

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

INTRODUCTION

The Management Discussion and Analysis (“MD&A”) is prepared as of October 25th, 2019 and is intended to supplement the Company’s annual audited condensed consolidated financial statements for the year ended June 30, 2019. All financial information, unless otherwise indicated, has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian funds.

The following discussion of the Company’s financial condition and results of operations should be read in conjunction with its annual audited consolidated financial statements and related notes for the year ended June 30, 2019.

FORWARD LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to Mirasol that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to Mirasol or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, the Company’s goals and plans going forward, regulatory compliance, the sufficiency of current working capital, and the estimated cost and availability of funding for the continued exploration and development of the Company’s exploration properties. Such statements reflect the current views of Mirasol with respect to future events and are subject to certain risks, uncertainties and assumptions. The material factors and assumptions used to develop forward-looking information include, but are not limited to, the future prices of gold, silver and copper, success of exploration activities, permitting time lines, currency exchange rate fluctuations, government regulation of mining operations, environmental risks, the estimation of mineral resources, capital expenditures, costs and timing of the development of new discoveries, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage, continued availability of capital and financing, and general economic, market or business conditions.

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

This MD&A also uses the terms pit constrained mineral resources estimate and indicated resource. The Company advises that these terms are recognized by Canadian securities regulations (under National Instrument 43-101 “Standards of Disclosure for Mineral Projects”). Investors are cautioned not to assume that any part of or all, of the mineral occurrences in these categories will ever be converted into reserves. Norm Pitcher, President and CEO, and a “Qualified Person” under National Instrument 43-101 (“NI 43-101”), has reviewed and approved the scientific and technical information in this MD&A.

CORPORATE AND STRATEGIC OVERVIEW

Mirasol (TSXV: MRZ) is a mineral exploration company searching for gold, silver and copper (“Au”, “Ag” and “Cu” respectively) deposits, in the Atacama-Puna region of northern Chile and Argentina, and in the Santa Cruz Province of southern Argentina. These regions are highly prospective and host many large-scale precious and base metal mines, operated by some of the world’s largest mining companies (Figure 1). Mirasol believes that well-managed and focused exploration can deliver further discoveries within its generative regions and increase shareholder value.

