



**MIRASOL RESOURCES LTD.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**September 30, 2022**

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

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

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

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

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

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

As of September 30, 2022, and June 30, 2022

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

<b>ASSETS</b>	September 30, 2022	June 30, 2022
<b>Current Assets</b>		
Cash and cash equivalents <i>(Note 3)</i>	\$ 5,126,337	\$ 5,698,539
Receivables and advances <i>(Note 4)</i>	140,776	112,258
Current portion of lease receivable <i>(Note 7)</i>	36,398	35,684
Due from JV partner	163,312	219,051
Marketable securities <i>(Note 5)</i>	415,118	726,456
	<u>5,881,941</u>	<u>6,791,988</u>
<b>Non-Current Assets</b>		
Equipment	132,330	143,059
Right-of-use assets <i>(Note 6)</i>	64,387	70,194
Non-current portion of lease receivable <i>(Note 7)</i>	43,122	49,514
Exploration and evaluation assets <i>(Note 8)</i>	1,419,519	1,419,519
	<u>1,659,358</u>	<u>1,682,286</u>
<b>Total Assets</b>	<b>\$ 7,541,299</b>	<b>\$ 8,474,274</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 549,162	\$ 475,242
Current portion of lease liabilities <i>(Note 7)</i>	82,695	82,140
	<u>631,857</u>	<u>557,382</u>
<b>Long-Term Liabilities</b>		
Non-current portion of lease liabilities <i>(Note 7)</i>	101,175	115,048
	<u>101,175</u>	<u>115,048</u>
<b>Total Liabilities</b>	<b>\$ 733,032</b>	<b>\$ 672,430</b>
<b>EQUITY</b>		
<b>Share Capital</b> <i>(Note 10)</i>	\$ 57,505,527	\$ 57,502,177
<b>Reserves</b>	18,453,229	18,362,103
<b>Accumulated Other Comprehensive Loss</b>	(36,614)	(24,558)
<b>Deficit</b>	<u>(69,113,875)</u>	<u>(68,037,878)</u>
	<u>6,808,267</u>	<u>7,801,844</u>
<b>Total Liabilities and Equity</b>	<b>\$ 7,541,299</b>	<b>\$ 8,474,274</b>

Nature of business *(Note 1)*Commitments *(Note 12)*

On Behalf of the Board:

“ Patrick Evans ”  
\_\_\_\_\_, Director

“ Nick DeMare ”  
\_\_\_\_\_, Director

**Mirasol Resources Ltd.****Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**

For the Three Months Ended September 30,

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

	2022	2021
<b>Income</b>		
Option income	\$ -	\$ 93,615
Management fees income	-	14,267
	<u>-</u>	<u>107,882</u>
<b>Expenses</b>		
Exploration expenditures	837,125	632,105
Business development	45,856	44,755
Marketing and investor communications	28,103	19,076
Management fees <i>(Note 9a i)</i>	99,177	76,703
Office and miscellaneous	40,950	63,194
Share-based payments <i>(Note 9a ii, 10c ii, 10d)</i>	91,126	215,952
Professional fees <i>(Note 9b)</i>	19,158	24,744
Director fees <i>(Note 9a iii)</i>	25,200	19,950
Travel	5,556	3,907
Transfer agent and filing fees	2,040	1,264
Depreciation	16,536	24,464
	<u>(1,210,827)</u>	<u>(1,126,114)</u>
<b>Loss before other items</b>	<u>(1,210,827)</u>	<u>(1,018,232)</u>
Interest income	169,578	176,386
Interest expense <i>(Note 7)</i>	(7,218)	(9,041)
Foreign exchange gain	270,689	201,905
Unrealized loss on marketable securities fair value <i>(Note 5)</i>	(311,338)	(196,515)
Other income	13,119	12,341
	<u>134,830</u>	<u>185,076</u>
<b>Loss for the Period</b>	<u>\$ (1,075,997)</u>	<u>\$ (833,156)</u>
<b>Other Comprehensive Loss</b>		
Items that will not be reclassified to profit and loss:		
Exchange differences on translation of foreign operations	(12,056)	(4,883)
<b>Loss and Comprehensive Loss for the Period</b>	<u>\$ (1,088,053)</u>	<u>\$ (838,039)</u>
<b>Loss per Share (Basic and Diluted)</b>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
<b>Weighted Average Number of Shares Outstanding (Basic and Diluted)</b>	<u>54,043,304</u>	<u>53,879,293</u>

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

**Mirasol Resources Ltd.**

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

**As at September 30**

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

	Share Capital		Reserves	Accumulated Other Comprehensive Loss	Deficit	Total Equity
	Number of Common Shares	Common Shares Amount				
<b>Balance – June 30, 2021</b>	<b>53,895,043</b>	<b>\$57,477,459</b>	<b>\$17,828,859</b>	<b>\$(17,633)</b>	<b>\$(62,956,865)</b>	<b>\$12,331,820</b>
Treasury shares cancelled <i>(Note 9)</i>	(23,000)	(24,529)	12,189	-	-	(12,340)
Share-based payments <i>(Note 9)</i>	-	-	215,952	-	-	215,952
Foreign currency translation adjustment	-	-	-	(4,883)	-	(4,883)
Loss for the period	-	-	-	-	(833,156)	(833,156)
<b>Balance – September 30, 2021</b>	<b>53,872,043</b>	<b>\$57,452,930</b>	<b>\$18,057,000</b>	<b>\$(22,516)</b>	<b>\$(63,790,021)</b>	<b>\$11,697,393</b>
<b>Balance – June 30, 2022</b>	<b>54,015,043</b>	<b>\$57,502,177</b>	<b>\$18,362,103</b>	<b>\$(24,558)</b>	<b>\$(68,037,878)</b>	<b>\$7,801,844</b>
Treasury shares repurchased <i>(Note 9)</i>	-	(13,650)	-	-	-	(13,650)
Shares issued for stock options exercised	50,000	17,000	-	-	-	17,000
Share-based payments <i>(Note 9)</i>	-	-	91,126	-	-	91,126
Foreign currency translation adjustment	-	-	-	(12,056)	-	(12,056)
Loss for the period	-	-	-	-	(1,075,997)	(1,075,997)
<b>Balance – September 30, 2022</b>	<b>54,065,043</b>	<b>\$57,505,527</b>	<b>\$18,453,229</b>	<b>\$(36,614)</b>	<b>\$(69,113,875)</b>	<b>\$6,808,267</b>

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

**Mirasol Resources Ltd.****Condensed Consolidated Interim Statement of Changes in Cash Flows****For the Three Months Ended September 30***(Expressed in Canadian Funds, except where indicated)*

	2022	2021
<b>Operating Activities</b>		
Loss for the period	\$ (1,075,997)	\$ (833,156)
Adjustments for:		
Interest income	(172,703)	(176,386)
Interest expense	7,218	9,041
Depreciation	16,536	24,464
Other income (expense)	1,528	(12,341)
Share-based payments	91,126	215,952
Unrealized loss on marketable securities fair value	311,338	196,515
Unrealized foreign exchange	(277,151)	(178,738)
	<u>(1,098,105)</u>	<u>(754,649)</u>
Changes in non-cash working capital items:		
Receivables and advances	(15,905)	153,923
Accounts payable and accrued liabilities	73,920	(459,525)
Advance from joint venture partner	65,993	413,620
Cash used in operating activities	<u>(974,097)</u>	<u>(646,631)</u>
<b>Investing Activities</b>		
Purchase of equipment	-	(4,282)
Interest received	155,437	2,610
Cash (used in) provided by investing activities	<u>155,437</u>	<u>(1,672)</u>
<b>Financing Activity</b>		
Lease payments	(11,733)	(19,425)
Stock options exercised	17,000	-
Treasury shares repurchased	(13,650)	(12,340)
Cash used in operating activities	<u>(8,383)</u>	<u>(31,765)</u>
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>	<u>254,841</u>	<u>173,856</u>
<b>Change in Cash and Cash Equivalents</b>	(572,202)	(506,212)
Cash and Cash Equivalents - Beginning of the period	5,698,539	10,023,402
<b>Cash and Cash Equivalents - End of the period</b>	<u>\$ 5,126,337</u>	<u>\$ 9,517,190</u>
<b>Cash and Cash Equivalents Consist of:</b>		
Cash	\$ 1,584,937	\$ 2,083,740
Cash equivalents	\$ 3,541,400	\$ 7,433,450
	<u>\$ 5,126,337</u>	<u>\$ 9,517,190</u>
<b>Supplemental Schedule of Non-Cash Investing and Financing Transactions:</b>		
Cash paid during the period for interest	\$ 7,218	\$ 9,041
Cash paid during the period for income taxes	\$ -	\$ -

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

# Mirasol Resources Ltd.

## Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2022

(Expressed in Canadian Funds, except where indicated)

### 1. Nature of Business

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

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

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

Novel Coronavirus ("Covid-19") pandemic

In response to COVID-19, the Company has implemented enhanced health and safety protocols, following government health guidelines and continues to closely monitor the potential effects of the pandemic with local health authorities. The have been put in place to protect the Company's employees, contractors and the communities surrounding the projects. The Company's operations have generally returned to normal, however, any future impacts of COVID-19 remain uncertain, it is not possible for the Company to predict the duration or magnitude of the potential adverse results of the outbreak and its effects on the Company's exploration activities and business development initiatives.

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

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### 2. Basis of Presentation

#### Statement of compliance

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended June 30, 2022.

The Board of Directors approved the condensed consolidated interim financial statements on November 28<sup>th</sup>, 2022.

#### Basis of measurement

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

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2022

(Expressed in Canadian Funds, except where indicated)

#### Significant Accounting Estimates and Judgments

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

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended June 30, 2022.

#### Recent Accounting Pronouncements and Adoptions

*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, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

*Insurance contracts IFRS 17*

*IFRS 17* requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.

*IFRS 17* supersedes *IFRS 4* and applies to annual reporting periods beginning on or after 1 January 2023. The extent of the impact of adoption of this amendment has not yet been determined.

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### 3. Short-term Investments

Cash and cash equivalents comprise of cash and short-term redeemable Guaranteed Investment Certificates ("GIC") placed with major Canadian financial institutions. Maturity dates of these GIC's are within one year.

