canadian Funds, except where indicated)

12. Related Party Transactions (Cont'd…)

b) Transactions with other related parties (Cont'd…)

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

	Years Ended June 30, 2020		2019
Legal fees	$	108,595	$	213,426
CFO services		44,000		54,000
Project generation, exploration expenses and GIS services		-		788,077
	$	152,595	$	1,055,503

Included in accounts payable and accrued liabilities at June 30, 2020, is an amount of $35,499 (2019 - $45,085) owing to directors and officers of the Company and to companies where the directors and officers are principals.

13. 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) Share Issuances

Fiscal 2020:
The Company issued 115,000 shares upon the vesting of 115,000 restricted share units ('RSUs").

Fiscal 2019:
The Company issued 75,000 bonus shares to consultants. The bonus shares were valued using the market price on the date of issuance of $1.15 per share for a fair value of $86,250.

The Company issued 85,000 shares upon the vesting of 85,000 RSUs.

The Company issued 51,250 shares upon the exercise of 51,250 options for gross proceeds of $45,100.

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 TSX Venture Exchange ("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, 2020, a total of 5,414,888 options were reserved under the option plan with 4,425,000 options outstanding.

(Expressed in Canadian Funds, except where indicated)

13. Share Capital (Cont'd…)

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, 2018	3,065,826	$1.67
Granted	1,420,000	$1.21
Exercised	(51,250)	$0.90
Expired / Forfeited	(722,700)	$1.60
Options outstanding as at June 30, 2019	3,711,876	$1.52
Granted	1,460,000	$0.52
Expired / Forfeited	(746,876)	$2.40
Options outstanding as at June 30, 2020	4,425,000	$1.04
Options exercisable as at June 30, 2020	2,801,667	$1.29

ii. Fair value of share purchase options granted

Total share-based payments for options granted and vested recognised for the year ended June 30, 2020 amounted to $361,003 (June 30, 2019 - $737,262).

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

	June 30, 2020	**June 30, 2019**
Expected dividend yield	0.0%	0.0%
Expected share price volatility	88.75%	78.07%
Risk-free interest rate	1.60%	1.82%
Expected life of options	3 years	2.73 years
Fair value of options granted (per share option)	$0.52	$0.56

iii. Share purchase options outstanding at the end of the year

A summary of the Company's options outstanding as at June 30, 2020 is as follows:

(Expressed in Canadian Funds, except where indicated)

13. Share Capital (Cont'd…)

iii. Share purchase options outstanding at the end of the year (Cont'd…)

Expiry Date	Exercise price $	Options Outstanding	Weighted Average Remaining Life of Options (years)	Options Exercisable
April 29, 2021	0.88	505,000		505,000
April 29, 2021	1.38	255,000		255,000
September 12, 2021	1.80	150,000		150,000
September 12, 2020	1.80	150,000		150,000
December 19, 2020	1.61	180,000		180,000
December 20, 2020	1.65	330,000		330,000
July 18, 2021	1.76	60,000		60,000
December 14, 2021	1.10	372,500		372,500
January 31, 2022	1.27	150,000		150,000
January 31, 2023	1.27	600,000		400,000
March 14, 2023	1.09	200,000		200,000
April 15, 2022	0.68	12,500		12,500
November 8, 2023	0.52	1,410,000		20,000
April 28, 2023	0.40	50,000		16,667
		4,425,000	2.02	2,801,667

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. All warranted expired unexecised. There were no other warrants outstanding as of June 30, 2020.

e) RSU Plan

On April 26, 2018, the shareholders approved an RSU 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.

During the year ended June 30, 2020, the vesting conditions of 115,000 RSU's (2019 – 85,000) were met and the Company issued 115,000 common shares (2019 – 85,000) with a fair value of $90,000 (2019 - $97,400). Accordingly, $24,900 was removed from reserves and $65,100 (2019 - $24,900) was recorded as share-based payments. As of June 30, 2020, no RSU's were outstanding (2019 – 35,000).

(Expressed in Canadian Funds, except where indicated)

14. 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, 2020		June 30, 2019
Canada	$	286,400	$	19,588
Argentina		2,163,531		2,961,146
Chile		308,031		268,025
	$	2,757,962	$	3,248,759

15. 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, 2020		Year Ended June 30, 2019
Net loss before income taxes	$	(5,902,479)	$	(6,646,786)
Canadian federal and provincial income tax rates		27.00%		27.00%
Expected income tax recovery based on the above	$	(1,594,000)	$	(1,795,000)
Non-deductible expenses		48,000		(1,063,000)
Change in statutory and foreign tax rates		801,000		-
Change in unrecognized deductible temporary differences		(324,000)		1,455,000
Foreign exchange and other		1,069,000		1,403,000
Total income tax recovery	$	-	$	-

(Expressed in Canadian Funds, except where indicated)

15. Income Taxes (Cont'd…)

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

		June 30, 2020		June 30, 2019
Unrecognized deferred income tax assets:				
Non-capital losses	$	2,742,000	$	2,673,000
Exploration and evaluation assets		4,577,000		4,983,000
Share issue costs		29,000		48,000
Other		53,000		21,000
Total unrecognized deferred income tax assets	$	7,401,000	$	7,725,000

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, 2020		June 30, 2019	Expiry date Range
Non-capital losses	$	10,241,000	$	9,934,000	See below
Exploration and evaluation assets		18,058,000		17,055,000	Not applicable
Share issue costs		109,000		179,000	2041 to 2042
Other		282,000		79,000	Not applicable

The Company has non-capital loss carry-forwards of approximately $10,241,000 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
2022	$	-	$	265,000	$	-
2023		-		17,000		-
2024		-		51,000		-
2025				264,000		
2036 to 2040		9,040,000		-		-
No-expiry		-		-		604,000
	$	9,040,000	$	597,000	$	604,000

16. Commitments

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

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

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

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

17. Subsequent events

On October 19, 2020, the Company announced its intention to make a normal course issuer bid (the "Bid") to purchase for cancellation, from time to time, as it considers advisable, up to 3,900,000 of its issued and outstanding common shares. The Exchange has approved the commencement of the Bid, which will commence on October 22, 2020, and will terminate on October 21, 2021, or such earlier time as the Bid is completed or at the option of the Company.

Management Discussion and Analysis
For Mirasol Resources Ltd.

("Mirasol" or the "Company")

INTRODUCTION

The Management Discussion and Analysis ("MD&A") should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended June 30, 2020 which are publicly available on SEDAR at www.sedar.com. 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, 2020.

This MD&A is prepared as of October 26, 2020.

COVID-19

In March 2020, the world health organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally. While it is not possible for the company to predict the duration or magnitude of the effects on the Company's business, the policies implemented by the governments to limit the spread of the disease have delayed the Company's exploration activities and business development initiatives.

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 affecting mining operations and policies linked to pandemics, social and 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.