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

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

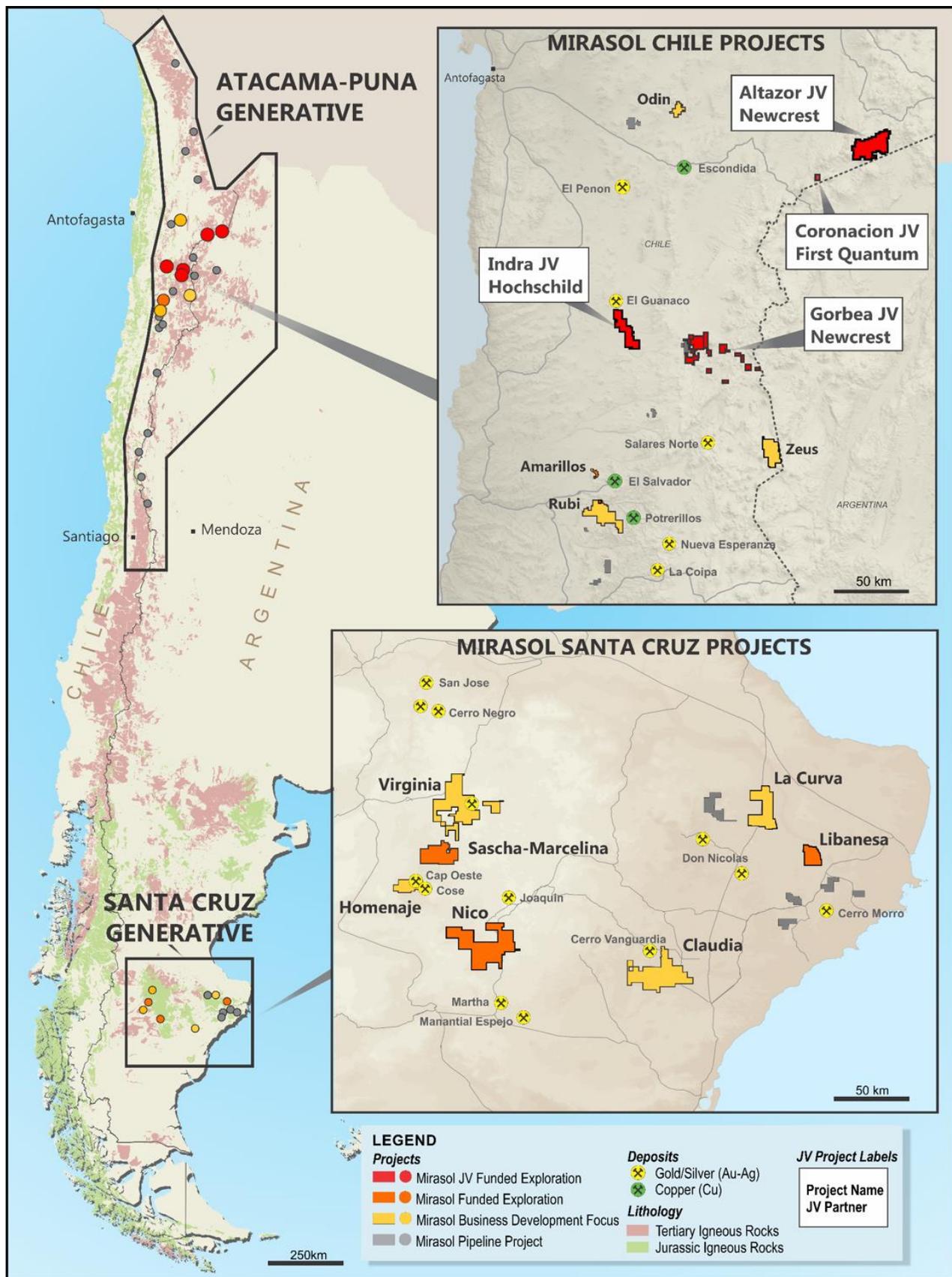


Figure 1: Location of Mirasol's Exploration Projects, Joint Ventures, and Generative Programs.

Financial Condition

Mirasol remains in a strong financial position with cash and short-term investment of \$21,484,292 as of June 30, 2019. The annual level of spending by the Company is largely determined by its ability to secure financing through the sale of its securities, sales of assets and exploration agreements with its industry partners.

During the year, the Company incurred total company-wide net cash expenditures of \$5,049,828. The financial statements show a total expenditure of \$5,917,785 of which non-cash items such as share-based payments and depreciation totalled \$867,957.

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

Mirasol's Exploration Strategy

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

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

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

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

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

Chile/Argentina: Atacama – Puna Generative Region

The Company's generative program in the Atacama-Puna region encompasses a 1,700 km-long segment of three north-south oriented prolific mineral belts which run through Chile and Argentina and host many world-class Cu and Au mines and occurrences and are of differing ages in millions of years (Ma; Figure 2).

From youngest to oldest, these are:

