

**MIRASOL RESOURCES LTD.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**September 30, 2019**

**(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

(Expressed in Canadian Funds, except where indicated)

As at September 30, 2019, and June 30, 2019

<b>ASSETS</b>	September 30, 2019	June 30, 2019
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,964,910	\$ 4,648,284
Short-term investments (Note 3)	17,002,052	16,836,008
Receivables and advances (Note 4)	261,581	458,707
	<hr/> 20,228,543	<hr/> 21,942,999
<b>Non-Current Assets</b>		
Equipment and software	202,207	201,041
Right of Use Assets (Note 5)	318,004	-
	<hr/> 520,211	<hr/> 201,041
<b>Exploration and Evaluation Assets (Note 9)</b>		
	<hr/> 3,047,718	<hr/> 3,047,718
	<hr/> <b>\$ 23,796,472</b>	<hr/> <b>\$ 25,191,758</b>
<hr/>		
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 664,031	\$ 430,239
Current portion of lease liabilities (Note 5)	82,718	-
Advances from JV Partner (Note 9k)	163,118	846,947
	<hr/> 909,867	<hr/> 1,277,186
<b>Long-Term Liabilities</b>		
Non-current portion of lease liabilities (Note 5)	241,461	-
<hr/>		
<b>EQUITY</b>		
Share Capital	57,694,940	57,677,690
Reserves	17,427,049	17,354,426
Accumulated Other Comprehensive Loss	(29,004)	(25,742)
Deficit	(52,447,841)	(51,091,802)
	<hr/> 22,645,144	<hr/> 23,914,572
	<hr/> <b>\$ 23,796,472</b>	<hr/> <b>\$ 25,191,758</b>

Nature of Business (Note 1)

Commitments (Note 10)

Subsequent Events (Note 11)

On Behalf of the Board:

“Norman Pitcher”

, Director

“Nick DeMare”

, Director

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

**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)*

	2019	2018
<b>Operating Expenses</b>		
Exploration expenditures <i>(Note 6a i)</i>	\$ 856,666	\$ 372,076
Business development	94,396	171,163
Management fees <i>(Note 6a i)</i>	166,375	114,910
Marketing and investor communications	37,308	90,727
Office and miscellaneous	118,088	80,012
Share-based payments <i>(Note 6a ii)</i>	89,873	52,948
Professional fees	19,260	50,377
Director's fees <i>(Note 6a iii)</i>	40,200	46,500
Travel	16,764	23,930
Transfer agent and filing fees	1,795	3,617
Depreciation	15,974	2,099
	<u>(1,456,699)</u>	<u>(1,008,359)</u>
Interest income	373	78,663
Interest expense	(12,350)	-
Foreign exchange gain (loss)	112,637	(638,255)
	<u>(100,660)</u>	<u>(559,592)</u>
<b>Net Loss for the Period</b>	<u>\$ (1,356,039)</u>	<u>\$ (1,567,951)</u>
<b>Other Comprehensive loss to be Reclassified to Profit or Loss in Subsequent Periods</b>		
Exchange differences on translation of foreign operations	<u>(3,262)</u>	<u>4,007</u>
<b>Loss and Comprehensive Loss for the Period</b>	<u>\$ (1,359,301)</u>	<u>\$ (1,563,944)</u>
Loss per Share (Basic and Diluted)	<u>\$ (0.03)</u>	<u>\$ (0.03)</u>
<b>Weighted Average Number of Shares Outstanding (Basic and Diluted)</b>	<u>54,058,606</u>	<u>49,450,240</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**

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

	<u>Share Capital</u>		Share-Based Payments Reserve \$	Accumulated Other Comprehensive (Loss) \$	Deficit \$	Total Equity \$
	Number of Shares	Amount \$				
<b>Balance – June 30, 2018</b>	<b>53,822,628</b>	<b>57,426,143</b>	<b>16,615,061</b>	<b>(28,122)</b>	<b>(44,445,016)</b>	<b>29,568,066</b>
Share-based payments	-	-	52,948	-	-	52,948
Foreign currency translation adjustment	-	-	-	4,007	-	4,007
Loss for the period	-	-	-	-	(1,567,951)	(1,567,951)
<b>Balance – September 30, 2018</b>	<b>53,822,628</b>	<b>57,426,143</b>	<b>16,668,009</b>	<b>(24,115)</b>	<b>(46,012,967)</b>	<b>28,057,070</b>
<b>Balance – June 30, 2019</b>	<b>54,033,878</b>	<b>57,677,690</b>	<b>17,354,426</b>	<b>(25,742)</b>	<b>(51,091,802)</b>	<b>23,914,572</b>
Restricted share units issued <i>(Note 7e)</i>	25,000	17,250	14,288	-	-	31,538
Share-based payments	-	-	58,335	-	-	58,335
Foreign currency translation adjustment	-	-	-	(3,262)	-	(3,262)
Loss for the period	-	-	-	-	(1,356,039)	(1,356,039)
<b>Balance – September 30, 2019</b>	<b>54,058,878</b>	<b>57,694,940</b>	<b>17,427,049</b>	<b>(29,004)</b>	<b>(52,447,841)</b>	<b>22,645,144</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)*