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**Mirasol Resources Ltd.****Notes to the Condensed Consolidated Interim Financial Statements****For the Three Months Ended September 30, 2022***(Expressed in Canadian Funds, except where indicated)***4. Receivables and Advances**

	September 30, 2022	June 30, 2022
Goods and services tax receivable	\$ 13,451	\$ 6,094
Interest receivable	4,331	2,599
Prepaid expenses and advances	122,994	103,565
	<u>\$ 140,776</u>	<u>\$ 112,258</u>

**5. Marketable Securities****Common shares:**

Balance June 30, 2021	6,550,481
Additions	3,827,462
Balance June 30, 2022	10,377,943
Additions	-
Balance September 30, 2022	<u>10,377,943</u>

**Fair value change:**

At June 30, 2021	\$ 1,179,087
Additions	287,060
Fair value change	(739,691)
At June 30, 2022	726,456
Additions	-
Fair value change	(311,338)
At September 30, 2021	<u>\$ 415,118</u>

The Company holds 10,377,943 common shares (June 30, 2021 – 6,550,481) of Silver Sands Resources Corp. (“Silver Sands”) that were received as partial consideration on an option agreement.

As at September 30, 2022, the market price of the shares was \$0.04 per share (September 30, 2021 - \$0.15). Accordingly, the Company recorded an unrealized fair value loss of \$311,338 (2021 – \$196,515) in the condensed consolidated interim financial statements.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2022

(Expressed in Canadian Funds, except where indicated)

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

##### Right of Use Assets

###### **Cost:**

At June 30, 2021	\$	311,407
Sublease deduction (Note 7)		(90,668)
At June 30, 2022		220,739
Additions		-
At September 30, 2022	\$	220,739

###### **Depreciation:**

At June 30, 2021	\$	105,265
Charge for the year		45,280
At June 30, 2022		150,545
Charge for the year		5,807
At September 30, 2022	\$	156,352

###### **Net Book Value:**

At June 30, 2022	\$	70,194
At September 30, 2022	\$	64,387

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

#### 7. Lease liabilities and lease receivable

##### Lease liabilities

	September 30, 2022	June 30, 2022
Beginning balance	\$ 197,188	\$ 244,672
Lease payments made	(20,536)	(81,030)
Interest expense	7,218	33,546
	\$ 183,870	\$ 197,188
Less: current portion	(82,695)	(82,140)
Non-current portion	\$ 101,175	\$ 115,048

The following are the minimum lease payments for the remaining of the lease:

Period	Amount
In 1 year	\$82,695
Second year	\$88,800
Third year	\$51,800

**Mirasol Resources Ltd.****Notes to the Condensed Consolidated Interim Financial Statements****For the Three Months Ended September 30, 2022***(Expressed in Canadian Funds, except where indicated)***7. Lease liabilities and lease receivable (Cont'd...)**Lease receivable

	September 30, 2022	June 30, 2022
Beginning balance	\$ 85,198	\$ -
Additions (note 6)	-	90,668
Lease payments made	(8,803)	(8,802)
Interest income	3,125	3,332
	\$ 79,520	\$ 85,198
Less: current portion	(36,398)	(35,684)
Non-current portion	\$ 43,122	\$ 49,514

The following are the minimum lease receivable for the remaining of the lease:

<u>Period</u>	<u>Amount Receivable</u>
In 1 year	\$36,398
Second year	\$38,064
Third year	\$22,204

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2022

(Expressed in Canadian Funds, except where indicated)

#### 8. Exploration and Evaluation Assets

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

A reconciliation of capitalized acquisition costs is as follows:

##### Acquisition Costs

	Balance at June 30, 2022	Cost	Write-offs and Recoveries	Balance at September 30, 2022
<b>Chile</b>				
Gorbea belt	\$ 171,777	\$ -	\$ -	\$ 171,777
<b>Argentina</b>				
Santa Rita and Virginia	1,024,549	-	-	1,024,549
Sascha-Marcelina	203,027	-	-	203,027
Pipeline projects	20,166	-	-	20,166
	\$ 1,419,519	\$ -	\$ -	\$ 1,419,519

	Balance at June 30, 2021	Cost	Recoveries	Balance at June 30, 2022
<b>Chile</b>				
Gorbea belt	\$ 171,777	\$ -	\$ -	\$ 171,777
<b>Argentina</b>				
Santa Rita and Virginia	1,311,609	-	(287,080)	1,024,549
Sascha-Marcelina	203,027	-	-	203,027
Pipeline projects	20,166	-	-	20,166
	\$ 1,706,579	\$ -	\$ (287,080)	\$ 1,419,519

#### 9. 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:

	Three Months Ended September 30,	
	2022	2021
Management compensation (i)	\$ 147,916	\$ 69,007
Share-based payments (ii)	66,027	107,860
Director's fees (iii)	25,200	19,950
	\$ 239,143	\$ 196,817

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2022

(Expressed in Canadian Funds, except where indicated)

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

- i. Management compensation is included in management fees (2022 - \$105,898; 2021 - \$11,147) and in exploration expenditures (2022 - \$42,018; 2021 - \$57,860) in the Company's condensed consolidated interim statements of loss and comprehensive loss.
- ii. Share-based payments are included in the share-based payments expense in the Company's condensed consolidated interim statements of loss for the periods ended September 30, 2022 and 2021.
- iii. The independent directors of the Company are paid \$2,100 per month (2021 - \$2,100 per month).

#### b) Transactions with other related parties

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

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

	<b>Nature of transactions</b>
Max Pinsky Personal Law Corporation	Legal fees
Chase Management Ltd.	Professional fees
Manning Lee Management Ltd.	CFO services

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

	Three Months Ended September 30,	
	2022	2021
Legal fees	\$ 24,730	\$ 26,494
CFO services	-	7,500
	<b>\$ 24,730</b>	<b>\$ 33,994</b>

- i. Legal fees are included in professional fees (2022 - \$18,980; 2021 - \$9,744) and in business development (2022 - \$5,750; 2021 - \$16,750) in the Company's condensed consolidated interim statements of loss and comprehensive loss.
- ii. CFO services are included in management fees in the Company's condensed consolidated interim statements of loss for the periods ended September 30, 2022, and 2021.

Included in accounts payable and accrued liabilities at September 30, 2022, is an amount of \$45,148 (2021 - \$60,873) owing to directors and officers of the Company and to companies where the directors and officers are principals.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2022

(Expressed in Canadian Funds, except where indicated)

#### 10. 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. As at September 30, 2022 the Company had 54,065,043 common shares outstanding.

##### b) Normal Course Issuer Bid

On October 19, 2020, the Company filed a normal course issuer bid (the "NCIB") which authorizes the Company to repurchase for cancellation up to 3,900,000 of its issued and outstanding common shares. The NCIB expired on October 21, 2021.

On November 25, 2021, the Company announced its intention to renew its NCIB, to purchase for cancellation, up to 3,500,000 of its issued and outstanding common shares. The Bid commenced on December 15, 2021, and will terminate on December 14, 2022, or such earlier time as the Bid is completed or at the option of the Company.

During the period ended September 30, 2022, the Company repurchased 35,000 (2021 – 23,000) common shares for \$13,650 (2021 – \$12,340) cash consideration under the NCIB.

Subsequent to September 30, 2022, the Company cancelled 35,000 of its common shares under the NCIB.

##### c) Share Purchase Options ("Options")

The Company has established a share purchase option plan (the "Plan") whereby the Board of Directors may, from time to time, grant Options to directors, officers, employees, and consultants under the long-term incentive plan. 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 Plan provides that the aggregate number of shares reserved for issuance shall not exceed 10% of the total number of issued and outstanding shares. September 30, 2022, a total of 5,406,504 Options were reserved under the Plan with 3,785,000 Options outstanding.

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

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

	Number of Options	Weighted Average Exercise Price
Options outstanding as at June 30, 2021	1,575,000	\$0.87
Granted	3,300,000	\$0.37
Expired / Forfeited	(840,000)	\$0.99
Options outstanding as at June 30, 2022	4,035,000	\$0.43
Exercised	(50,000)	\$0.52
Expired / Forfeited	(200,000)	\$0.52
Options outstanding as at September 30, 2022	3,785,000	\$0.43
Options exercisable as at September 30, 2022	2,222,500	\$0.47

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2022

(Expressed in Canadian Funds, except where indicated)

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

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

Total share-based payments for options vested recognised for the period ended September 30, 2022 amounted to \$91,126 (September 30, 2021 - \$215,952).

On September 14, 2021, and on May 1, 2022 the Company granted 3,100,000 and 200,000 respectively, shares purchase options to directors, management and consultants. The weighted-average fair values of stock options granted, and the assumptions used to calculate the related compensation expense for the period ended September 30, 2022, was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

	September 30, 2021	May 1, 2022
Expected dividend yield	0.0%	0.0%
Expected share price volatility	98.05%	95.43%
Risk-free interest rate	0.79%	2.76%
Expected life of options	4.5years	4.5years
Fair value of options granted (per share option)	\$0.24	\$0.57

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

A summary of the Company's options outstanding as at September 30, 2022 is as follows:

Expiry Date	Exercise price \$	Options Outstanding	Weighted Average Remaining Life of Options (years)	Options Exercisable
March 14, 2023	1.09	200,000		200,000
November 8, 2023	0.52	510,000		460,000
April 28, 2023	0.40	50,000		50,000
September 14, 2026	0.34	2,825,000		1,412,500
May 01, 2027	0.80	200,000		100,000
		3,785,000	3.38	2,222,500

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

On April 20, 2022, the shareholders approved an RSU Plan (the "RSU Plan"). The RSU Plan was also approved by the Board of Directors on May 25, 2022, and by the TSXV on April 13, 2022. 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 independent of the number of Options available under the Company's stock option plan.

The Company has not granted any RSU's pursuant to this RSU Plan and accordingly the Company has not recognized any share-based payments costs.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2022

(Expressed in Canadian Funds, except where indicated)

#### 11. Segmented Information

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

<b>Total Non-Current Assets</b>	September 30, 2022	June 30, 2022
Canada	\$ 120,030	\$ 133,245
Argentina	1,337,625	1,344,912
Chile	201,703	204,129
	<b>\$ 1,659,358</b>	<b>\$ 1,682,286</b>

#### 12. Commitments

On February 6, 2019, the Company signed a lease for its head office located at 1150 - 355 Burrard Street, Vancouver, British Columbia, effective May 1, 2019, to April 30, 2025. The Company has made a security deposit of \$20,000. On March 15, 2022, the Company signed a license agreement to share the office space with a Company related virtue of certain directors in common, covering the period April 1, 2022, to April 30, 2025.





## **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, 2022, which are publicly available on SEDAR at [www.sedar.com](http://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 condensed consolidated interim financial statements and related notes for the period ended September 30, 2022.