Chris Ford, CEng FIMMM, a senior consultant for the Company, 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. This technical information was prepared by the acting Qualified Person for the Company at the time of disclosure.

CORPORATE AND STRATEGIC OVERVIEW

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

Mirasol's exploration strategy combines the joint venture business model with self funded exploration and drilling of quality Au+Ag projects. This hybrid strategy was developed to accelerate the drill testing of key projects that host potential discoveries.

Mirasol is currently actively exploring in Chile at the Inca Gold project to define drill targets and expects to be drilling at its Sascha Marcelina project in Argentina over the current field season.

In addition, Mirasol currently has six active option agreements in Chile and Argentina. Under these agreements Mirasol's partners are funding all exploration and land holding costs, and in addition are making staged option payments. This allows Mirasol to focus its available resources on further exploration and business development opportunities while retaining exposure to potentially significant discoveries.

Mirasol's Exploration Focus

Mirasol's geographic focus is in the Atacama-Puna region of Chile and in Santa Cruz province, Argentina, where the Company maintains a high-quality portfolio of exploration properties with the potential to deliver economic discoveries. This portfolio has been built from Mirasol's project generation effort, which applies innovative, concept-driven geological techniques integrated with detailed fieldwork.

Chile/Argentina: Atacama – Puna Region

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

<u>Miocene to Pliocene</u> (Mio-Pliocene, 23-5 Ma): Targeting high-sulfidation epithermal ("HSE") Au+Ag and porphyry Cu+Mo deposits. In this belt north of the Maricunga Belt, Mirasol controls approximately 106,000 ha of granted exploration claims. Mirasol also presently holds approximately 23,000 ha of granted exploration claims in the southern part of the Mio-Pliocene aged copper belt proximal to the border between Chile and Argentina.

<u>Middle Eocene to Early Oligocene</u> (Eocene-Oligocene 40-28 Ma): Targeting porphyry Cu+Mo deposits. Mirasol presently holds approximately 15,000 ha of granted exploration claims in this belt.

<u>Paleocene to Early Eocene</u> (Paleocene, 66-53 Ma): Targeting low-intermediate-sulfidation epithermal Au+Ag and porphyry Cu+Mo deposits. Mirasol presently controls approximately 17,000 ha of granted exploration claims in this belt.

Argentina: Santa Cruz Province

The Company's portfolio of properties in Argentina is focussed in Santa Cruz Province and encompasses the area of the Deseado Massif, a 60,000 km^2 region of upper-middle Jurassic age volcanics that are recognized as having a high potential for hosting low- and intermediate-sulfidation epithermal Au+Ag deposits. Mirasol controls approximately 333,000 ha of exploration and mining claims in the Province.

The Company is closely monitoring the impact of the rapid currency devaluation and changing public policies. To date, these issues have not impacted Mirasol's capacity to operate in Argentina and

Mirasol continues to receive interest for its Argentine projects. The Company remains focused on securing new partner investments in its Argentine projects.

JOINT VENTURE, EXPLORATION AND BUSINESS DEVELOPMENT ACTIVITIES

On March 19, 2020, Mirasol reported the temporary suspension of field activities at its projects in Chile and Argentina due to the COVID-19 pandemic. On August 5, 2020, the Company announced that exploration at the Inca Gold project in Chile had restarted. Mirasol continues to monitor the COVID-19 situation in Chile and Argentina, which have both been significantly impacted by the pandemic. Health and safety measures and protocols, which follow local guidelines (provincial in Argentina and national in Chile), have been put in place to protect the Company's employees, contractors, and the communities surrounding the projects.

Activities on Projects Under Option Agreements

Chile

Altazor Au Project, Northern Chile: (Operated and funded by Newcrest Mining)

Altazor is a HSE Au project covering 33,230 ha located in an underexplored section of the Mio-Pliocene age mineral belt. Mirasol completed a first-pass reconnaissance sampling over approximately 50% of the project area in 2017. These results showed comparable geology, alteration patterns and Au ppb level anomalous assays in soil and rock chip samples to those reported from surface sampling at Gold Fields' Au+Ag HSE Salares Norte development stage project (Reserves: 3.5 Moz Au and 39 Moz Ag[1]), which has a geological setting analogous to Altazor and is also located in the Mio-Pliocene mineral belt of Chile.

On November 21, 2017 Mirasol announced the signing of an option and farm-in agreement with Newcrest International Pty Limited ("NCM"). The agreement grants NCM the right to acquire up to an 75% interest in the Altazor project by making at least US$10 million in exploration expenditures, delivering a feasibility study. NCM may earn an additional 5% interest, if Mirasol's request NCM to fund 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 twelve-month Option-stage of the Altazor agreement had been completed with NCM incurring exploration expenditures in excess of US$1.5 million. NCM exercised its option to enter the farm-in stage, triggering a US$500,000 payment to Mirasol.

In late 2019, Mirasol and NCM agreed to extend the first earn-in period from its initial four years to the earlier of five years and the completion of the US$8.5 million in exploration expenditures required to vest the initial 51% interest in the project. This amendment provides NCM with time to advance constructive community engagement prior to commencing drilling.

Exploration Results

Altazor has favourable logistics, situated just 20 km south of 345 kV powerlines that follow International Highway Route 23, a paved road connecting northern Chile and Argentina. In common with other Mio-Pliocene mines and projects, Altazor is located at high altitudes of between 4,000 and 5,200m; however, Altazor has good "drive up access" via an open valley and a network of easily passable gravel tracks.

[1] Goldfields – Mineral Resources and Mineral Reserves Supplement to the Integrated Annual Report 2019

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

In late 2018, Mirasol reported the results from the 2017/18 exploration program completed under the exploration agreement with NCM to define drill targets (news release November 12, 2018). The program included alteration analysis of soils, radiometric age dating,1,035 line-km ground magnetic geophysical survey, geological mapping, geochemical rock chip sampling over an area of 128 km^2, a 2,030 sample, low detection limit soil grid covering 85.6 km^2 and a 66.9 line-km Controlled Source Audio-Magnetotellurics (CSAMT) resistivity geophysical survey. Integrated analysis of the combined data sets indicated Altazor to be a district-scale, zoned alteration system, preserved at a level that could conceal HSE Au 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 significant areal extent of the alteration system at Altazor will require detailed systematic work, possibly over a number of seasons, in order to complete a first pass evaluation to define and prioritize targets for drill testing. However, the first season's exploration has already 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 Au+Ag HSE deposit and Alturas Au HSE discovery

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

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

Diamond drilling was planned for the 2019/2020 field season but has been delayed due to the local community's opposition to exploration activities, the broader civil unrest in Chile and restrictions implemented in response to the COVID-19 pandemic. NCM is working to gain community support for exploration activities during the 2020/2021 field season.