	2019	2018
<b>Operating Activities</b>		
Loss for the period	\$ (1,356,039)	\$ (1,567,951)
Adjustments for:		
Share-based payments	89,873	52,948
Interest income	(373)	(78,663)
Interest expense	12,350	-
Depreciation	15,974	2,099
Depreciation included in exploration expenses	13,631	5,525
Unrealized foreign exchange	(112,637)	(63,612)
	<u>(1,337,221)</u>	<u>(1,649,654)</u>
Changes in non-cash working capital items:		
Receivables and advances	(29,458)	46,660
Accounts payable and accrued liabilities	233,792	(193,945)
Advance from joint venture partner	(683,829)	(29,859)
Cash used in operating activities	<u>(1,816,716)</u>	<u>(1,826,798)</u>
<b>Investing Activities</b>		
Short-term investments	(166,044)	3,986,617
Purchase of equipment	(16,266)	-
Interest received	226,957	154,521
Cash provided by investing activities	<u>44,647</u>	<u>4,141,138</u>
<b>Financing Activity</b>		
Lease payments	<u>(20,680)</u>	<u>-</u>
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>	<u>109,375</u>	<u>67,619</u>
<b>Change in Cash and Cash Equivalents</b>	<u>(1,683,374)</u>	<u>2,381,959</u>
Cash and Cash Equivalents - Beginning of Period	<u>4,648,284</u>	<u>2,892,948</u>
<b>Cash and Cash Equivalents - End of Period</b>	<u>\$ 2,964,910</u>	<u>\$ 5,274,907</u>
<b>Cash and Cash Equivalents Consist of:</b>		
Cash	\$ 2,924,862	\$ 2,546,520
Cash equivalents	\$ 40,048	\$ 2,728,387
	<u>\$ 2,964,910</u>	<u>\$ 5,274,907</u>

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

## **Mirasol Resources Ltd.**

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

**For the Three Months Ended September 30, 2019**

*(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.

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, 2019.

The Board of Directors approved the condensed consolidated interim financial statements on November 27<sup>th</sup>, 2019.

##### **Basis of measurement**

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

##### **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.

## **Mirasol Resources Ltd.**

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

**For the Three Months Ended September 30, 2019**

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

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

#### **Recent Accounting Adoption**

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

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

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

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

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

New accounting policy for leases under IFRS 16

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

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

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

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

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

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Funds, except where indicated)

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

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

### 3. Short-term Investments

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

### 4. Receivables and Advances

	September 30, 2019	June 30, 2019
Goods and services tax receivable	\$ 7,059	\$ 6,745
Interest receivable	97,802	324,760
Prepaid expenses and advances	156,720	127,202
	\$ 261,581	\$ 458,707

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

#### Right of Use Assets

Cost:

At June 30, 2019

\$

Leases

-

Adjustment on initial adoption of IFRS 16 (Note 2)

332,509

At September 30, 2019

332,509

Depreciation:

At June 30, 2019

-

Charge for the period

14,505

At September 30, 2019

14,505

Net Book Value:

At June 30, 2019

-

At September 30, 2019

318,004

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

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Funds, except where indicated)

#### Lease Liabilities

Lease liabilities recognized as of June 30, 2019	\$	332,509
Lease payments made		(20,680)
Interest expense on lease liabilities		12,350
		<u>324,179</u>
Less: current portion		(82,718)
At September 30, 2019		<u>241,461</u>

## 6. Related Party Transactions

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

### a) Compensation of key management personnel

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

The remuneration of management and independent directors was as follows:

	Three Months Ended September 30,	
	2019	2018
Management compensation (i)	\$ 102,414	\$ 126,324
Share-based payments (ii)	60,353	-
Director's fees (iii)	33,900	46,500
	<u>\$ 196,667</u>	<u>\$ 172,824</u>

- i. Management compensation is included in management fees (September 30, 2019 ("2019") - \$75,000; September 30, 2018 ("2018") - \$56,483) and in exploration expenditures (2019 - \$69,841; 2018 - \$69,841) in the Company's condensed consolidated interim statements of loss and comprehensive loss.
- ii. Share-based payments represent the expense for the three months ended September 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).