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

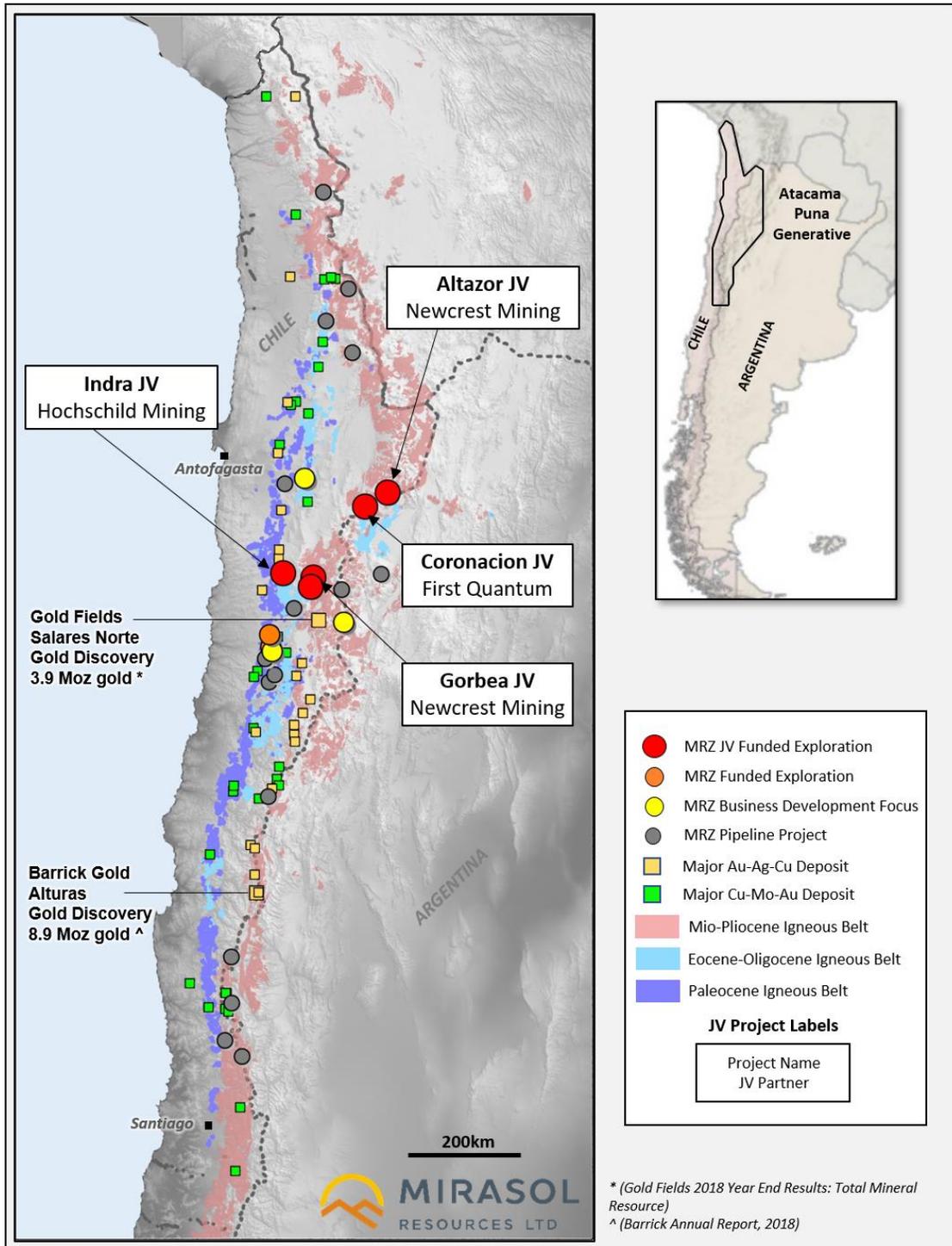


Figure 2: Mirasol's Atacama - Puna Generative Program.

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

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

Miocene – Pliocene belt

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

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

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

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

In the Mio-Pliocene belt north of the Maricunga Belt, Mirasol has approximately 119,000 ha of granted exploration claims. In the Mio-Pliocene aged "Southern Porphyry Belt", Mirasol holds exploration rights to approximately 28,000 ha of granted claims.

Middle Eocene – Early Oligocene belt

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

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

Paleocene to Early Eocene belt

This belt hosts significant mines, including BHP's Spence porphyry Cu+Mo mine, and Yamana Gold's El Peñón, a high-grade, low-sulfidation epithermal Au+Ag deposit. In this belt, Mirasol is targeting large-scale multi-million-ounce epithermal Au+Ag and large porphyry Cu deposits. Mirasol is actively exploring for this type of Au deposit at its Indra project where Mirasol announced the

signing of Option and Earn-in Agreements with Hochschild Mining (“HOC”) (news release August 29 and 30, 2018 and October 17th, 2018).