<u>Gorbea Au Project, Northern Chile:</u> (Operated and funded by Newcrest Mining)

The Gorbea project comprises a package of mineral claims totaling 32,000 ha, including the Atlas Au+Ag and the Titan Au (Cu) zones, located in the Mio-Pliocene age mineral belt of northern Chile. The project is located approximately 70 km N of the Salares Norte, at an altitude of 4,100 to 4,500 m ASL, and is easily accessible by seasonally maintained roads and gravel tracks.

The Gorbea properties were subject to a previous joint venture with Yamana Gold Inc. ("Yamana") that was terminated in April 2018, after the partner had incurred exploration expenditures in excess of US$8 million. Yamana's exploration identified a significant body of HSE Au mineralization at the Atlas zone, which returned a best 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 January 28, 2019, the Company announced the signing of an agreement granting NCM the right to acquire, in multiple stages, up to a 75% interest of the Gorbea project by completing at least US$19 million in exploration expenditures and delivering a feasibility study as well as making staged option payments to Mirasol. Upon NCM earning a 75% interest in the project, Mirasol can elect to fund its share and retain a 25% project equity position, or exercise a one-time equity conversion option to convert up to 10% of its equity to a Net Smelter Returns ("NSR") royalty at a rate of 2.5% equity per 0.5% NSR royalty (maximum 2% NSR royalty).

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

Exploration Results

The Atlas target is centred on a sizable +20 km^2 HSE alteration system that hosts multiple Au and Ag prospective targets. The system exhibits many of the key geological and mineralization features characteristic of economic systems in the area, such as Salares Norte mine development project (Gold Fields), Alturas (Barrick Gold - Inferred Resource: 8.9 Moz Au[2]) and La Coipa mine (Kinross Gold), supporting its potential to host large-scale Au mineralization.

Some 35 diamond holes for 15,925 m have now been completed at the Atlas target by both NCM and Mirasol's previous partner Yamana. This drilling has clearly demonstrated the presence of widespread mineralization within the central breccia complex. In addition, lithochemical studies on drill core samples indicate that the geochemical footprint is larger than the area covered by the drilling to date and is open to the north, east and southwest. With additional drilling, the mineralized system could increase in both size and geometry.

During the first half of 2019, NCM as operator of the Gorbea exploration program, completed 903 m of drilling in two holes, 50 km of CSAMT geophysics over the Atlas target, as well as reconnaissance mapping and sampling over several other target areas in the Gorbea property package. This 2019 drilling at Atlas targeted a coincident geophysical, geochemical and alteration anomaly at depth below a barren steam-heated leach cap, following up on previous encouraging drill results. This program was continued during the 2019/2020 field season, with NCM completing nine additional drill holes at the Atlas target, for a total of 4,523 m of diamond drilling.

Best results from NCM's drilling:

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

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

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

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

Mineralization encountered to date at the Atlas target is associated with phreatomagmatic and hydrothermal breccias and intensely advanced argillically altered porphyritic andesite, often where a vuggy silica texture has developed rendering the rock more amenable to allow mineralized fluids to precipitate and form potential ore bodies due to the increased permeability. The area has been deeply oxidized to depths of over 400 m, which is potentially advantageous for the development of favorable metallurgy.

The initial wide-spaced drilling at Atlas was designed to delineate the outer limits of this large mineralized system and define the distribution of the outcropping breccia targets that are favourable hosts for Au mineralization. Exploration efforts to define potential higher-grade Au zones for drill

[2] Barrick - Annual Information Form for the year ended December 31, 2019

testing, will be guided by the targeting of resistive units as identified by CSAMT geophysics in conjunction with data from structural mapping, geochemical surveys alteration and alunite composition vectoring to potential higher grade pods or feeder zones.

NCM is planning to complete at least 2,000 m of additional drilling at the Gorbea project over the 2020/2021 field season, which will include an initial drill test of the El Dorado prospect.

Coronación Cu+Au Project, Northern Chile: (Operated and funded by First Quantum Minerals)

On October 7, 2019, Mirasol announced the signing of a definitive agreement with First Quantum Minerals ("FQM") for its 1,200 ha Coronación Cu+Au project, located northern Chile. FQM was granted the option to earn an 80% interest in the project over six years, by making annual cash payments totaling US$875,000, completing at least 10,000 m of drilling and delivering a NI 43-101 compliant Prefeasibility Study Report. Following the completion of the 80% earn-in, FQM will have a one-time option to acquire the remaining 20% interest 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 project operator.

Exploration Results

The project is located on a major NW structural trend associated with several Andean porphyry Cu deposits. Exploration completed by Mirasol indicates the potential presence of a porphyry/breccia system intruding a layered Miocene aged volcanic sequence of pyroclastic units intruded by dacite domes. Two distinct alteration areas have been interpreted using Analytical Spectral Devices ("ASD") analysis, which display affinities to a HSE system to the east with the western side displaying a more typical porphyry deposit style of alteration. Geochemical sampling has also defined a large 600 by 800 m Cu-Mo geochemical anomaly on the western side within the overall 3 by 2.5 km alteration halo.

During the last quarter of 2019, FQM completed an initial exploration program including surface mapping, geochemical sampling, geophysical surveys and collection of samples for age dating. FQM has defined drill targets and is committed to drilling 3,000 m during the upcoming field season. FQM is working to receive the required permits and approval for this program.

Nord Polymetalic Project, Northern Chile: (Operated and funded by Mineria Activa)

On October 31, 2019, Mirasol entered into a memorandum of understanding ("MOU") with Mineria Activa SpA ("Mineria") for its Nord project in northern Chile. On September 8, 2020, the Company announced the signing of a definitive option agreement with Encantada SpA ("Encantada"), an affiliate of Mineria. Mineria is a mining focused Chilean private equity fund with over US$150 million in assets under management. The project was originally staked by Mirasol as part of its Atacama-Puna generative program and lies adjacent to the Ciclon-Exploradora polymetallic-epithermal project, which is currently being advanced toward production by Mineria.

Mirasol has granted to Encantada the option to earn 100% of the Project over four years by making annual cash payments totaling US$3 million and incurring at least US$500,000 in exploration expenditures over the first two years of the option period. Upon completion of the option, Mineria will earn a 100% interest in the project and Mirasol will retain a 2% NSR royalty, of which 0.5% can be bought back by Mineria within eight years for US$3 million.

Exploration Results

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

The first type is characterized by large vein-type mineralization injected into fault structures as seen in the active small-scale mines located near the NE corner of the claim boundary and at Mineria's Ciclon-Exploradora development project, which is located adjacent to the eastern blocks of the project. These veins and related breccias occupy NNW, ENE & WNW trending faults hosting polymetallic (Cu, Zn, Pb, Ag, Au) mineralization. While surface geochemistry has returned only low to anomalous results, Mineria's understanding will be valuable to define drill targets for potential extensions or parallel structures to the known mineralization (news release October 31, 2019).

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

Encantada intends to complete an initial six-month fieldwork program, including geology and alteration mapping as well as geophysical surveys and trenching. The program is aimed at defining the structural corridors and intersections that may host epithermal deposits and potentially related porphyry style targets. If results are positive, an initial scout drill program, expected to occur in the second quarter of 2021, will be completed to test prioritized targets.