### b) Transactions with other related parties

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

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

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

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Funds, except where indicated)

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

		Three Months Ended September 30,	
		2019	2018
Legal fees	\$	34,661	\$ 52,081
CFO services		13,500	14,175
Office sharing and administration services		-	13,335
Project generation, exploration expenses and GIS services		-	249,079
	\$	48,161	\$ 328,670

Included in accounts payable and accrued liabilities at September 30, 2019, is an amount of \$16,770 (2018 - \$201,551) owing to directors and officers of the Company and to companies where the directors and officers are principals.

## 7. Share Capital

### a) Authorized Share Capital

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

### b) Reconciliation of Changes in Share Capital

#### i. Financings

No financings were conducted during the three months ended September 30, 2019.

#### ii. Options exercised

No options were exercised during the three months ended September 30, 2019.

### c) Share Purchase Options

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from the date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option is equal to or greater than the closing market price on the TSXV on the day preceding the date of grant. The vesting terms for each grant are set by the Board of Directors.

The option plan provides that the aggregate number of shares reserved for issuance under the plan shall not exceed 10% of the total number of issued and outstanding shares. At September 30, 2019, a total of 5,403,388 options were reserved under the option plan with 2,965,000 options outstanding.

**Mirasol Resources Ltd.****Notes to the Condensed Consolidated Financial Statements****For the Three Months Ended September 30, 2019***(Expressed in Canadian Funds, except where indicated)***i. Movements in share purchase options during the year**

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

	Number of Options	Weighted Average Exercise Price
Options outstanding as at June 30, 2018	3,065,826	\$1.67
Granted	1,420,000	\$1.21
Exercised	(51,250)	\$0.90
Expired / Forfeited	(722,700)	\$1.60
Options outstanding as at June 30, 2019	3,711,876	1,.52
Expired / Forfeited	(746,876)	\$2.46
Options outstanding as at September 30, 2019	2,965,000	\$1.30
Options exercisable at June 30, 2019	2,518,750	\$1.30

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

No share purchase options were granted during the three months ended September 30, 2019.

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

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

Expiry Date	Exercise price \$	Options Outstanding	Weighted Average Remaining Life of Options (years)	Options Exercisable
April 29, 2021	0.88	505,000		505,000
April 29, 2021	1.38	255,000		255,000
September 12, 2021	1.80	150,000		110,000
September 12, 2020	1.80	150,000		150,000
December 19, 2020	1.61	180,000		180,000
December 20, 2020	1.65	330,000		330,000
July 18, 2021	1.76	60,000		60,000
December 14, 2021	1.10	372,500		372,500
January 31, 2022	1.27	150,000		150,000
January 31, 2023	1.27	600,000		200,000
March 14, 2023	1.09	200,000		200,000
April 15, 2022	0.68	12,500		6,250
		2,965,000	2.11	2,518,750

Subsequent to September 30, 2019, 1,410,000 options were granted which are exercisable at \$0.52 per share for a period of four years. The options are subject to vesting restrictions over a three-year period.

**d) Warrants**

On June 8, 2018, the Company issued 2,158,875 of share purchase warrants with an exercise price of \$3.00 expiring June 1, 2020. These warrants were outstanding as of September 30, 2019 (2018 - 2,158,875).

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Financial Statements

For the Three Months Ended September 30, 2019

(Expressed in Canadian Funds, except where indicated)

#### e) Restricted Share Unit (“RSU”) Plan

On April 26, 2018, the shareholders approved a restricted share unit plan (the “RSU Plan”). The RSU plan was also approved by the Board on July 16th, 2018 and by the TSX Venture Exchange on July 17, 2018. The RSU Plan provides for the issuance of up to 1,000,000 restricted share units (the “RSUs”). Under the RSU Plan, RSUs may be granted to directors, officers, employees and consultants of the Company (excluding investor relations consultants) as partial compensation for the services they provide to the Company. The RSU Plan is a fixed number plan, and the number of common shares issued under the RSU Plan, when combined with the number of stock options available under the Company’s stock option plan, will not exceed 10% of the Company’s outstanding common shares.