Mirasol presently controls approximately 29,000 ha of granted exploration claims in Paleocene belt.

Argentina: Santa Cruz Province Generative Region

The Company’s generative program in Argentina is focussed in Santa Cruz Province and encompasses the area of the Deseado Massif, a 60,000 sq-km region of upper-middle Jurassic age volcanics which are recognized as having a high potential for hosting low- and intermediate-sulfidation epithermal Au and Ag deposits. Mirasol controls approximately 344,000 ha of exploration and mining claims in the province.

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

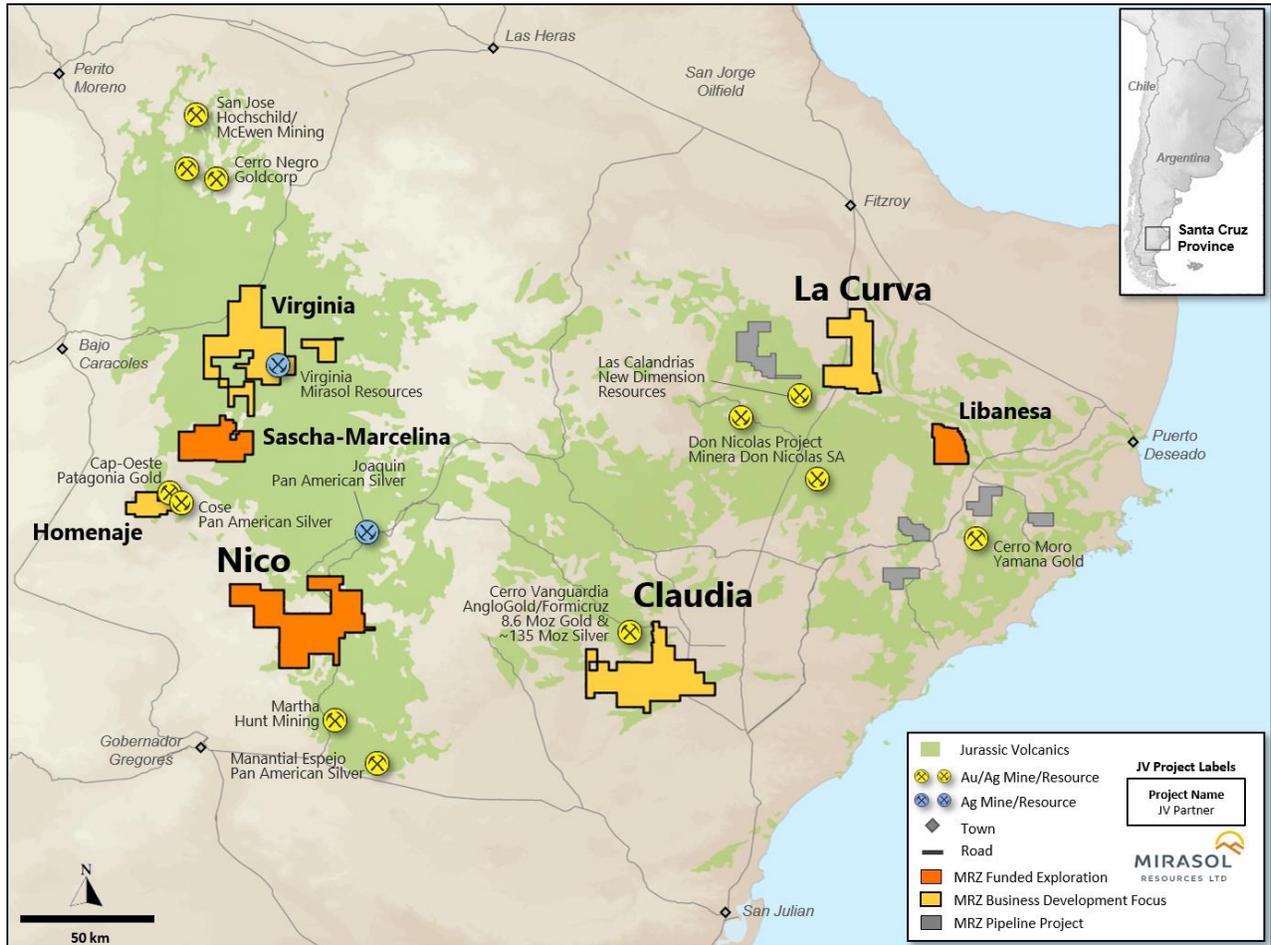


Figure 3: Santa Cruz Project Portfolio.