Rubi Project, Northern Chile: (Operated by Mirasol, funded by Mine Discovery Fund)

On October 15, 2020, Mirasol announced a definitive option agreement for its Rubi project in Chile with Mine Discovery Fund Pty Ltd ("MDF"), a private Australian company. MDF is fully funded to complete the committed 2,000 m drill program at the project. It is expected that drilling will occur in the second quarter of 2021, following completion of the permitting process, which is underway.

Mirasol has granted MDF the option to earn-in to 80% of the Project over eight years. MDF has committed to funding a 2,000m drill program. Following the completion of this initial commitment, MDF is required to spend a minimum of US$1 million per year in exploration expenditures over the term of the agreement. In addition, and to exercise the option, MDF must deliver a positive NI 43-101 compliant Prefeasibility Study Report on the project. Mirasol will be the operator during the option period.

Following the completion of the 80% earn-in, MDF will have a one-time option to acquire the remaining 20% interest 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.

If either party's interest in the joint venture is diluted to 10% or below, it will convert to a 1.5 % NSR royalty. The non-diluting partner may buy back 0.5% of the NSR royalty for the fair market value as determined by a qualified independent valuator.

Exploration Results

The 7,543 ha Rubi project is located within the Paleocene age porphyry belt of northern Chile that hosts a number of significant, currently producing, porphyry copper deposits. The project lies at relatively low elevation (1,900-2,100 m), within 20 km of the El Salvador and Portrerillos porphyry Cu-Mo-Au mines and with good access to port facilities at Chanaral approximately 80 km to the west.

Two targets have been identified at the Rubi project, Lithocap target ("Lithocap") and the Zafiro target ("Zafiro").

Lithocap covers a covers a 3.5 km by 2.0 km area centred on a large, deeply weathered, advanced argillic alteration zone that is surrounded by gravel cover with thicknesses less than 50 m as modelled from a gravity survey. Large and productive porphyry copper deposits can be found below or adjacent to the type of lithocap alteration zones present at Rubi as is evidenced at the El Salvador deposit. At Lithocap, previous explorers have drilled peripheral to, but not beneath or adjacent to, the post-mineral gravel covered western edge of the Cu and locally strong Mo anomaly. Mirasol's mapping and re-logging of previous drill holes have defined veining and brecciation with anomalous Cu+Mo mineralization and alteration patterns that indicates potentially concealed porphyry mineralization to the N and NW of previous drill holes. This combined information suggests the presence of a deep weathering profile that could potentially overlie supergene enriched and sulfide mineralization, as indicated by an Induced Polarization geophysical chargeability anomaly, which remains open to the north. This type of deep weathering in porphyry environments in northern Chile is often conducive for the development of supergene enriched copper mineralization akin to the nearby El Salvador mining district.

Zafiro features a 2.8 by 2.2 km gravel covered area characterized by a subtle circular magnetic high surrounded by an incomplete, doughnut-shaped magnetic low. This magnetic signature may be indicative of a large gravel-covered intrusive with a pyritic alteration halo. The gravel cover in this area ranges from approximately 25 m to more than 200 m in thickness, concealing the central target area. However, a large canyon 1 km to the north of the target cuts through the gravel profile exposing the basement rock. Mirasol's stream sediment sampling of gullies, located immediately north/northwest of the Zafiro target, have returned widespread and strongly anomalous Cu over 2,400 m with multiple results in the 500 ppm to 1,530 ppm range, suggesting either an "exotic" source of Cu in the gravels and/or a primary porphyry source for the Cu in the gravel-covered basement. High-grade "exotic" Cu or a supergene enriched porphyry are both attractive exploration targets at Zafiro. Significant ore bodies of these types of mineralization occur at the nearby El Salvador mining district.

<u>Indra Project, Northern Chile:</u> (Operated by Mirasol, funded by Hochschild Mining)

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

On October 17, 2018, the Company announced the signing of an option and earn-in agreement with Hochschild Mining plc ("HOC") for Indra. On December 19, 2019, Mirasol reported that, subsequent to receiving results from a 6-hole 1,685m reverse circulation drill program designed to test the depth extension of the system, it had been advised by HOC of its decision to terminate the agreement. Mirasol has dropped the Indra project to focus its exploration and business development efforts on other opportunities.

Argentina

<u>Virginia Ag Project, Santa Cruz:</u> (Operated by Mirasol, funded by Silver Sands Resources)

On February 27, 2020, Mirasol announced the signing of a Letter of Intent with Golden Opportunity Resources Corp. (later renamed Silver Sands Resources "Silver Sands") for its Virginia Silver project in the Santa Cruz Province of Argentina. The Company signed a definitive agreement on May 20, 2020, following the completion of a $2.2 million financing by Silver Sands.

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

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

Exploration Results

Mirasol discovered the Virginia silver deposit in 2009, following-up a high-priority reconnaissance target identified by its generative team. Mirasol's exploration defined high-grade, intermediate sulfidation epithermal style mineralization in a series of prominent outcrops of vein-breccia that are associated with a rhyolitic volcanic flow dome field. Rock chip and saw cut channel geochemical sampling over these outcrops defined significant strike lengths of continuously mineralized vein-breccia. From 2010 to 2012, Mirasol completed a series of drill programs for 23,318 m of diamond core in 223 holes, designed to test the potential of the mineralized structures to a maximum depth of 266 m. This work was followed by the filing of an amended NI 43-101 Resource Estimate report in 2016 defining seven outcropping bodies of high grade Ag mineralization, constrained[3] within conceptual pits, with an indicated mineral resource of 11.9 million ounces of silver at 310 g/t Ag and a further inferred 3.1 million ounces of silver at 207 g/t Ag (see amended NI 43 -101 technical report filed on SEDAR on February 29, 2016).

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

In August 2020, Mirasol announced that it had finalized the exploration program with Silver Sands for the upcoming field season and was planning for a geophysical IP pole dipole survey, geochemical sampling of trenches and an approximately 2,500 m diamond drilling program to be completed before the end of the year. Mirasol's exploration team is now on site and has initiated the geophysical survey. Drilling is expected to start shortly.

Exploration Activities on 100% Owned or Controlled Claims

Chile

Los Amarillos Au+Ag Project, Northern Chile

The Los Amarillos project is an epithermal precious metals project located in the Paleocene Age Mineral Belt, 15 km north of Mirasol's Rubi project and 10 km NW of Coldelco's El Salvador mine. In 2019, Mirasol executed an option to purchase agreement with Empresa Nacional de Minería ("ENAMI") of Chile to consolidate the Los Amarillos project.