This MD&A is prepared as of November 28, 2022.

### **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 may use the terms "Inferred Resource", "Indicated Resource", "Measured Resource" and "Mineral Resource". The Company advises that these terms are recognized by and defined in Canadian securities regulations (under National Instrument 43-101 "Standards of Disclosure for

Mineral Projects”). Investors are cautioned not to assume that any part of or all, of the mineral occurrences in these categories will ever be converted into reserves.

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.

Tim Heenan (MAIG), President 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 Qualified Person for the Company at the time of disclosure.

## **NOVEL CORONAVIRUS (“COVID-19”) PANDEMIC**

In response to COVID-19, the Company has implemented enhanced health and safety protocols, following government health guidelines and continues to closely monitor the potential effects of the pandemic with local health authorities. The have been put in place to protect the Company’s employees, contractors and the communities surrounding the projects. The Company’s operations have generally returned to normal, however, any future impacts of COVID-19 remain uncertain, it is not possible for the Company to predict the duration or magnitude of the potential adverse results of the outbreak and its effects on the Company’s exploration activities and business development initiatives.

## **CORPORATE AND STRATEGIC OVERVIEW**

Mirasol (TSXV: MRZ) (OTCPK: MRZLF) is a mineral exploration company targeting gold, silver and copper (“Au”, “Ag” and “Cu”, respectively) deposits, mainly 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 business strategy combines the joint venture funding model with self-funded exploration of quality projects. This hybrid strategy was developed to accelerate the drill testing of key projects that potentially host economic discoveries. This year, Mirasol has been advancing three self-funded projects, Sobek and Inca Gold in Chile, and Sascha-Marcelina in Argentina. In addition, Mirasol has four active option agreements across Chile and Argentina. Under these option agreements, Mirasol’s partners are funding all exploration and land holding costs, which allows the Company to focus its available resources on self-funded exploration and business development opportunities, while retaining exposure to potentially significant discoveries. The Inca Gold project is subject to an option agreement where Mirasol is earning into the property owned by Newmont.

## ***Mirasol's Exploration Focus***

Mirasol's main geographic focus is in the Atacama-Puna region of northern Chile and Argentina and in Santa Cruz province, southern Argentina, where the Company maintains a high-quality portfolio of exploration properties with the potential for economic discoveries. This portfolio was assembled from Mirasol's project generation activities, which applies innovative, concept-driven geological techniques combined with follow-up 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. These belts host many world-class Cu-Au mines and occurrences of differing ages, spanning millions of years ("Ma"). From youngest to oldest, these belts are:

Miocene to Pliocene (Mio-Pliocene, 23-5 Ma): Targeting high-sulfidation epithermal ("HSE") Au-Ag and porphyry Cu-Au-Molybdenum ("Mo") deposits. In this belt, located to the north of the Maricunga Belt, Mirasol controls approximately 103,000 ha of granted exploration claims. The Maricunga Belt is a world recognized geological terrain for its AU-Cu-Mo porphyries and HSE Au/Ag deposits like El Refugio, Martes/Lobo, La Pepa, Cerro Casale, Caspiche and Volcan Copiapo. The Company also presently holds approximately 30,000 ha of granted exploration claims in the southern part of the Mio-Pliocene aged Cu belt proximal to the border between Chile and Argentina.

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

Paleocene to Early Eocene (Paleocene, 66-53 Ma): Targeting low-intermediate-sulfidation epithermal Au-Ag and porphyry Cu-Au-Mo deposits. Mirasol presently controls approximately 18,000 ha of granted exploration claims in this belt.

### **Argentina: Santa Cruz Province**

The Company's project portfolio in Argentina is located in Santa Cruz Province within the Deseado Massif, a 60,000 km<sup>2</sup> region of upper-middle Jurassic age volcanics that is recognized as having a high potential to host low- and intermediate-sulfidation epithermal Au-Ag deposits. Mirasol controls approximately 265,000 ha of exploration and mining claims in the province.

The Company is monitoring the potential impact of the rapid currency devaluation and changing public policies in Argentina. To date, these issues have not impacted Mirasol's capacity to operate and Mirasol continues to receive third-party interest for its projects in both countries.

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

### ***Projects Under Option Agreements***

#### **Chile**

Coronación Copper-Gold Project, Northern Chile (Operated and funded by First Quantum Minerals Ltd.)

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 in 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 10,000m of drilling and delivering a NI 43-101 compliant Prefeasibility Study Report. Following the completion of the 80% earn-in, FQM will have a one-time option to acquire the remaining 20% 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.

In July 2021, Mirasol and FQM agreed to extend the timeframe for FQM to complete the committed 3,000m of drilling and the option period by nine months to June 30, 2022, and June 30, 2026, respectively. In September 2021, FQM made a US\$75,000 payment to Mirasol under the option agreement. To allow further opportunity for engagement with a local community, FQM and Mirasol agreed in February 2022 to amend the agreement to extend to April 30, 2023, the timeline for the completion of the 3,000m drill commitment. In addition, the schedule of cash payments was adjusted with no payment due in 2022.

## Exploration Results

Coronacion is located on a major northwest structural trend that is 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, that was subsequently intruded domes of dacitic composition. Two distinct areas of alteration have been interpreted with the assistance of Analytical Spectral Device (“ASD”) analysis. The eastern alteration area displays affinities to a HSE system, with the western area displaying a more typical porphyry deposit style of alteration. Geochemical rock and soil sampling has also defined a large 600 by 800m Cu-Mo geochemical anomaly in the western area within the overall 3 by 2.5 km ASTER image hydrothermal alteration response halo (news release October 17, 2019).

During the last quarter of 2019, FQM completed an initial exploration program that included surface mapping, geochemical soil and rock chip sampling, IP and Mag magnetic geophysical surveys (“Mag”) and the collection of rock samples for age-dating. This work outlined an attractive porphyry Cu target that displays characteristics similar to other Miocene age porphyry Au-(Cu) systems in the highly productive Maricunga belt.

## 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.

Mirasol has granted MDF the option to earn an 80% interest in the Project over eight years by funding and delivering a positive NI 43-101 compliant Prefeasibility Study Report. Following the completion of an initial committed 2,000m drill program, MDF is required to spend a minimum of US\$1 million per year in exploration expenditures over the term of the agreement. Mirasol serves as the operator during the option period and collects a management fee.

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 7,500 ha Rubi project is located within the Paleocene age porphyry belt of northern Chile that hosts a number of significant producing porphyry Cu deposits. The project lies at relatively low elevation (1,900-2,100m) within 20 km of the El Salvador and Potrerillos porphyry Cu-Mo-Au mines and has good access to port facilities at Chanaral approximately 80 km to the west.

In November 2021, Mirasol reported on the 1,887m drill program completed at Rubi. Drilling was focused on the Lithocap and Zafiro targets, with the results supporting the presence of a large and strong prospective porphyry-style alteration system. Key indicators included the occurrence of

porphyritic daci-andesite intrusive rocks and hydrothermal brecciation, which exhibit strong quartz-sericite (phyllic) alteration overprinting a relict K-feldspar alteration that host trace fine pyrite-chalcopyrite-magnetite mineralization. In addition, good ground preparation was observed, which is critical for ore deposit formation, with strong to locally intense fracturing infilled with late gypsum/anhydrite and calcite veining. Importantly, assay results confirmed the presence of anomalous Cu, Mo and locally elevated arsenic (“As”) over substantial intervals of approximately 200m (news release November 8, 2021).

MDF has confirmed their continued commitment to the project. A deep-sensing IP and magnetotellurics (“MT”) geophysical program is expected to be completed to better delineate the porphyry Cu target for follow up drilling.

## **Argentina**

### Virginia Silver Project, Santa Cruz (Operated by Mirasol; funded by Silver Sands Resources Corp.)

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

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

Upon completion of the option in 2023, 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

The Virginia Silver Deposit, discovered by Mirasol in 2009, hosts a high-grade, intermediate sulfidation epithermal style mineralization in a series of prominent outcropping vein-breccias associated with a rhyolitic volcanic flow dome field. Mirasol completed a series of drill programs from 2010 to 2012 for 23,318m of diamond drilling in 223 holes, designed to test the potential of the mineralized structures to a maximum depth of 266m. In 2016 the Company filed an amended NI 43-101 Resource Estimate defining seven outcropping bodies of high-grade Ag mineralization, constrained<sup>1</sup> within conceptual pits, with an **indicated mineral resource of 11.9 million ounces of Ag at 310 g/t Ag** and a further **inferred mineral resource of 3.1 million ounces of Ag at 207 g/t Ag** (see amended NI 43 -101 technical report titled “Amended Technical Report, Virginia Project, Santa Cruz Province, Argentina - Initial Silver Mineral Resource Estimate” prepared by D. Earnest and M. Lechner and filed on SEDAR on February 29, 2016).

Under the terms of the option-to-purchase agreement with Silver Sands, four funded phases of drilling have been completed to date.

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<sup>1</sup> The Qualified Persons responsible for this amended Technical Report were commissioned by Mirasol Resources Ltd. to review all geologic, geochemical, geophysical, surface trenching, diamond drill core sampling and metallurgical recovery data pertaining to the Virginia Project for the purpose of completing a Mineral Resource estimate in accordance with the guidelines of the Canadian Institute of Mining and Metallurgy (CIMM). For calculating conceptual pits, a Ag 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 Ag price fluctuations. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.

**Phase I** in 2020 was designed to expand the known resource by testing gaps in and extensions to the principal veins as previously defined, as well as testing newly identified structures to the north, south and east of the current Virginia deposit (news release October 29, 2020).

Results from the 2,831m Phase I drill program demonstrated the potential for significant new mineralization outside of the current deposit (news release January 21, 2021 and February 23, 2021).

**Phase II** of the drill program comprised 20 diamond drill holes (3,104m). A new high-grade zone was discovered at Ely Central, where drilling intersected strong and continuous Ag grades in four drill holes over a 200m strike length. Mineralization at Ely Central remains open to expansion both laterally to the north and south, and also to depth. In addition, significant intercepts were encountered beyond the main Virginia vein field, confirming the potential for new mineralized zones (news release May 17, 2021).

**Phase III** of the program included 20 drill holes completed at Virginia and the Santa Rita Prospect, located in the north of the property package. At the main Virginia vein field, high-grade mineralization was discovered on the Margarita vein trend in a single diamond drill hole intersecting 2.63m at 1,456 g/t Ag. This intercept represented the first mineralized interval from this new target and effectively indicates the potential for a new mineralized trend along strike and at depth (news release February 1, 2022).