Mirasol has been exploring in Santa Cruz for over 15 years and has a successful track record of targeting, securing and delivering attractive, district-scale projects to precious metal producers as

demonstrated by the discovery of two Ag deposits: Joaquin, sold to joint venture partner Coeur Mining in 2012; and Virginia which remains 100% owned by the Company.

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

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

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

JOINT VENTURE, BUSINESS DEVELOPMENT AND EXPLORATION ACTIVITIES

Activities on Projects Under Option to Joint Venture

Chile

Altazor-NCM: Altazor Au project, northern Chile

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

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

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

Exploration Program Results

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

(news release October 11, 2017).

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

The 2017/2018 Altazor exploration results highlight the very large areal extent of the alteration system at the project where it will require several seasons of work to complete a first pass evaluation. The integrated leading-edge technologies applied during the first season’s exploration have identified multiple compelling large-scale drill targets in three principal prospects that have alteration, geochemical and geophysical characteristics in common with the predrill target signatures of Salares Norte and other recent HSE gold discoveries.

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

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

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

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

The Gorbea Project comprises a package of projects totaling 28,600 ha, including the Atlas Au+Ag and the Titan Au (Cu) projects, located in the Mio-Pliocene age mineral belt of northern Chile.

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

On December 10, 2018, the Company announced a Heads of Agreement granting NCM the right to acquire, in multiple stages, up to 75% of the Gorbea Project by completing US\$19 million in exploration expenditures and delivering a feasibility study as well as making staged option payments to Mirasol. Upon NCM earning 75% of the Project, Mirasol can elect to fund its share and retain a 25% project equity position, or exercise a one-time equity conversion option to convert up to 10% of its equity to a NSR royalty at a rate of 2.5% equity per 0.5% NSR royalty (max 2% NSR royalty). NCM has committed to spend a minimum of US\$4 million and complete a minimum of 3,000 m of drilling over an initial 18-month period. The Company announced the signing of the definitive Letter Agreement on January 28, 2019.

Exploration Program Results

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

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

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

NCM is operating the Gorbea exploration program and was able to complete, before the onset of winter, two diamond drill holes for 391m and 512m respectively (of a planned a 2,000m drilling program), 50km of CSAMT geophysics over the Atlas target as well as reconnaissance mapping and sampling over several other target areas in the Gorbea property package. The first hole drilled by NCM was terminated in mineralization and abandoned early due to ground conditions. Drilling was targeting a coincident geophysical, geochemical and alteration anomaly at depth below a barren steam-heated leach cap and was following up on the drilling results from Mirasol's previous partner (see news release July 24, 2019 for assay results). NCM is planning to extend the hole that was abandoned and to complete its initial 2,000m program at the beginning of the next field season.

Indra-HOC: Indra Precious Metals project, Northern Chile

Indra is a 20,000-ha epithermal precious metals project located in the Paleocene Age Mineral Belt, 5 km south of the 1.37 Moz Au equivalent El Guanaco Au mine in northern Chile (reserves, resources and historic production; SNL Metals & Mining – December 31, 2017). The project is interpreted to host the upper levels of a large low to intermediate sulfidation epithermal Au+Ag system. The project is characterized by a large carbonate+silica vein and breccia system with weakly anomalous Au+Ag rock chip assays and strongly anomalous epithermal path finder geochemistry.