A Mirasol funded trenching program was completed at the Los Amarillos project in early in 2020 to provide better exposure for geological mapping and geochemical sampling of both the vein and stockwork zones, and to sample the wall rock between the high-grade vein structures. In total 21 trenches were completed for 1,128 m. The trenches targeted sub-cropping quartz veins and rock

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

chip and float samples with anomalous Au and Ag assays. Due to the limited surface exposure the trenches were excavated to determine the widths of the sub-cropping veins and the potential for mineralization between vein structures. The trenches ranged from 1 to 3 m deep and were all successful in exposing bedrock. Channel samples were taken along the length of the trench wall with sample widths ranging from 0.2 to 2.0 m horizontally.

Geological mapping of the walls of the trenches confirmed that sporadic grade is hosted by very narrow (mostly under 10 cm wide) quartz veins, spaced at 1 to 20 m apart which are both boudinaged and brecciated by shear zones that disrupt the continuity of the veins. In addition, assay results from the trench sampling indicate that the Au+Ag mineralization hosted by the vein structures does not extend far into the wall rock between the veins. A bulk mineable target was not been identified.

Based on these results, Mirasol terminated the option agreement with ENAMI and relinquished the majority of its interest in the project.

Inca Gold Au+Ag Project, Northern Chile

In early 2020, Mirasol announced the signing of an option agreement with subsidiaries of Newmont Mining Corporation (“NEM”) to acquire the Inca Gold project in northern Chile (news release January 13, 2020). This agreement gives Mirasol the opportunity to add to its portfolio a district-scale and underexplored, intermediate sulfidation epithermal project in the prolific Paleocene belt of Chile. The project hosts multiple attractive Au+Ag targets that have never been drill tested. The project builds upon the Company’s strategy to fund drilling on high quality deposit targets with favorable infrastructure.

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

Upon completion of this option, NEM will have the right to earn back 70% of the project in two stages. Firstly by making a cash payment of US$3 million to Mirasol and funding $6 million in exploration over three years, and secondly by, delivering a NI 43-101 compliant Prefeasibility Study on a resource of no less than 2 million ounces of Au equivalent using agreed upon cut-off grades or incurring an additional US$21 million in exploration expenditures over six years.

Mirasol recently reported (news release August 5, 2020) that it has been successful in staking an additional 2,200 ha of claims, which are strategically located directly to the south of the Sandra target. The new claims cover an extension of the structural trend defined by the vein traces outcropping at the Sandra target. Mirasol will complete a first pass evaluation during the ongoing field campaign.

Exploration Results

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

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

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

After halting site activities earlier this year, Mirasol has mobilized a field crew to complete a comprehensive surface exploration program at the Inca Gold project. The initial focus of the work will be on the Sandra target in the southern part of the property package and will include 1:2000 scale mapping of the quartz vein swarms, systematic channel sampling across the veins and reconnaissance prospecting for outlying areas of the prospect. In addition, a recently completed geochemical study has advanced the Company's understanding of the geochemistry of the Sandra veins and is proving valuable in directing the current sampling campaign.

In parallel, the Company is working on its drill permit application, with a 1,500m diamond drilling program budgeted for and expected to occur toward the end of the calendar year.

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 with Coeur Mining ("Coeur") from 2006 to 2009. Coeur terminated the agreement in 2009 and returned 100% of the project to Mirasol. On January 23, 2019, Mirasol signed an option to purchase agreement with a private mining company for the 5,700 ha Marcelina exploration claims, consolidating for the first time the full district under one company.

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

Mirasol has completed an integrated interpretation of district-scale exploration data sets collected prior to 2009. Anomalous rock chip Au+Ag assays and Aster satellite alteration anomalies define a 16.5 x 4.0 km (65 km^2) hydrothermal "footprint" to the district, showing a large-scale, zoned alteration system characteristic of a sizable 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. Cerro Negro is located approximately 100 km to the north of the Sascha–Marcelina project (Reserves: 2.6 Moz Au and 21.34 Moz Ag / Resources: 2.12 Moz Au and 10.9 Moz Ag[4]).

[4] Newmont - 2/13/2020 Press Release

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 varying 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 technology on all 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, hosting an epithermal silica vein system with multiple mineralized trends. Within this area, new prospects have been recognized, with the “Estancia Trend” and the “Igloo Trend”, both located in close proximity to an extensive Pellegrini Silica Cap, which is interpreted as representing the preserved fossil paleosurface of a low sulfidation system.

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

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

A self-funded 2,600 m drill program has been approved for the Sascha-Marcelina project. This program is designed to complete an initial test of the best targets on the project, principally at the Estancia Trend and Pellegrini Silica cap. Mirasol believes the defined targets at Sasha Marcelina are high quality drill ready, and will be tested over the upcoming season.

Other Properties

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

During the 2019/2020 season, the Company re-initiated its field evaluation program on Mirasol owned properties in the Mio Pliocene belt of Chile. First pass field evaluations were completed on three targets, two high sulfidation epithermal and one porphyry style, as well as a second pass review on a second porphyry target. The final field evaluation campaign scheduled for the year has been postponed and will be completed during this field season.

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

HIGHLIGHTS FOR THE YEAR JULY 1, 2019 TO JUNE 30, 2020

FINANCIAL CONDITION

Mirasol remains in a strong financial position with cash and short-term investment of $15,594,367 and working capital of $15,876,259 as of June 30, 2020.

During the year ended June 30, 2020, the Company incurred total company-wide net cash expenditures of $5,897,290. The financial statements show a total expenditure of $6,397,724 of which non-cash items such as share-based payments and depreciation totalled $500,434.

For the year ended June 30, 2020 the total net cash expenditure was distributed between head office corporate spending of $2,033,804, inclusive of officer's salaries, board fees, business development, corporate administration, investor relations and regulatory compliance; and a total net exploration expenditure of $3,863,486 (table 1).

The annual level of spending by the Company is determined by its ability to secure financing through the sale of its securities, sales of assets and exploration agreements with its industry partners.

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 ended June 30, 2020, Mirasol invested $2,229,549 on exploration in Chile and $1,633,937 in Argentina (table 1).

The Company received $1,006,091 in cost recoveries during the year ended June 30, 2020; including claims fees, salaries of Mirasol employees seconded to the partner-funded programs and other operational costs that are covered by the partners under the terms of agreements. Mirasol earned $42,762 of management fee income during the year. The Company also received $64,321 in option payments from its Coronación project (table 1).

Mirasol also received marketable securities of Silver Sands from its Virginia project agreement with a market value of $655,422 at June 30, 2020.

CORPORATE MATTERS

On November 8, 2019, Mirasol announced the grant of stock options under its Equity Incentive Plan for certain key members of its management team as long-term incentives and to align their interests with shareholders. A total of 1,460,000 options were granted which are exercisable at $0.52 per share for a period of four years. The options are subject to vesting restrictions over a three-year period.