At the Martina Northwest target, two holes were collared to test the depth extent of a mineralized polymictic hydrothermal breccia structure that was previously drilled. The second drill hole completed at a shallow dip successfully intersected 4.75m at 242 g/t Ag, including 2.45m at 404 g/t Ag, 68m vertically below surface. The results from Martina Northwest are very encouraging as these new intersections support the potential to increase the mineral resource along this trend.

To follow up on the 200m strike length of mineralization defined at Ely Central, continued drilling returned a broad interval of 33.8m at 88 g/t Ag from 71.3m which successfully closes the gap between the mineralized structures at Ely Central and Ely North. In addition, the deepest mineralization encountered along the Ely structure to date intercepted 4.55m at 0.33 g/t Au and 30 g/t Ag from 173.65m (including 1.2m at 0.63 g/t Au and 26 g/t Ag). The presence of this comparatively rich Au pulse may indicate the introduction of a stronger and more consistent gold enriched mineralization in the deeper parts of the Virginia vein system (news release January 25, 2022).

Maiden drilling at Santa Rita Central and East intercepted encouraging Au and Ag mineralization confirming that the structures mapped and sampled on surface extend to depth, The best results were obtained at Santa Rita East where two drill holes collared 50m apart returned 5.65m at 0.68 g/t Au from 35.65m, including 1.35m at 1.87 g/t Au and 5.20m at 0.63 g/t Au and 7 g/t Ag from 35.30m (news release February 10, 2022).

**Phase IV** of the drill program included a 12 diamond drill holes for 1,362m (news release July 21, 2022). The drilling was designed to extend mineralization outside the existing Virginia resource by continuing to test the gaps along the main vein structures at Ely and Martina and to define new mineralization at the Margarita trend. Previously untested, outlying targets approximately 1.5km to the north of the main trend, Patricia and Daniela were also drilled during this campaign.

At the Margarita high-grade Ag trend, three drill holes successfully extended the mineralized vein by more than 150m to the north-west. The system remains open in both directions. The Margarita Vein has similar mineralization to the Julia Vein which hosts most of the current silver resources at Virginia. Margarita hole MR-DDH-004 returned 4.85m at 720 g/t Ag, including a discreet intercept of 0.30m at 1,775 g/t Ag, exhibiting a strongly banded epithermal vein with fine-grained sulphides and copper oxides.

At Ely Central three holes were drilled for a total of 261m testing the gaps within the 500m-long trend. This newly identified silver-rich vein trend outcrops on surface and has been drilled to 100m vertically

below surface and remains open to depth. Notable intersections from the Ely Central drill holes include EC-DDH-011 returning 11.95m at 124 g/t Ag, including 1.8m at 192 g/t Ag.

One drill hole tested the northern extension of the 200m-long anomalous southern end of Ely North vein, which is not currently part of the Ely North conceptual resource pit. The hole intercepted the vein 100m vertically below surface returning 5.65m at 144.5 g/t Ag, including 0.6m at 418 g/t Ag, extending the trend 50m to the north. Further infill drilling is required to test the remaining gaps along the Ely Trend. This could potentially connect the Ely Central, Ely South and Ely North conceptual resource pits.

Two new holes were drilled at the Martina vein trend. Martina Central drill hole MC-DDH-002 was designed to start testing the gap between the Martina Central and northwest trends and returned Ag intersections of 2.9m at 127 g/t Ag, including 1.45m at 179.5 g/t Ag. Gaps still remain to be drilled along the Martina structure with the potential for Ag grades to be associated with the notable high chargeability responses. Hole MNW-DDH-0064 (8m at 91 g/t Ag) filled the gap in the Martina Northwest and extended the mineralization along this 200-meter-long trend.

One drill hole tested each the Daniela and the Patricia Veins, located approximately 1.5km to the north of the Ely North Resource conceptual pit. Both of these veins were untested targets hosting the highest-grade surface rock-chip Ag samples. The objective of these holes was to test for downdip extensions of the surface expressions. The Patricia drill hole PA-DDH-001 intersected 1.45m at 120 g/t Ag, including 0.5m at 198.5 g/t Ag, and another parallel structure with 2.95m at 95.7 g/t Ag, including 0.35m at 163 g/t Ag. These modest drill results did not replicate the extremely high-grade rock chips from near source float block samples (over 29,000 g/t Ag and 18,800 g/t Ag) from surface. Follow up drilling along strike will be required to understand the significance of these intersections.

#### Homenaje Gold-Silver Project, Santa Cruz (Operated and funded by Patagonia Gold Corp.)

On April 19, 2021, Mirasol announced the signing of a binding agreement with Patagonia Gold Corp. ("Patagonia") for the Homenaje project. Mirasol granted Patagonia the option to earn a 75% interest in the project over six years by delivering, by the end of the option period, a positive Prefeasibility Study (as defined by NI 43-101) for a resource of no less than 300,000 oz of Au equivalent. In addition, Patagonia must complete a minimum of US\$2.55 million in staged exploration expenditures.

Upon completion of the option, Mirasol and Patagonia will hold a 25% and 75% interest, respectively, in a participating joint venture that will hold the project. If either party's equity interest is diluted below 10%, it will convert to a 2% NSR royalty.

The exploration activities at Homenaje by Patagonia Gold have been temporarily put on hold while the companies seek clarification from the Santa Cruz provincial authorities to determine the significance of potentially sensitive archaeological sites recently encountered on the property. The companies are currently awaiting clear and definitive guidance from provincial authorities on the protective measures required to resume exploration activities.

#### Exploration Results

Exploration to date has been limited to outcropping erosional windows, as more than 90% of the project area is covered by thin post-mineral rocks, including Tertiary plateau basalt and gravels. In these erosional windows, Middle to Upper Jurassic tuffs assigned to La Matilde Formation are exposed and host localized and commonly mineralized hydrothermal breccias, veinlets and stockworks of chalcedonic quartz.

Analysis and interpretation of outcropping alteration and mineralization, together with the structural setting, magnetics and chargeability/resistivity gradient array responses over areas of cover and outcrop have defined four northwest trending prospective structural trends, with similar geologic

characteristics to those of the adjacent to Pan American Silver's COSE and Patagonia Gold's Cap Oeste Au/Ag deposits.

Initial rock chip sampling of mineralized structures that discontinuously outcrop in a northwest trending corridor, identified in an area of 1,500m x 800m with anomalous Au, Ag, As, Sb, Mo, Cu and Pb. Geochemically anomalous samples comprise altered tuff with thin chalcedony veinlets (news release December 30, 2020).

Patagonia is seeking the required environmental permits to advance exploration. Once granted Patagonia intends to complete detailed geological mapping, channel geochemical sampling across exposed structures, ground magnetics and IP geophysics surveys over priority targets in order to define drill targets.

## **Projects Operated and Funded by Mirasol**

### **Chile**

#### Sobek Copper Project, Northern Chile

In November 2021, Mirasol introduced the Sobek Cu project ("Sobek"). Sobek was staked by Mirasol prior to 2021 based on prospective local structural architecture hosted within a highly prospective and productive geological terrain. An important north-northeast trending mineralized structural corridor encapsulates a large part of the Sobek package, that is crosscut by a series of north-northwest trending deep seated trans-cordilleran lineaments evident through the entire property. In addition, the tenure is host to prospective Miocene/Pliocene aged geological units and intriguing satellite image ASTER alteration responses.

The Sobek land position was expanded in 2021 and 2022 following significant results reported by Filo Mining Corp. from its Filo del Sol project located 7 km to the east of Sobek, which included a remarkable intercept of 858m at 1.80% CuEq (including 163m at 5.43% CuEq)<sup>2</sup>. A new mineral district is developing in the Sobek area with multiple deposits located in close proximity, including the Josemaria and Los Helados porphyry Cu-Au deposits located 10 km east-northeast and 20 km north of Sobek, respectively. Mirasol controls 11,100 ha of exploration claims in this district in three blocks, the North, Central and South blocks, that are all on the Chilean side of the border with Argentina.

In February 2022, Mirasol reported that agreements had been secured with local communities and landowners to access 100% of the Sobek tenure. An extensive field campaign followed to evaluate the principal prospects across the entire property package for porphyry Cu-Au and epithermal Au-Ag mineralization. The program included geochemical sampling and detailed geological mapping over priority targets (news release February 28, 2022).

This program followed up on targets defined by a high resolution 2,690 line-km helicopter-supported airborne magnetic geophysical survey completed in mid-2021. The magnetic survey detected multiple highly prospective geophysical magnetic targets across the entire Sobek property package. This has improved understanding of the structural architecture of the property and formed an important base for the ongoing field exploration at Sobek (news release November 4, 2021).

The maiden field campaign in the Sobek Central Block confirmed the presence of a volcanic complex hosting rhyodacitic and andesite volcanics underlain and flanked by igneous intrusive rocks of dioritic composition. These igneous intrusive rocks host localized zones of strong hydraulic "crackle brecciation" with a gypsum matrix infill, disseminated magnetite/tourmaline and FeOx veinlets. Within the high topographic elevation levels, significant and widespread areas of strong argillic clay alteration have been identified, which were further evaluated during the most recent campaign and

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<sup>2</sup> Filo Mining Corp. – 05/13/2021 Press Release



will be one of the main areas of focus for this season's exploration campaigns. All of these geologic features are considered promising and support the exploration model for Sobek.

At the Sobek South Block, a scouting campaign identified a large hypabyssal dacitic dome complex emplaced within the older Paleocene-aged granitic to granodioritic host rocks. The margins of this dome commonly display autobrecciation textures and host low temperature silicification and argillized alteration halos. Initial observations suggest these domes occupy a large part of the South Block. The eastern part of this block also hosts a very attractive magnetic low (magnetite destruction) anomaly which sits between the eastern dome edge and the Argentine border. These peripheral areas of the dome are considered highly prospective and will be further evaluated.

The Sobek North Block, which was recently expanded and now encompasses 6,961 ha, was also evaluated during the most recent campaign. Several compelling magnetic anomalies exist within this block, including both magnetic highs and lows, which were one of the areas of focus.

Results of the most recent field campaign are pending. Mirasol is planning an aggressive exploration campaign this season (October 2022 thru April 2023), which will include additional prospecting, geological mapping, detailed soil geochemical sampling, geophysics (both ground magnetics and IP) to aid in drill targeting.