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

Exploration Program Results

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

The project hosts the following prospects:

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

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

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

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

Coronación – FQM: Coronación Cu Project, Northern Chile

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

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

Exploration Activities On 100% Owned Mirasol Claims

Chile

Los Amarillos Au/Ag Project, Northern Chile

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

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

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

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

Numerous vein structures up to 3 m wide have been mapped over a 7 km strike length throughout the project. Vein filling is massive to banded quartz with polymetallic (Au-Ag-Cu-Pb-Zn) mineralization and barren later stage carbonates. Reconnaissance rock chip sampling of quartz veins has returned assays up to 40.5 g/t Au with anomalous antimony, arsenic, and barium. Zones of narrow veinlets and stockwork within the wall rock carry up to 2.7 g/t Au. In addition, there is evidence of wider zones of sheeted veins and breccias zones that may be a target for bulk mining. Numerous old and small-scale artisanal pits exist within the claim block but there has been no modern exploration or drilling beyond the initial reconnaissance work completed by Mirasol.

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

Zeus Au project, northern Chile

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

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

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

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

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

Exploration Program Results

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

Odin Cu Project, Atacama Puna

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

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

Rubi Cu Project, Atacama Puna

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

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

Argentina

Sascha – Marcelina Au Ag Project, Santa Cruz

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

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

Mirasol has completed an integrated interpretation of district-scale exploration data sets collected prior to 2009. Anomalous rock chip Au+Ag assays and Aster satellite alteration anomalies define a 16.5 x 4.0 km (65 sq. km) "footprint" to the district, showing a large-scale, zoned alteration system characteristic of a large LSE Au+Ag system. Five, multi-kilometre long, mineralized vein and silicified

breccia trends have been recognized to date across the consolidated district. The trends traverse the Pellegrini Silica Cap, or outcrop through post mineral gravel and basalt cover that surrounds the Silica Cap.

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

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

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

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

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

La Curva Au Project, Santa Cruz, Argentina

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

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

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

Exploration Program Results

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

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

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

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

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

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

Claudia Au+Ag Project, Santa Cruz, Argentina

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

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

Exploration Program Results

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

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

Nico Au Ag Project, Santa Cruz

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

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

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

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

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

Virginia Ag Project, Santa Cruz

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

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

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

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

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

Other Properties

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

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

Business Development Activities

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

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

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

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

Exploration Financial Summary

The Company’s total exploration costs include generative exploration, property retention costs of the exploration project portfolio, costs associated with preparing projects for joint venture, in-country operation and management, and local value added taxes (VAT). For the year, Mirasol invested \$976,147 (Table 2) on exploration in Chile and \$1,680,527 in Argentina.

The Company received \$3,377,679 in cost recoveries for the year; including claims fees, salaries of Mirasol employees seconded to the partner-funded programs and other operational costs that are covered by the partners under the terms of the agreements. Mirasol earned \$139,017 of management fee income during the period.

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

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

Corporate Matters

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

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

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

- (i) Global Ore Discovery (“Global Ore”) to provide continued technical services, under which the Company agreed to grant Global Ore 75,000 common shares in stages as a retention bonus, with 37,500 shares being issued with 10 days of TSX Venture Exchange acceptance, 18,750 shares on January 1, 2019, and 18,750 shares on April 1, 2019; and
- (ii) Stephen Nano, who served at the time as CEO and President of the Company, under which the Company granted 50,000 RSUs under its Equity Incentive Plan to Mr. Nano, who is a principal of Global Ore.