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

The shareholders of the Company represented at the 2020 Annual General Meeting, which was held on July 8, 2020, elected Norman Pitcher, Dana Prince, Nick DeMare, John Tognetti, Patrick Evans and Diane Nicolson as directors of the Company for the ensuing year. Further, the shareholders also approved: (i) the reappointment of Davidson & Company as the Company's independent auditor; (ii) the Stock Option Plan; and (iii) the Restricted Share Unit Plan, all as described in the Information Circular prepared for the meeting.

During a board meeting held on July 15, 2020, the board of directors 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.

On August 25, 2020, Mr. Dana Prince, advised the Board that he will be retiring as Chairperson effective August 31, 2020. A process to identify a successor is underway. Mr. Prince also resigned as a director on October 2, 2020. Patrick Evans was appointed Chairperson.

On September 28, 2020, Mr. Norm Pitcher, advised the Board that he will be leaving to pursue other opportunities. A process to identify his successor is underway. On October 5, 2020, the Company's Chairperson, Patrick Evans, was appointed interim CEO pending the appointment of a successor.

On October 19, 2020, the Company announced its intention to make a normal course issuer bid (the "Bid") to purchase for cancellation, from time to time, as it considers advisable, up to 3,900,000 of its issued and outstanding common shares, being approximately 7.2% of the Company's currently outstanding common shares and approximately 9.93% of the Company's Public Float (as that term is defined in the policies of the TSX Venture Exchange (the "Exchange"). The Exchange has approved the commencement of the Bid, which will commence on October 22, 2020, and will terminate on October 21, 2021, or such earlier time as the Bid is completed or at the option of the Company.

RESULTS OF OPERATIONS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

The Company's net loss for the year ended June 30, 2020 ("2020") was $5,902,479 or $0.11 per share compared to a net loss of $6,646,786 or $0.12 per share for the year ended June 30, 2019 ("2019"), a decrease of $744,307.

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

The Company's total operating expenses were $6,397,724 and $5,917,785 for the years ended June 30, 2020 and 2019, respectively.

The Company recorded interest income of $286,877 from its investments during the year ended June 30, 2020, as compared to $440,137 during the last fiscal year.

The Company recorded a gain of $421,500 on foreign exchange from conversion of funds during the year ended June 30, 2020 as compared to a loss of $1,169,138 during the last fiscal year.

Share-based payments decreased to $426,103 in 2020 from $859,562 in 2019, and depreciation expense increased to $74,331 in 2020 from $8,395 in 2019. Both are non-cash items.

Other notable variances include an increase in exploration expenditures to $3,863,486 in 2020 as compared to $2,656,673 in 2019 (table 1) ; a decrease in business development, marketing and investor communications expenses to $499,116 in 2020 from $896,118 in 2019; an increase of management and directors fees to $941,825 in 2020 as compared to $803,441 in 2019; a decrease in office administration, filing fees, and travel expenses to $398,995 in 2020 compared to $473,574 in 2019; and a decrease in professional fees to $193,868 in 2020 compared to $220,022 in 2019 from various consultants.

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

Table 1: *Summary of exploration expenditures for the years ended June 30, 2020 and 2019*

Table 1 - Exploration summary	**Total Chile**		**Total Argentina**		**Total Mirasol**	
Twelve months June 30,	**2020**	2019	**2020**	2019	**2020**	2019
Exploration costs	2,431,350	2,233,629	507,173	3,251,746	2,938,523	5,485,375
Exploration recovery	(1,006,091)	(1,050,393)	-	(2,327,286)	(1,006,091)	(3,377,679)
Option income	(64,321)	(1,122,830)	-	(395,740)	(64,321)	(1,518,570)
Management fees	(42,762)	(61,244)	-	(77,773)	(42,762)	(139,017)
Corporate Operation	911,373	976,984	1,126,764	1,229,580	2,038,137	2,206,564
Net Exploration expenses	**2,229,549**	**976,146**	**1,633,937**	**1,680,527**	**3,863,486**	**2,656,673**

A breakdown by country and group of projects of the Company's exploration and evaluation expenses for the years ended June 30, 2020 and 2019:

	For the Twelve Months Ended June 2020	2019
CHILE		
Gorbea Package - Joint Venture		
Assays and sampling	2,303	1,356
Camp and general	62	1,061
Contractors and consultants	105,957	14,485
Mining rights and fees	262,170	35,546
Exploration costs recovered	(262,372)	-
Travel & accommodation	1,205	634
Option Income	-	(132,600)
Resource Studies	6,797	8,264
	116,122	(71,254)
Altazor - Joint Venture		
Assays and sampling	-	24,265
Camp and general	1,062	39,390
Contractors and consultants	11,723	92,591
Exploration costs recovered	(58,857)	(258,434)
Geophysics	-	-
Management fees	-	-
Mining rights and fees	96,337	68,809
Professional fees	-	2,373
Travel & accommodation	-	48,616
Resource Studies	-	4,787
Option income	-	(662,950)
	50,265	(640,553)
Zeus - Joint Venture		
Assays and sampling	-	7,325
Camp and general	-	(4,019)
Contractors and consultants	-	42,920
Exploration costs recovered	-	(90,530)
Mining rights and fees	-	43,737
Termination Income	-	(261,900)
Travel & accommodation	-	1,248
	-	(261,219)
Indra_Agni - Joint Venture		
Assays and sampling	96,878	17,185
Camp and general	27,164	96,880
Contractors and consultants	128,623	280,470
Drilling	251,290	-
Environmental	16,220	-
Exploration costs recovered	(684,862)	(701,429)
Geophysics	-	7,739
Management fees	-	61,244
Mining rights and fees	5,831	70,217
Option Income	-	(65,380)
Resource Studies	5,166	60,093
Travel & accommodation	30,726	69,579
	(122,964)	(103,402)
Coronation		
Assays and sampling	-	-
Camp and general	279	-
Contractors and consultants	19,579	-
Join Venture Payments	(64,321)	-
Mining rights and fees	2,333	-
Professional fees	8,167	-
Travel & accommodation	1,058	-
	(32,905)	-
Ladera - Joint Venture		
Contractors and consultants	-	6,095
Mining rights and fees	-	2,904
	-	8,999
Total - Properties joint ventured to other	**10,518**	**(1,067,429)**

CHILE (Cont'd…)	For the Twelve Months Ended June 2020	2019
Chile Pipeline Projects		
Assays and sampling	26,726	19,415
Camp and general	26,056	58,025
Contractors and consultants	122,987	274,729
Mining rights and fees	69,642	149,344
Travel & accommodation	24,770	39,197
	270,181	540,710
Los Amarillos (Brahma)		
Assays and sampling	67,730	4,322
Camp and general	40,248	2,922
Contractors and consultants	235,772	19,696
Drilling	2,012	-
Environmental	53,168	-
Geophysics	1,994	-
Mining rights and fees	60,729	24,422
Travel & accommodation	37,348	8,001
	499,001	59,363
Rubi		
Assays and sampling	-	990
Camp and general	-	3,033
Contractors and consultants	25,351	7,217
Geophysics	1,633	38
Mining rights and fees	81,257	176,392
Professional fees	1,840	-
Travel & accommodation	250	485
	110,331	188,155
Nord		
Assays and sampling	-	1,194
Camp and general	-	770
Contractors and consultants	10,638	15,261
Mining rights and fees	4,827	46,497
Travel & accommodation	-	1,195
	15,465	64,917
Gorbea		
Assays and sampling	-	2,228
Camp and general	-	83,428
Contractors and consultants	-	80,602
Mining rights and fees	-	25,724
Travel & accommodation	-	10,215
	-	202,197
Zeus		
Camp and general	775	-
Contractors and consultants	18,982	422
Mining rights and fees	36,998	30,915
Travel & accommodation	473	-
	57,228	31,337
Total - 100% owned properties	**952,206**	**1,086,679**