#### Inca Gold-Silver 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). Mirasol was granted the option to earn 100% of the project over five years, subject to a 1.5% NSR royalty, by drilling 1,000m 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 1,000m drilling commitment (news release January 13, 2020).

Upon completion of this option, NEM will have the right to earn back 70% of the project in two stages. In stage 1, NEM will have to make a cash payment of US\$3 million to Mirasol and fund \$6 million in exploration over three years. In stage 2, NEM will have to deliver a NI 43-101 compliant Prefeasibility Study on a resource of no less than two million ounces of Au equivalent using agreed upon cut-off grades or incur an additional US\$21 million in exploration expenditures over six years. If NEM completes stage 1 but not stage 2, Mirasol will retain 100% of the project and NEM will be granted an additional 0.5% NSR royalty, which may be bought back by Mirasol at fair market value.

#### Exploration Results

The 16,300 ha Inca Gold project is located in Region III of Chile approximately 100 km north of Copiapo, and within the Inca Del Oro mining district that hosts both Santiago Metals Delirio Cu-Au mine and PanAust/Codelco's Inca de Oro porphyry Cu-Au deposit. Inca Gold lies between 2,000 to 3,000m ASL and has good access allowing for year-round exploration.

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 northeast lineament mostly covered by Atacama gravels.

Mirasol's initial exploration at the Sandra prospect defined five Ag-Au prospects. In addition, the Company had staked an additional 2,400 ha of exploration claims directly to the south of the Sandra target to cover prospective ground, although initial prospecting did not lead to any new areas of significant interest being detected.

Following the approval of the Company's environmental report in early 2021, a 1,714m Phase I drill program was completed at the Sandra prospect. A total of eight diamond holes were drilled on three separate targets to test for mineralization below outcropping quartz veins. In general, low-grade Au

and Ag were encountered over narrow (0.5 to 1m) widths. The highest values returned were from hole IG-DD-004 that intercepted 0.27 g/t Au and 47.8 g/t Ag over 0.5m (see news release June 30, 2021). No further work is planned at the Sandra prospect. Following the completion of the maiden drill program at Sandra, the Company met the minimum drilling commitment and exploration expenditures required for the first two years under the option agreement with NEM, and now has until January 2023 to evaluate the other prospects at Inca Gold.

Two additional prospects, Vania North and Vania South, host separate porphyry/IOCG and/or High-Sulfidation Epithermal (HSE) targets concealed under transported alluvial/colluvial cover in a very attractive structural architectural setting. Vania North and South are set within a strong north-northeast structural corridor which hosts the Inca del Oro porphyry (located 12 km to the southwest) and the expansive El Salvador mining district (some 50 km to the north). In addition, the Delirio Cu mine, owned and operated by Santiago Metals, is located 4 km to the west which mines Cu-in-tourmaline hydrothermal breccias, within an area characterised by abundant historical alluvial Au workings.

#### Vania North Gold (Copper)

Vania North is characterized by several distinct, coincident geochemical and geophysical anomalies cradled within an attractive structural intersection. A recent Electrical IP Pole-Dipole survey over the geochemical anomalies has successfully detected compelling coincident IP anomalies. Vania North is considered a high-quality drill target (news release September 7, 2022).

A strong coherent geochemical Au anomaly was originally identified using Newmont's proprietary Deep Sensing Geochemical (DSG) sampling system at Vania North. The DGS system detects concealed anomalies under transported material by using a highly technical and effective sampling and analysis procedure, in conjunction with detailed regolith mapping. Coincident with the DGS Au anomaly is a strong annular geochemical halo of pathfinder elements (Hg, Nb, Cd, Ag, Mo, Ni, As) within magnetic depletion zone interpreted to be controlled by the intersection of northwest and northeast trending structural lineaments.

Mirasol's subsequent reprocessing and reinterpretation of the Newmont magnetic data clearly delineates a prominent northeast-southwest trend of magnetic depletion, coincident within a long, shallow topographic valley. The magnetic depletion and low resistivity, identified from the recent IP survey, suggests that the rocks along this trend may have been subjected to acid-sulphate leaching and may contain sections of vuggy silica, which are deemed to be prospective zones for late-stage mineralizing Au events.

On the western edge of the concealed anomaly, within the outcropping wall rocks at the edge of cover, alteration is seen in the form of locally hornfelsed rocks hosting Cu mineralization in small restricted structures.

The recent electrical IP geophysical campaign has highlighted several compelling concealed targets at Vania North. The geophysical interpretation suggests the potential existence of HSE-type anomalies, which may represent diatreme and vein-type structures, possibly underlain by a deeper more porphyry-like geophysical response, which warrants further evaluation, including drilling. Prior to drilling, which is scheduled to commence in Q1 2023, Mirasol plans to complete infill DSG lines at Vania North to assist in vectoring into the best areas for the maiden drill program.

#### Vania South Gold (Copper)

A compelling prospect 3 km south of Vania North, Vania South, was identified by Mirasol through the reprocessing and reinterpretation of historical Newmont magnetic data. At the Vania South target a strong, intriguing magnetic high feature is shallowly concealed below transported alluvial sediments within the southeast corner of the Mag grid, that shows a notably smoother magnetic texture surrounding the main anomaly. This strong magnetic high anomaly could represent a concealed Cu/Au porphyry target, with the magnetic high representing the potassic-altered core of a

porphyry system, and the smooth magnetic border representing the envelope of hydrothermal alteration (news release September 7, 2022).

Mirasol has completed an electrical IP Pole-Dipole survey over the magnetic body described above to assist in defining drill targets, processing and interpretation is pending. As was completed by Newmont at Vania North, Mirasol will also complete a new DSG survey at Vania South to test for geochemical anomalies within the surface regolith cover over the magnetic high feature and also potential areas of interest on either side to the northwest and southeast.

Both the IP geophysical data and the DSG geochemical data will be compiled and interpreted prior to the end of 2022 and used to better define drill targets at Vania South.

### Altazor Gold (Copper) Project, Northern Chile

In 2017 Mirasol signed an option and farm-in agreement with Newcrest Mining (“NCM”) for the Altazor project, which was later terminated on August 18, 2021. During the term of this agreement, NCM spent more than US\$3M on the project defining two highly prospective drill-ready targets, which remain untested by drilling. Due to the prospective nature of these targets and the intention to aggressively progress the project Mirasol is considering whether to self-fund an initial 2,000m drill program, or to bring in a funding partner. Engagement with the local community in respect to exploration plans is progressing.

### Exploration Results

Altazor is a HSE Au project covering 33,000 ha located in an underexplored section of the Mio-Pliocene age mineral belt. Mirasol completed a first-pass of 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. Salares Norte has a geological setting analogous to Altazor and is also located in the Mio-Pliocene mineral belt of Chile (news release October 11, 2017).

Altazor has favourable infrastructure 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 altitude 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.

During Mirasol’s initial reconnaissance sampling, 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 elements, 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 targets for drill testing (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<sup>2</sup>, a 2,030-sample low detection limit soil grid covering 85.6 km<sup>2</sup> and a 66.9 line-km Controlled-source Audio-frequency 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. This program successfully 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 the Salares Norte and Alturas Au HSE discoveries.

During the first half of 2019 fieldwork of the large Altazor alteration system was reinitiated to explore 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. The defined, highly prospective drill-ready targets remain to be drill tested.

Mirasol continues to actively engage with the community in the vicinity of Altazor to secure an exploration agreement for a drilling program. The concerns of the community are being addressed to achieve a mutually beneficial agreement.

### Gorbea Gold (Copper) Project, Northern Chile

The Gorbea project (“Gorbea”) comprises a package of mineral claims totaling 33,000 ha located in the Mio-Pliocene age mineral belt of northern Chile. The project is located approximately 70 km north of Gold Fields Salares Norte development stage project, at an altitude of 4,100 to 4,500m ASL, and is easily accessible by seasonally maintained roads and gravel tracks.

Gorbea was subject to previous joint ventures with Newcrest Mining Limited “Newcrest” that was terminated in August 2022 and Yamana Gold Inc. (“Yamana”) that was terminated in April 2018. Under the partnership, Yamana 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 114m grading 1.07 g/t Au, including 36m grading 2.49 g/t Au (news release September 11, 2017). Newcrest invested over US\$11.6 million in exploration on the Gorbea Project, completed nearly 7,500m of drilling and made payments of US\$600,000 to Mirasol. Over the last exploration season, in addition to the 2,072m of drilling (reported February 28, 2022), Newcrest completed surface exploration, mapping and geochemical sampling on the Project. Once the latest data has been received and reviewed by Mirasol, all options to continue advancing exploration at Gorbea will be considered, including the potential to identify new partners.

### Exploration Results

The Atlas prospect is centred on a sizable +20 km<sup>2</sup> HSE alteration system that hosts multiple Au and Ag targets. The system exhibits many of the key geological and mineralization features characteristic of economic systems in the area, such as at the Salares Norte development stage project (Gold Fields - Reserves: 3.5 Moz Au and 39 Moz Ag<sup>3</sup>), Alturas advanced stage project (Barrick Gold - Inferred Resource: 8.9 Moz Au<sup>4</sup>) and La Coipa mine (Kinross Gold – Reserves: 0.9 Moz Au and 41.7 Moz Ag / Resources: 1.4 Moz Au and 35.3 Moz Ag<sup>5</sup>), supporting its potential to host large-scale Au mineralization.

In late 2021, NCM completed five reverse circulation drill holes for 2,072m with two holes at the Atlas prospect and three holes at the previously untested El Dorado prospect. No meaningful mineralization was encountered in these holes. To date, 37 drill holes (16,905m) have been completed at the Atlas prospect by Mirasol’s previous partners

At Atlas, hole ATLT0011A targeted the extension to the southeast of a silicified polymictic breccia body outcropping on surface (Apollo Breccia) coinciding with a high-resistivity feature. Although vuggy silica texture, quartz alunite alteration and pathfinder elements were intersected, the lack of Au values indicates a peripheral position to the mineralized centre. Hole ATLT0012 was drilled to test for potential continuation to the north in the Atlas Central zone. The results limit the potential of the mineralized body in a northerly direction. However, potential remains to extend the mineralization to both the east and west to and explore for higher-grade mineralization (news release February 28, 2022).

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<sup>3</sup> Goldfields Limited - Mineral Resources and Mineral Reserves Supplement to the Integrated Annual Report 2021

<sup>4</sup> Barrick Gold Corporation - Mineral Reserves and Mineral Resources in Q4 Report for the year ended December 31, 2021

<sup>5</sup> Kinross Gold Corporation - 2021 Annual Mineral Reserve and Resource Statement

Notably a potential HSE Au target located to the east-southeast of the Apollo Breccia/Atlas Central Zone, defined by coincident anomalous zones of multiple pathfinder elements, alunite composition, high Au values and a high-resistivity anomaly, remains to be drill tested.