During the period ended September 30, 2019, the vesting conditions of 25,000 RSU’s were met and the Company issued 25,000 common shares with a fair value of \$17,250 was recorded as share-based payments in the Company’s condensed consolidated interim statements of loss and comprehensive loss. An additional \$14,288 was recorded as share-based payments for vesting of RSUs for which common shares have not yet been issued. As of September 30, 2019, 100,000 RSU’s were outstanding.

Subsequent to September 30, 2019, 65,000 RSU’s have vested, and 10,000 were terminated.

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#### 8. Segmented Information

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

<b>Total Non-Current Assets</b>	September 30, 2019	June 30, 2019
Canada	\$ 351,800	\$ 19,588
Argentina	2,953,761	2,961,146
Chile	262,368	268,025
	<b>\$ 3,567,929</b>	<b>\$ 3,248,759</b>

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#### 9. Exploration and Evaluation Assets

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

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

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

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

The agreement required NCM to fund US\$1.5 million in exploration expenditures and make a US\$100,000 option payment (received) in the first year of the option. The Company served as operator for exploration during the option period in return for 10% management fee. As of July 1, 2018, the Company is no longer the operator for exploration and as such is not receiving the management fees.

## **Mirasol Resources Ltd.**

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

**For the Three Months Ended September 30, 2019**

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

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

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

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

On November 12, 2018, NCM exercised its option to enter the farm-in stage of the agreement. NCM is the operator and will be managing all exploration activities at the project.

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

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

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

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

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

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

The Company can either retain a 30% interest in the Project, or can exercise the funding option requiring HOC to fund its interest to production and retain 25%.

The Company serves as operator during the option phase in return for a 10% management fee from exploration contracts with values less than US\$250,000 and 5% fee on contracts over US\$250,000.

As of September 30, 2019, the Company had received US\$1,116,576 in advances from HOC to be used on exploration expenditures. As of September 30, 2019, of the advanced amounts \$166,911 is included in cash and cash equivalents.

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

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

On January 28, 2019, the Company signed a definitive agreement with Newcrest International Pty Limited ("NCM") whereby, NCM has been granted the option to acquire up to a 75% interest in the Gorbea Gold Project, exercisable in stages over a nine-year, or shorter, earn-in period. The agreement requires NCM to fund US\$4.0 million in exploration expenditures and make a US\$100,000 option payment (received) in the first year of the option. NCM will be the operator of the exploration program and will receive a 5% management fee.

NCM can earn up to 51% of the interest of the property by making a US\$500,000 cash payment to the Company at the start of the earn in period and by spending an additional US\$15 million in exploration within

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the next four years of the agreement with a minimum drilling commitment of 6,000 m to be completed within the first two years.

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

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

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

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

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

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

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

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

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

Option payments are due as follows:

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

#### f) *Zeus Property*

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

During the year ended June 30, 2018, the Company entered into an option agreement to acquire a 100% interest in certain other claims of the Zeus Gold project. The Company can acquire the claims under option by

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making staged option payments totalling US\$2.747 million over five years and incur US\$300,000 in exploration expenditures within three years. The property owner retains a 1.5% NSR royalty. The Company has a right to buy 0.5% of the royalty for US\$3.0 million. Option payments are due as follows:

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

#### g) Pipeline Properties:

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

#### h) Advances to/from joint venture partners:

The Company is the operator for one joint venture project (note 9b). As of September 30, 2019, the Company has \$163,118 (2018-\$846,947) of unspent exploration advances.

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## 10. Commitments

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

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

The Company has also agreed to issue Global Ore 25,000 common shares (issued) on commencement of the 12-month trailing contract and 25,000 common shares after six months. The Global Ore trailing contract can be terminated at any time by Global Ore after four months from its commencement on July 1, 2019 with one month's notice to the Company.

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

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## 11. Subsequent events

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

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

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

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FQM is committed to completing 3,000 m of drilling and a systematic geophysical program on the project over the first 24 months of the agreement. Following this period, FQM is required to spend a minimum of US\$500,000 per year over the term of the Agreement. FQM will be the operator during the option period. Following the completion of the 80% earn-in, FQM will have a one-time option to acquire the remaining 20% on terms to be negotiated between the parties. If this option is not exercised, the parties will form a participating joint venture to further fund the development of the project.

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

Under the MOU, Mirasol will grant to Minería the option to earn 100% of the project over 4 years by:

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

Upon completion of the option, Minería will earn a 100% interest in the Project and Mirasol will retain a 2% NSR royalty, of which 0.5% can be bought back by Minería within 8 years of signing of the definitive agreement for a US\$3 million payment.