CHILE (Cont'd…)	For the Twelve Months Ended June 2020	2019
Inca		
Camp and general	2,836	-
Contractors and consultants	51,640	-
Environmental	40,241	-
Geophysics	14,900	-
Mining rights and fees	56,110	-
Resource studies	540	-
Travel & accommodation	7,186	-
	173,453	-
Los Amarillos (Enami)		
Assays and sampling	23,781	787
Camp and general	26,599	-
Contractors and consultants	95,108	-
Drilling	301	-
Environmental	10,890	-
Join Venture Payments	13,260	13,260
Mining rights and fees	3,065	341
Professional fees	150	-
Resource studies	18	-
Travel & accommodation	24,482	-
	197,654	14,388
Ladera		
Contractors and consultants	5,943	-
Mining rights and fees	20,718	14,653
Travel & accommodation	446	-
	27,107	14,653
Total - Earn-in joint venture on third party	**398,214**	**29,041**
Project Generation	-	12,115
Management Fee Income	(42,762)	(61,244)
Corporate Operation & Management - Chile	911,373	976,984
Total Chile	**2,229,549**	**976,146**

	For the Twelve Months Ended June	
	2020	2019
ARGENTINA		
Claudia - Joint Venture		
Assays and Sampling	-	5,996
Camp and general	-	71,977
Contractors and consultants	-	192,021
Environmental	-	9,459
Exploration costs recovered	-	(603,328)
Geophysics	-	13,987
Interest	-	20
Mining rights and fees	-	102,792
Option income	-	(132,700)
Professional fees	-	4,025
Travel & accommodation	-	12,391
	-	(323,360)
La Curva - Joint Venture		
Assays and Sampling	-	89,653
Camp and general	-	163,029
Community Relations	-	(4,775)
Contractors and consultants	-	304,887
Drilling	-	704,431
Environmental	-	1,146
Exploration costs recovered	-	(1,723,958)
Mining rights and fees	-	40,733
Option Income	-	(263,040)
Professional fees	-	1,097
Travel & accommodation	-	33,860
	-	(652,937)
Total - Properties joint ventured to other	**-**	**(976,297)**
Argentina Pipeline Projects		
Assays and sampling	-	81,796
Camp and general	29,960	297,001
Contractors and consultants	85,037	293,888
Drilling	-	275,570
Environmental	1,715	8,125
Geophysics	-	56,368
Mining rights and fees	34,241	106,592
Professional fees	950	-
Travel & accommodation	161	32,094
	152,064	1,151,434

ARGENTINA (Cont'd…)	For the Twelve Months Ended June 2020	2019
Claudia		
Assays and Sampling	79	1,820
Camp and general	2,661	5,394
Contractors and consultants	7,778	22,899
Environmental	3,014	-
Geophysics	1,933	-
Mining rights and fees	112,554	38,177
Travel & accommodation	63	1,661
	128,082	69,951
La Curva		
Assays and Sampling	124	-
Camp and general	209	11
Community Relations	-	4,698
Contractors and consultants	4,681	23,404
Mining rights and fees	21,738	7,402
Travel & accommodation	56	301
	26,808	35,816
Sasha		
Assays and sampling	-	5,297
Contractors and consultants	17,039	20,865
Geophysics	18,271	-
Mining rights and fees	3,841	4,928
Professional fees	-	505
	39,151	31,595
Total - 100% owned properties	**346,105**	**1,288,796**
Marcelina - Joint Venture		
Assays and sampling	3,717	26,024
Camp and general	38,894	34,648
Contractors and consultants	97,753	102,434
Environmental	1,442	4,297
Geophysics	10,453	-
Mining rights and fees	3,032	4,169
Travel & accommodation	5,777	10,577
Share Capital	-	226
Acquistion Costs	-	33,696
	161,068	216,071
Total - Earn-in joint venture on third party	**161,068**	**216,071**
Project Generation	-	150
Management Fee Income	-	(77,773)
Corporate Operation & Management - Argentina	1,126,764	1,229,580
Total Argentina	**1,633,937**	**1,680,527**
Total Exploration and Evaluation Costs	**3,863,486**	**2,656,673**

Please refer to the Company's consolidated financial statements for a breakdown of the Company's general and administration expenses for the year ended June 30, 2020 and 2019.

FOURTH QUARTER ANALYSIS

The Company's net loss for the three months ended June 30, 2020 ("Q4 2020") was $2,360,152 or $0.04 per share compared to a net loss of $1,975,115 or $0.04 per share for the three months ended June 30, 2019 ("Q4 2019"), an increase of $385,037.

The increase in net loss during the Q4 2020 is due to a combination of an increase in exploration expenses and the administration of the overhead costs related to the exploration activities, and a foreign exchange loss.

The Company's incurred total operating expenses of $1,769,237 and $1,508,694 for the Q4 2020 and Q4 2019, respectively.

The Company recorded interest income of $55,047 from its investments in Q4 2020 as compared to $115,679 from the same period during the last fiscal year.

The Company recorded a loss of $468,919 on foreign exchange from conversion of funds during Q4 2020 compared to a loss of $582,100 for the same period during the last fiscal year.

Share-based payments increased to $118,271 in Q4 2020 from $73,519 in Q4 2019, and depreciation expense increased to $13,750 in Q4 2020 from $2,099 in Q4 2019. Both are non-cash items.

The operating cost for Q4 2020 was higher than the comparative Q4 2019 due to a increased in exploration expenditures to $1,172,662 in Q4 2020 compared to $901,962 in Q4 2019 (table 2); a decrease in business development, marketing and investor communications expenses to $103,038 in 2020 from $144,423 in 2019; an increase in management and directors fees to $212,730 in Q4 2020 as compared to $192,239 in Q4 2019; a decrease in office administration, filing fees, and travel expenses to $99,805 in Q4 2020 compared to $157,528 in Q4 2019; and an increase in professional fees from various consultants to $48,981 in Q4 2020 compared to $36,924 in Q4 2019.