At El Dorado, the drill holes targeted a combination of positive features, including a high-resistive feature, a polymictic breccia body with vuggy silica fragment and a steam-heat zone, all associated with elevated pathfinder elements. No further work is planned at El Dorado in the near term.

#### Nord Polymetallic Project, Northern Chile

The Nord 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 to production. The 1,967-ha project is located in Region III of Chile within the Exploradora District, which lies on the western side of the north-south trending regional scale Domeyko fault zone and within the world class Eocene-Oligocene porphyry Cu belt.

Control of the Nord project was recently returned to Mirasol and the option agreement signed with Encantada SpA (“Encantada”), an affiliate of Minería (news release September 8, 2020) has been terminated. Encantada was unable to secure financing to advance the project and 100% control was returned to Mirasol.

#### Exploration Results

Based on Mirasol’s initial surface exploration, the project has the potential to host two main styles of mineralization. The first style is characterized by large vein-type mineralization injected into fault structures hosting polymetallic (Cu, zinc (“Zn”), lead (“Pb”), Ag, Au) mineralization, as seen in the active small-scale mines located near the northeast corner of the claim boundary and at Minería’s Ciclon-Exploradora polymetallic development project, which is located adjacent to the eastern blocks of the project. While surface geochemistry has returned only low to anomalous precious and base metal results, Minería’s understanding will be valuable to define drill targets for potential extensions or parallel structures to the known mineralization (news release October 31, 2019).

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

In the first half of 2021, Encantada completed an initial fieldwork program, which included geological mapping, geochemistry and geophysical surveys to define targets. A scout diamond drill program was completed largely on a property controlled by Encantada (Target 1) and adjacent to Nord, with one initial drill hole completed within the Nord tenure to test a Au-Cu mineralized corridor.

Follow up drilling took place at Nord in October and November 2021 to test the multiple north-northeast trending mineralized corridors identified on the property. Encantada completed five drill holes totaling 1,192m on Target 3 in the center of the Nord project. Narrow zones of Zn mineralization (sphalerite - pyrrhotite) were encountered in the northern holes with higher temperature (garnet-pyroxene-magnetite) skarn carrying narrow zones of Cu-Au mineralization intercepted in the south. The skarn and increasing Cu-Au+Mo values may indicate a vector towards a porphyry target to the southeast.

At Target 2, geological mapping at 1:2,000 and 1:5,000 scale has been completed on a porphyry prospect interpreted to be of similar Mid Eocene-Oligocene (33-36 Ma) age to the Exploradora complex, which is located 4 km to the northeast. Three porphyry intrusives with potassic (secondary biotite) alteration, overprinted by strong sericite-clay alteration with local alunite, limonite and Cu oxides, occur in two elongated 200 x 500m and 150 x 300m zones. Porphyry-type veining includes early biotite-magnetite (“EB”) veins and scarce A veins along a north-northwest trend near the contacts of the porphyry with the monzodiorite intrusive host rock. An IP geophysical survey

completed over the area has defined a strong and broad chargeability anomaly from 100-500m depth associated with the altered porphyry intrusions.

New attractive porphyry drill targets have been defined and following evaluation Mirasol will consider advancing exploration, including drill testing, potentially with the participation of a new partner.

## **Argentina**

### Tefnut Prospect – San Juan Porphyry Cu Projects

Tefnut, staked by Mirasol through its project generation program, comprises approximately 4,500 ha of exploration claims. It is located within the fertile Mio-Pliocene copper-belt in the province of San Juan, Argentina, which hosts several high-profile advanced projects including Filo del Sol, Josemaria, Altar, Los Azules and El Pachon. The Company's preliminary reconnaissance program of prospecting, high level geological mapping, geochemical sampling and alteration analysis, successfully defined a large 1.5 by 1.5 kilometres porphyry related phyllic alteration system with outcropping copper-mineralization (news release June 9, 2022).

Tefnut is located at the intersection of a major orogenic parallel north-south structure and a lesser defined north-northwest trans-orogenic lineament which is the common structural configuration that has localized other major deposits and development projects in the province of San Juan. In close proximity to the west and in Chile, advanced projects such as Novicio, West Wall and Pimenton represent good analogies for the prospectivity of the immediate area.

Within the large 1.5 x 1.5 kilometre intensely altered phyllic footprint at Tefnut, discrete outcropping exposures of porphyry-style copper-mineralization occur in the deeply incised creeks. This mineralization is associated with high-density stockworks of quartz magnetite and fine magnetite only stringers, within strongly potassic altered (biotite-feldspar-magnetite) intrusive dioritic porphyry hosting disseminated chalcopyrite and Cu-oxides. Initial grab samples from these mineralized outcrops have returned 0.14% and 0.19% Cu. In addition, anomalous Mo values of 42 ppm hosted in type B veinlets, with the four highest values (from a population of 15) ranging from 17-42 ppm, were recovered from the overlying rhyolites that exhibit intense phyllic alteration.

These initial geological and geochemical results indicate the presence of an underexplored and potentially substantive porphyry Cu-Mo system. Potassically altered dioritic intrusive rocks, hosting disseminated Cu mineralization, are exposed in discrete erosional windows through an extensive area of phyllic alteration with local remnant advanced argillic altered sections. It is considered that Tefnut has been eroded to an optimal level for the exploration with the prospective Cu mineralized potassic zone preserved at shallow levels and extending to depth.

Given the encouraging results from the initial reconnaissance campaign, Mirasol is planning to progress its exploration efforts during the upcoming southern hemisphere exploration season (October 2022 - April 2023). Detailed grid-based geochemical sampling, geological/structural mapping and geophysical surveys will be required to advance this new and exciting prospect to a drill ready stage.

### Libanesa Gold and Base Metals Project, Santa Cruz

The option agreement on the Libanesa project with Golden Arrow Resources Corporation was terminated (news release July 21, 2022). Golden Arrow exceeded its contractual minimum commitment by spending over US\$500,000 on exploration (news release dated October 12, 2021). The exploration program included field mapping, surface sampling, trenching and 1,716m of drilling at the Cerro Plomo/Cerro Rodonda and the Lagunita prospects. Mirasol firmly believes that quality drill targets remain at Libanesa (Cerro Plomo) and is currently reviewing this data and evaluating how to best test these remaining targets.

## Exploration Results

Libanesa is a 14,500 ha Ag-Au (Pb) project discovered by Mirasol. It is located at the northeastern margin of the Deseado Massif Au-Ag metallogenic province, approximately 70 km west of the port of Puerto Deseado, 40 km northwest of the Cerro Moro Au-Ag Mine operated by Yamana Gold and 100 km northeast of the Don Nicolas Au-Ag mine operated by Cerrado Gold.

Libanesa hosts several diversified geological, geochemical and geophysical-supported drill targets. There are two main prospective areas, Libanesa Main and the Lagunita Vein Field. Libanesa Main hosts several targets supported by strong base metal and Au mineralization from quartz veins, stockworks and hydrothermal breccias, including the Cerro Plomo prospect. Cerro Plomo is characterized by a well-mineralized Au/Ag hydrothermal breccia that is exposed at surface and supported by both chargeability and resistivity geophysical anomalies at depth.

The Lagunita prospective zone, which has reported encouraging rock chip Au values from more typical low sulfidation-type epithermal veins and breccias. This prospect warrants additional surface exploration to vector into the potentially better mineralized parts of this extensive vein system, where intermittent vein occurrences, outcropping/sub-cropping through post mineral cover, have been mapped over a strike length of more than 2.3 km. (see news release June 1, 2021, for a summary on previous work completed at Libanesa).

Results from the maiden, 1,780m, drill program completed by Golden Arrow at the Libanesa project at several of the prospects at Libanesa Main, including Cerro Plomo, Playa Vetas, Bajo Aspero and Breccia Plata, as well as two holes at Lagunita, were encouraging and delineated several prospective targets that require follow-up drilling as the program was cut short due to weather (see news release November 9, 2022).

At the Cerro Plomo target, highly anomalous Au-Ag and multi-percent Pb-Zn values reporting from what appears to be the mineralized halo of a large vertical conductive zone. Notable intersection at Cerro Plomo through the hydrothermal breccia zone include 26m at 0.98 g/t AuEq75<sup>6</sup> (0.38 g/t Au & 44.7 g/t Ag). A follow up step-back hole is recommended to test these zones and also to pass completely through the entire conductive anomaly to test for higher grade gold-silver mineralization, which no hole to date has accomplished.

At the Lagunita Vein Field Prospect two drill holes were completed to test outcropping vein trends where multi-gram Au values were previously recovered from rock chip and trench samples. Notable results include 3m at 1.79 g/t AuEq75 (1.71 g/t Au & 5.4 g/t Ag) and 1m at 4.30 g/t AuEq75 (4.20 g/t Au & 7.4 g/t Ag). The vein trend, where the highest trench gold result was sourced, remains to be drill tested.

### Sascha – Marcelina Gold-Silver (Lead/Zinc) Project, Santa Cruz

Mirasol staked the Sascha project in 2003 to secure the 5 km-long Sascha Vein Zone, which was partially drill-tested 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 the full district under the Company. The agreement was amended in January 2022 to extend the option period by two years.

Under the amended agreement, Mirasol can acquire 100% of the Marcelina claims by making staged option payments totalling US\$3.75 million (of which \$150,000 has been paid) over six years and

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<sup>6</sup> Gold equivalent (“AuEq”) is calculated using a ratio of 1.0 g/t Au is equivalent to 75g/t Ag. The cut-off ranges are 0.1, 0.3, 0.5 and 1.0 g/t AuEq, and do not consider the Pb/Zn values. Recoveries are assumed to be 100% as no metallurgical test data is available.

granting a 1.5% NSR royalty. Cash payments for US\$50,000, US\$100,000 and US\$ 3.45M are due in January 2023, 2024 and 2025, respectively.

Following the consolidation of Sascha-Marcelina, Mirasol completed an integrated interpretation of Mirasol's district-scale exploration data sets collected prior to 2009. Anomalous rock chip Au-Ag assays and Aster satellite alteration anomalies define a 16.5 x 4.0 km (65 km<sup>2</sup>) hydrothermal "footprint" to the district, showing a large-scale, zoned alteration system characteristic of a sizable Au-Ag LSE 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 (news release January 25, 2019).