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

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

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

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

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

RESULTS OF OPERATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

FOURTH QUARTER ANALYSIS

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

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

SELECTED ANNUAL FINANCIAL INFORMATION

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

SUMMARY OF QUARTERLY RESULTS

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

| Period | Revenues \$ | Income (Loss) from Continued Operations \$ | Basic Income (Loss) per Share from Continued Operations \$ | Diluted Income (Loss) per Share from Continued Operations \$ |
|------------------------------|----------------|---|--|--|
| 4 th Quarter 2019 | Nil | (1,975,115) | (0.04) | (0.04) |
| 3 rd Quarter 2019 | Nil | (3,440,524) | (0.07) | (0.07) |
| 2 nd Quarter 2019 | Nil | 336,804 | 0.01 | 0.01 |
| 1 st Quarter 2019 | Nil | (1,567,951) | (0.03) | (0.03) |
| 4 th Quarter 2018 | Nil | (14,623) | (0.001) | (0.001) |
| 3 rd Quarter 2018 | Nil | (1,491,031) | (0.03) | (0.03) |
| 2 nd Quarter 2018 | Nil | (1,010,958) | (0.02) | (0.02) |
| 1 st Quarter 2018 | Nil | (1,824,519) | (0.04) | (0.04) |
| 4 th Quarter 2017 | Nil | (1,388,787) | (0.03) | (0.03) |
| 3 rd Quarter 2017 | Nil | (1,789,281) | (0.04) | (0.04) |
| 2 nd Quarter 2017 | Nil | (1,669,075) | (0.03) | (0.03) |
| 1 st Quarter 2017 | Nil | (2,098,504) | (0.05) | (0.05) |

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

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

INVESTING ACTIVITIES

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

CAPITAL RESOURCES AND LIQUIDITY

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

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

conversion to a royalty interest. The Company does not anticipate mining revenues from sale of mineral production in the foreseeable future.

With working capital of approximately \$20.7 million on June 30, 2019, the Company has sufficient funds to conduct its administrative, business development, and discretionary exploration activities over the next twelve months. Actual funding requirements may vary from those planned due to several factors, including the Company's joint venture partners encountering difficulty in financing exploration programs on the optioned properties. The Company further believes it has the ability to raise equity capital to meet its foreseeable longer-term working capital needs but recognizes that the ability to raise capital in the future involves risks beyond its control.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no significant off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions.

TRANSACTIONS WITH RELATED PARTIES

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

a) Compensation of key management personnel

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

The remuneration of management and independent directors was as follows:

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

- (i) Management compensation is included in Management fees (2019 - \$352,639; 2018 - \$272,046) and in exploration expenditures (2019 - \$226,376; 2018 - \$229,227).
- (ii) Share-based payments represent the expense for the years ended June 30, 2019 and 2018.
- (iii) The independent directors of the Company are paid \$2,100 per month (2018 - \$2,100 per month) while the Chairman of the Board of Directors receives an additional \$7,100 per month for serving in this capacity (2018 - \$7,100).
- (iv) In November 2018, the Company signed consulting agreements, effective July 2018, with Global Ore to perform the duties of exploration services for the Company. Under the terms of the Global Ore agreement, the Company has retained the services of Global Ore consultants until June 30, 2019, to provide target generation related consulting services to the Company on an exclusive basis throughout Chile and Argentina. The Company has agreed to pay a minimum monthly retainer of AUD \$50,000 and six month minimum of \$350,000. The

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

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

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

b) Transactions with other related parties

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

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

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

The details of the Company’s accounting policies are presented in Note 3 of the Company’s consolidated financial statements for the year ended June 30, 2019.

The Company did not adopt any significant new accounting policies during the reporting period.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

FINANCIAL INSTRUMENTS

The Company's financial instruments as at June 30, 2019, consist of cash and cash equivalents, receivables and advances, accounts payable and accrued liabilities and advances from joint venture partners. The fair value of all these instruments approximates their carrying value. There are no off-balance sheet financial instruments.

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

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

The Company appointed a special treasury committee comprising of three board members to consider management's recommendations to mitigate the exposure to foreign currency risk. The committee and management maintain a ratio of 70:15:15 for US\$: CAD\$: AUD\$ of the treasury whenever practical.

MANAGEMENT OF CAPITAL RISK

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

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

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

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

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

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

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's operating expenses is provided above, in the Company's consolidated statements of loss and comprehensive loss of the audited annual consolidated financial statements for the year ended June 30, 2019 that is available on the Company's website at www.mirasolresources.com or on its SEDAR company page accessed through www.sedar.com.

OUTSTANDING SHARE DATA

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

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

APPROVAL

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

ADDITIONAL INFORMATION

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