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

Table 2: *Summary of exploration expenditures for the three months ended June 30, 2020 and 2019*

Table 2 - Exploration summary	**Total Chile**		**Total Argentina**		**Total Mirasol**	
Three months June 30,	**2020**	2019	**2020**	2019	**2020**	2019
Exploration costs	727,936	318,512	114,556	366,215	842,492	684,727
Exploration recovery	(274,143)	(96,146)	-	(253,600)	(274,143)	(349,746)
Option income	-	-	-	-	-	-
Management fees	-	(2,803)	-	(3,795)	-	(6,598)
Corporate Operation	203,027	268,492	401,286	305,088	604,313	573,580
Net Exploration expenses	**656,820**	**488,055**	**515,842**	**413,908**	**1,172,662**	**901,963**

SELECTED ANNUAL INFORMATION

	2020 $	2019 $	2018 $
Sales	-	-	-
Loss for the year	(5,902,479)	(6,646,786)	(4,341,131)
Loss per share – basic and diluted	(0.11)	(0.12)	(0.09)
Total assets	19,933,887	25,191,758	30,379,800
Total long-term liabilities	(205,043)	-	-
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 2020	Nil	(2,360,152)	(0.04)	(0.04)
3rd Quarter 2020	Nil	(438,534)	(0.01)	(0.01)
2nd Quarter 2020	Nil	(1,747,754)	(0.04)	(0.04)
1st Quarter 2020	Nil	(1,356,039)	(0.03)	(0.03)
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)

The Company's quarterly results will vary depending on the Company's exploration and business development activities. The Company also grants incentive stock options to its directors, management, employees, and consultants, which cause a variation in the Company's results from period to period.

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

INVESTING ACTIVITIES

The Company continued to invest Canadian, Australian and US dollars in interest-bearing financial instruments maturing up to one year. The total amount invested in 2020 was $13,476,650 compared to $16,836,008 in the prior year. The Company received interest income of $286,877 during the year ended June 30, 2020, compared to $440,137 for the year ended June 30, 2019.

CAPITAL RESOURCES AND LIQUIDITY

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

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

With working capital of approximately $15.9 million on June 30, 2020, the Company has sufficient funds to conduct its administrative, business development, and discretionary exploration activities over the next twelve months. Actual funding requirements may vary from those planned due to several factors, including the Company's joint venture partners encountering difficulty in financing exploration programs on the optioned properties. The Company further believes it has the ability to raise equity capital to meet its foreseeable longer-term working capital needs but recognizes that the ability to raise capital in the future involves risks beyond its control.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no significant off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions.

TRANSACTIONS WITH RELATED PARTIES

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

a) Compensation of key management personnel

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

The remuneration of management and independent directors was as follows:

	Year Ended June 30, 2020		2019	
Management compensation (i)	$	510,801	$	579,015
Share-based payments (ii)		289,987		853,972
Director's fees (iii)		182,220		180,750
Bonus shares (iv)		-		86,250
	$	983,008	$	1,699,987

(i) Management compensation is included in management fees (June 30, 2020 ("2020") - $287,500; June 30, 2019 ("2019") - $352,639) and in exploration expenditures (2020 - $223,301; 2019 - $226,376) in the Company's audited consolidated statements of loss and comprehensive loss.

(ii) Share-based payments is included in the share-based payments expense in the Company's audited consolidated statements of loss for the years ended June 30, 2020 and 2019.

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

(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. As part of the 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.

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

b) Transactions with other related parties

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

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

	Nature of transactions
Miller Thomson, where Gregory Smith is a Partner	Legal fees
Chase Management Ltd., a Company owned by Nick DeMare	Professional fees
Manning Lee Management Ltd., a Company owned by Mathew Lee	CFO services

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

		Years Ended June 30, 2020		2019
Legal fees	$	108,595	$	213,426
CFO services		44,000		54,000
Project generation, exploration expenses and GIS services		-		788,077
	$	152,595	$	1,055,503

Included in accounts payable and accrued liabilities at June 30, 2020, is an amount of $35,499 (2019 - $45,085) 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 audited consolidated financial statements for the year ended June 30, 2020. The following policies are considered by management to be essential to the understanding of the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

RECENT ACCOUNTING ADOPTION

IFRS 16 – Leases

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

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

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

The following table summarizes the adjustments to opening balances resulting from the initial adoption of IFRS 16:

	Previously Reported under IAS 17	IFRS 16 Transition Adjustments	As reported under IFRS 16
Right of Use Assets	$ -	$ 311,407	$ 311,407
Lease Liabilities	$ -	$ (311,407)	$ (311,407)

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

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

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

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

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

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

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

IFRIC 23 – Uncertainties over income tax

IFRIC 23 clarifies the application of recognition and measurement requirements in IAS 12, Income taxes, when there is uncertainty over income tax treatments. It specifically addresses whether an entity considers each tax treatment independently or collectively, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and how an entity considers changes in facts and circumstances. IFRIC 23 became effective for fiscal years beginning on or after January 1, 2019, with earlier application permitted. The Company has adopted this interpretation as July 31, 2019 and has assessed no significant impact as a result of the adoption of this interpretation.

New accounting standards issued but not yet in effect

Classification of liabilities as current or non-current (Amendments to IAS 1)

The IASB has published *Classification of Liabilities as Current or Non-Current* (Amendments to IAS 1) which clarified the guidance on whether a liability should be classified as either current or non-current. The amendments:

(i) Clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period";
(ii) Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
(iii) Make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined. There is currently a proposal outstanding that would defer the effective date until January 1, 2023.

Definition of a business (Amendments to IFRS 3)

The IASB has issued *Definition of a Business* (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

(i) Clarify the minimum attributes that the acquired assets and activities must have to be considered a business;
(ii) Remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs;
(iii) Narrow the definition of a business and the definition of outputs; and
(iv) Add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business.

This amendment is effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted. The Company does not expect the adoption of this new amendment to have a significant impact on the consolidated financial statements.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

FINANCIAL INSTRUMENTS

The Company's financial instruments as at June 30, 2020, consist of cash and cash equivalents, receivables and advances, marketable securities, accounts payable and accrued liabilities and advances from joint venture partners. The fair value of all these instruments approximates their carrying value. There are no off-balance sheet financial instruments.

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

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

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

MANAGEMENT OF CAPITAL RISK

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

The Company manages the capital structure and adjusts it considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, enter into joint ventures or obtain debt financing. To facilitate the management of its capital requirements, the

Company prepares annual and quarterly expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

To maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of twelve months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

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

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's operating expenses is provided above, and in the Company's condensed consolidated interim statements of loss and comprehensive loss of the condensed consolidated interim financial statements for the year ended June 30, 2020 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 54,148,878 issued and outstanding common shares. In addition, the Company has 4,425,000 options outstanding that expire through April 28th, 2023, and 2,158,875 warrants expired on June 1st, 2020. At the date of this MD&A, no RSU's were outstanding.

Details of issued share capital are included in Note 13 of the audited consolidated financial statements for the year ended June 30, 2020.

APPROVAL

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

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.mirasolresources.com.