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 operated by Newmont, which is a high-grade, low-cost, Au-Ag underground mine located approximately 100 km to the north of Sascha-Marcelina (Proven and Probable Reserves: 2.56 Moz Au and 16.55 Moz Ag / Measured and Indicated Resource: 0.57 Moz Au and 2.99 Moz Ag / Inferred Resource: 1.66 Moz Au and 9.42 Moz Ag<sup>7</sup>).

In the first half of 2019 Mirasol completed additional surface exploration activities on the Sascha-Marcelina project (news release July 18, 2019), which included geological mapping, detailed rock chip geochemical sampling, extensive soil grid geochemical sampling and the acquisition of alteration data using in-house handheld ASD technology on all the rock chips and soil samples collected. This 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.

Mirasol followed up with a total of 40 line-km of IP geophysics surveys completed over the three principal areas - the Estancia Trend (20.5 line-km), the Pellegrini silica cap (14.2 line-km) and the Igloo trend (5.35 line-km). Significant chargeability and resistivity anomalies were defined, indicating the possible presence of sulphides and silica bodies, which could represent zones of hydrothermal alteration and mineralization at shallow depths. Mirasol incorporated this geophysical data with the results from the surface exploration to define a series of large-scale drill targets supported by a prospective geological setting, widespread indications of Au and Ag mineralization, and near surface, coincident geophysical anomalies (news release April 15, 2021).

A 2,814m drilling program completed in 2021, focused on three prioritized target areas, returned encouraging results. The Pellegrini Trend drilling defined a broad zone of Au and Ag mineralization overprinting a younger Pb and Zn rich base metal pulse, that is interpreted to represent the high-level expression in this epithermal system. Drilling on the Igloo and Estancia Trends also returned a number of anomalous Au and Ag intercepts and improved the understanding of the local geological settings, so assisting in vectoring towards higher-grade zones at depth and within a more permissive stratigraphic horizon in potential follow-up drill programs t (see news release August 9, 2021).

At the Estancia Trend, six holes (1,011m) were completed. Three of these holes located in the southern part of the prospect (Estancia Sur) returned anomalous Au results. This drilling demonstrated that Estancia Sur is located in the lower part of the Matilda formation or upper part of the Chon Aike formation, neither of which are good, competent host rocks for productive fissure veins. Instead of concentrating mineralization, their physical characteristics allow for wider intersections of lower grade and dispersed mineralization as illustrated by the results from drill hole EST-DDH-003 (8.7m at 0.32 g/t Au). However, with focused deeper drilling, it is considered likely

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<sup>7</sup> Newmont Corporation - 2/24/2022 Press Release



that stronger mineralization could be encountered in the more permissive rock type (mid to lower Chon Aike formation).

At the Igloo Trend, limited initial drilling intercepted mineralization very similar to that of Estancia Sur, related to narrow veinlets, zones of pseudo-stockwork and fluidized channels hosting brecciation, with Au grades up to 0.57 g/t. This mineralization is associated with a pronounced and widespread “cloud” of pathfinder elements characterised by As, Sb, Hg and Ba. Such zones of anomalous pathfinder elements typically reside above productive systems in several low sulfidation Au-Ag epithermal mines and deposits in Santa Cruz and provide a strong vector to depth for stronger mineralization.

At the Pellegrini Trend, four diamond drill holes were completed within the main target area to test a structurally controlled IP resistivity anomaly, with an additional two scout holes completed outboard of the main target area that were collared to drill test two other major northwest-trending fault structures to the west and north, for a combined total of 1,431m.

Holes PEL-DDH-001, PEL-DDH-002 and PEL-DDH-005 at the Pellegrini main target area all encountered, within their upper levels, restricted zones of anomalous mineralization associated with hydrothermal brecciation. Hole PEL-DDH-005, which was drilled deeper below PEL-DDH-002, exhibits the best mineralized intersection to date. A wide zone of peripheral crackle brecciation starts at 170m vertically below surface and continues into an inner core of hydrothermal polymictic brecciation for a total intercepted width of brecciation >25 m. This inner zone returned an intersection of 20.4m at 0.24 g/t Au and 39 g/t Ag (58 g/t AgEq<sup>8</sup>) from 242.5m, including 10.5m at 0.28 g/t Au and 66 g/t Ag (87 g/t AgEq) from 249m. High Zn and Pb base metal results are also associated with this brecciated body with 0.82% Pb and 0.7% Zn over the broader 20.4m interval, including 1.3m with 3.19% Pb and 2.56% Zn.

In late 2021 Mirasol drilled hole PEL-DDH-007 behind and under PEL-DDH-005 to test the depth and lateral extent of the breccia body previously intercepted. No significant Au or Ag mineralization was encountered apart from isolated values of 0.4 g/t Au and 140 g/t Ag from narrow veinlet zones. These veinlets are generally sub-parallel to the core axis and potentially have an antithetic structural configuration. However, broad Pb and Zn mineralization was intercepted returning:

- 33.9m at 1.3% Pb and 0.5% Zn from 298.6m (250 ppm Pb cut-off)
  - including 15.85m at 2.1% Pb and 0.8% Zn from 285.15m (1,000 ppm Pb cut-off)
  - Including a higher-grade section of 7.2m at 4.1% Pb and 1.4% Zn from 289m (1% Pb cut-off)

Evaluation of the three holes drilled at Pellegrini in the breccia zone (PEL-DDH-002, 005 and 007) suggests that the mineralized zone may have a west-dipping orientation. A scissor drill hole oriented from west to east is recommended to better test the potential of the target. Furthermore, it appears that the three holes have not adequately tested the coincident chargeability/resistivity anomaly defined from the recent deep penetrating IP geophysics located to the west of holes PEL-DDH-005 and 007 and directly at depth below PEL-DDH-002. The mineralization also appears to decrease in intensity, most notably in Au/Ag, further to the east, outboard and distal to this remaining untested central target.

### **Other Properties**

Mirasol holds several additional drill-ready and early-stage exploration properties prospective for Au, Ag and Cu mineralization in southern Argentina and northern Chile. The Company has also completed initial field programs to advance a number of early-stage porphyry prospects in the Argentinian Cordillera. In addition, Mirasol has signed confidentiality agreements, distributed data

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<sup>8</sup> Silver equivalent (“AgEq”) is calculated using metal prices of US\$ 1800/oz for Au and US\$ 24/oz for Ag. Recoveries are assumed to be 100% as no metallurgical test data is available. The equation used is: AgEq g/t = Ag g/t + (Au g/t x 75)

sets and conducted field reviews with selected companies with the objective of securing potential new partnerships for these properties.

In September 2021, Mirasol introduced and reported initial exploration results from its 100% owned Osiris Copper project (“Osiris”) located within the fertile Miocene belt of Chile which hosts several high-profile advanced projects such as Altar, Los Azules, El Pachon and the Pelambres Mine. Osiris was staked by Mirasol and comprises approximately 8,000 ha of exploration claims. Mirasol’s detailed surface exploration, which included geological mapping, geochemical sampling and alteration analysis, has defined two drill-ready concealed porphyry Cu-Mo-(Au) targets (Filo Gordito and Northern Osiris). Mirasol has initiated a search for an exploration partner to advance and drill test Osiris (news release September 29, 2021).

## **HIGHLIGHTS FOR THE PERIOD ENDED SEPTEMBER 30, 2022 AND 2021**

### **FINANCIAL CONDITION**

The Company's cash and cash equivalents was \$5,126,337 and working capital \$5,250,084 as of September 30, 2022.

During the period ended September 30, 2022, the financial statements show a total expenditure of \$1,210,827. The Company incurred total company-wide net cash expenditures of \$1,103,165 and non-cash items such as share-based payments and depreciation totalled \$107,662.

For the period ended September 30, 2022, the total net cash expenditure was distributed between head office corporate spending of \$266,040, inclusive of officer's salaries, board fees, business development, corporate administration, investor relations and regulatory compliance; and a total net exploration expenditure of \$837,125 (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 concluding exploration agreements with its industry partners.

### **EXPLORATION FINANCIAL SUMMARY**

The Company's total exploration costs include exploration, property retention costs, costs associated with preparing projects for joint venture, in-country operations and management, and local value added taxes ("VAT"). For the period ended September 30, 2022, Mirasol invested \$457,307 on exploration in Chile and \$379,818 in Argentina (table 1).

The Company received \$78,875 in cost recoveries during the period ended September 30, 2022, including claims fees, salaries of Mirasol employees seconded to the partner-funded programs and other operating costs that are covered by the partners under the terms of agreements.

### **CORPORATE MATTERS**

None.

## **RESULTS OF OPERATIONS**

### **FOR THE PERIOD ENDED SEPTEMBER 30, 2022 AND 2021**

The Company's net loss for the period ended September 30, 2022 ("2022") was \$1,075,997 or \$0.02 per share compared to a net loss of \$833,156 or \$0.02 per share for the period ended September 30, 2021 ("2021"), a decrease of \$242,841.

The increase in net loss during 2022 is due to a combination of an increase in exploration expenditures, administration costs, overhead costs related to the exploration activities, interest income, foreign exchange gain, and investment loss, and a decrease in interest income and share-base payments.

The Company's total loss before other items was \$1,210,827 and \$1,018,232 for the periods ended September 30, 2022 and 2021, respectively.

The Company recorded interest income of \$169,578 from its investments during the period ended September 30, 2022, compared to \$176,386 during the same period in 2021. The Company also recorded an unrealized loss on its marketable securities of \$311,338 compared to \$196,515 during the same period in 2021.

The Company recorded a gain of \$270,689 on foreign exchange from conversion of funds during the period ended September 30, 2022, compared to \$201,905 during the period ended September 30, 2021.

Share-based payments decreased to \$91,126 in 2022 from \$215,952 in 2021. Depreciation expense decreased to \$16,536 in 2022 from \$24,464 in 2021. Both are non-cash items.

Other notable variances include a increase in net exploration expenditures to \$837,125 in 2022 as compared to \$524,223 in 2021 (table 1); an increase in business development, marketing and investor relations expenses to \$73,959 in 2022 from \$63,831 in 2021; an increase of management and directors fees to \$124,377 in 2022 as compared to \$96,653 in 2021; a decrease in office administration, filing fees, and travel expenses to \$48,546 in 2022 compared to \$68,365 in 2021; and a decrease in professional fees to \$19,158 in 2022 compared to \$24,744 in 2021 from various consultants.

Please refer to the Company's condensed consolidated interim financial statements for a breakdown of the Company's general and administration expenses for the periods ended September 30, 2022 and 2021.

The following table provides changes in exploration expenditures and cost recoveries for the periods ended September 30, 2022, and 2021:

**Table 1:** Summary of exploration expenditures for the periods ended September 30, 2022 and 2021.

<b>Table 1 - Exploration summary</b>	<b>Total Chile</b>		<b>Total Argentina</b>		<b>Total Mirasol</b>	
	<b>2022</b>	2021	<b>2022</b>	2021	<b>2022</b>	2021
<b>Three months Sep 30,</b>						
Exploration costs	327,467	436,600	163,857	226,432	491,324	663,032
Exploration costs recovery	(71,205)	(343,864)	(7,670)	(145,607)	(78,875)	(489,471)
Corporate operation costs	201,045	219,787	223,631	238,757	424,676	458,544
<b>Total exploration costs</b>	<b>457,307</b>	<b>312,523</b>	<b>379,818</b>	<b>319,582</b>	<b>837,125</b>	<b>632,105</b>
Option income	-	(93,615)	-	-	-	(93,615)
Management fees	-	-	-	(14,267)	-	(14,267)
<b>Net Exploration expenses</b>	<b>457,307</b>	<b>218,908</b>	<b>379,818</b>	<b>305,315</b>	<b>837,125</b>	<b>524,223</b>

A breakdown by country and group of projects of the Company's exploration and evaluation expenses for the period ended September 30, 2022, and 2021:

	<b>For the Three Months Ended Sep 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>CHILE</b>		
<b>Altazor</b>		
Camp and general	-	2,850
Contractors and consultants	2,249	19,653
Mining rights and fees	31,247	9,892
Travel & accommodation	-	2,822
	<u>33,496</u>	<u>35,217</u>
<b>Gorbea Package</b>		
Contractors and consultants	6,747	9,138
Exploration costs recovered	(71,205)	-
Mining rights and fees	4,195	21,125
	<u>(60,263)</u>	<u>30,263</u>
<b>Coronation</b>		
Contractors and consultants	1,115	1,430
Option income	-	(93,615)
Mining rights and fees	(534)	3,090
	<u>581</u>	<u>(89,095)</u>
<b>Rubi</b>		
Assays and sampling	-	29,197
Camp and general	-	18,623
Contractors and consultants	2,652	129,766
Exploration costs recovered	-	(343,864)
Drilling	-	115,081
Environmental	-	8,577
Mining rights and fees	7,697	71
Travel & accommodation	-	17,999
	<u>10,349</u>	<u>(24,550)</u>
<b>Nord</b>		
Contractors and consultants	3,933	-
Mining rights and fees	1,252	12,500
	<u>5,185</u>	<u>12,500</u>
<b>Total - Properties joint ventured to other</b>	<b><u>(10,652)</u></b>	<b><u>(35,665)</u></b>
<b>Chile Pipeline Projects</b>		
Assays and sampling	1,818	-
Camp and general	2,234	-
Contractors and consultants	35,688	3,498
Mining rights and fees	12,197	14,094
Travel & accommodation	5,506	724
	<u>57,443</u>	<u>18,316</u>
<b>Los Amarillos (Brahma)</b>		
Contractors and consultants	435	-
Drilling preparation	(1,444)	-
Mining rights and fees	-	34
	<u>(1,009)</u>	<u>34</u>
<b>Zeus</b>		
Contractors and consultants	186	2,422
Mining rights and fees	12,366	-
	<u>12,552</u>	<u>2,422</u>
<b>Total - 100% owned properties</b>	<b><u>68,986</u></b>	<b><u>20,772</u></b>
<b>Inca</b>		
Assays and sampling	1,689	2,454
Camp and general	(706)	-
Contractors and consultants	40,547	11,355
Geophysics	103,776	-
Mining rights and fees	19,773	103
Resource studies	32,430	-
Travel & accommodation	419	-
	<u>197,928</u>	<u>13,912</u>
<b>Total - Earn-in joint venture on third party</b>	<b><u>197,928</u></b>	<b><u>13,912</u></b>
Project Generation	-	102
Corporate Operation & Management - Chile	201,045	219,787
<b>Total Chile</b>	<b><u>457,307</u></b>	<b><u>218,908</u></b>

**ARGENTINA**

Virginia - Joint Venture		
Assays and sampling	193	1,398
Camp and general	23,730	61,533
Contractors and consultants	47,008	71,905
Drilling	-	7,655
Drilling preparation	12,439	633
Exploration costs recovered <sup>(1)</sup>	(7,670)	(145,607)
Geophysics	-	770
Mining rights and fees	9,651	2,372
Travel & accommodation	687	3,042
	<u>86,038</u>	<u>3,701</u>
<b>Total - Properties joint ventured to other</b>	<b>86,038</b>	<b>3,701</b>
Argentina Pipeline Projects		
Assays and sampling	-	1,075
Camp and general	103	3
Contractors and consultants	16,049	(30)
Environmental	1,071	194
Mining rights and fees	3,785	3,580
	<u>21,008</u>	<u>4,822</u>
Claudia		
Contractors and consultants	996	1,706
Environmental	-	11,305
Mining rights and fees	29,284	21,886
	<u>30,280</u>	<u>34,897</u>
La Curva		
Camp and general	-	1,176
Contractors and consultants	4,126	1,501
Mining rights and fees	9,422	5,301
Travel & accommodation	-	-
	<u>13,548</u>	<u>7,978</u>
Sasha		
Contractors and consultants	-	303
Mining rights and fees	4,525	477
	<u>4,525</u>	<u>780</u>
<b>Total - 100% owned properties</b>	<b>69,361</b>	<b>48,477</b>
Marcelina - Joint Venture		
Assays and sampling	-	974
Camp and general	-	3,309
Contractors and consultants	(0)	21,730
Environmental	-	1,804
Mining rights and fees	787	830
	<u>787</u>	<u>28,647</u>
<b>Total - Earn-in joint venture on third party</b>	<b>787</b>	<b>28,647</b>
Management Fee Income	-	(14,267)
Corporate Operation & Management - Argentina	223,632	238,757
<b>Total Argentina</b>	<b>379,818</b>	<b>305,315</b>
<b>Total Exploration and Evaluation Costs</b>	<b>837,125</b>	<b>524,223</b>

## FOURTH QUARTER ANALYSIS

Not required for the interim MD&A.

## SUMMARY OF QUARTERLY RESULTS

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

Period	Revenues \$	Income (Loss) from Continued Operations \$	Basic Income (Loss) per Share from Continued Operations \$	Diluted Income (Loss) per Share from Continued Operations \$
1 <sup>st</sup> Quarter 2023	Nil	(1,075,997)	(0.02)	(0.02)
4 <sup>th</sup> Quarter 2022	Nil	(1,435,174)	(0.03)	(0.03)
3 <sup>rd</sup> Quarter 2022	Nil	(1,856,893)	(0.03)	(0.03)
2 <sup>nd</sup> Quarter 2022	Nil	(955,790)	(0.02)	(0.02)
1 <sup>st</sup> Quarter 2022	Nil	(833,156)	(0.02)	(0.02)
4 <sup>th</sup> Quarter 2021	Nil	(1,824,030)	(0.03)	(0.03)
3 <sup>rd</sup> Quarter 2021	Nil	(1,733,447)	(0.03)	(0.03)
2 <sup>nd</sup> Quarter 2021	Nil	(1,062,288)	(0.02)	(0.02)

The Company's quarterly results will vary depending on 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.

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 and US dollars in interest-bearing financial instruments maturing up to one year. The total amount invested in the period ended September 30, 2022 was \$3,541,000 compared to \$7,433,450 in the same period in 2021. Excluding the interest income from the bond premium in Argentina, the Company received interest income of \$14,647 during the period ended September 30, 2022, compared to \$1,238 for the period ended September 30, 2021.

## 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 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 \$5.2 million on September 30, 2022, 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 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:

	Three Months Ended September 30,	
	2022	2021
Management compensation (i)	\$ 147,916	\$ 69,007
Share-based payments (ii)	66,027	107,860
Director’s fees (iii)	25,200	19,950
	<b>\$ 239,143</b>	<b>\$ 196,817</b>

- i. Management compensation is included in management fees (2022 - \$105,898; 2021 - \$11,147) and in exploration expenditures (2022 – \$42,018; 2021 - \$57,860) in the Company’s consolidated statements of loss and comprehensive loss.

- ii. Share-based payments are included in the share-based payments expense in the Company's consolidated statements of loss for the periods ended September 30, 2022, and 2021.
- iii. The independent directors of the Company are paid \$2,100 per month (2021 - \$2,100 per month).

**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
Max Pinsky Personal Law Corporation	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:

	Three Months Ended September 30,	
	2022	2021
Legal fees	\$ 24,730	\$ 26,494
CFO services	-	7,500
	<b>\$ 24,730</b>	<b>\$ 33,994</b>

- i. Legal fees are included in professional fees (2022 - \$18,980; 2021 - \$9,744) and in business development (2022 - \$5,750; 2021 - \$16,750) in the Company's consolidated statements of loss and comprehensive loss.
- ii. CFO services are included in management fees in the Company's consolidated statements of loss for the periods ended September 30, 2022, and 2021.

Included in accounts payable and accrued liabilities at September 30, 2022, is an amount of \$45,148 (2021 - \$60,873) 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, 2022. 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**

### *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, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

#### *Insurance contracts IFRS 17*

*IFRS 17* requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.

*IFRS 17* supersedes IFRS 4 and applies to annual reporting periods beginning on or after 1 January 2023. The extent of the impact of adoption of this amendment has not yet been determined.

## **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 September 30, 2022, 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 80:20 for US\$:CAD\$: 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 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 consolidated statements of loss and comprehensive loss of the audited consolidated financial statements for the year ended June 30, 2022 that is available on the Company's website at [www.mirasolresources.com](http://www.mirasolresources.com) or on its SEDAR company page accessed through [www.sedar.com](http://www.sedar.com).

## **OUTSTANDING SHARE DATA**

As of the date of this MD&A, the Company had 54,030,043 issued and outstanding common shares. In addition, the Company has 3,785,000 options outstanding that expire through May 1<sup>st</sup>, 2027. At the date of this MD&A, no RSU's were outstanding.

Details of issued share capital are included in Note 10 of the Company's condensed consolidated interim financial statements for the period ended September 30, 2022.

## **APPROVAL**

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

## **ADDITIONAL INFORMATION**

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