



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

INTRODUCTION

The Management Discussion and Analysis (“MD&A”) should be read in conjunction with the Company’s annual audited consolidated financial statements for the year ended June 30, 2020 which are publicly available on SEDAR at www.sedar.com. All financial information, unless otherwise indicated, has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian funds.

The following discussion of the Company’s financial condition and results of operations should be read in conjunction with its annual audited consolidated financial statements and related notes for the year ended June 30, 2020.

This MD&A is prepared as of November 27, 2020.

COVID-19

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

FORWARD LOOKING INFORMATION

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

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

Chris Ford, CEng FIMMM, a senior consultant for the Company, and a “Qualified Person” under National Instrument 43-101 (“NI 43-101”), has reviewed and approved the scientific and technical information in this MD&A. This technical information was prepared by the acting Qualified Person for the Company at the time of disclosure.

CORPORATE AND STRATEGIC OVERVIEW

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

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

Mirasol is currently actively exploring in Chile at the Inca Gold project to define drill targets and expects to be drilling at its Sascha Marcelina project in Argentina over the current field season. In addition, Mirasol currently has six active option agreements in Chile and Argentina. Under these agreements Mirasol’s partners are making options payments, funding all exploration and land holding costs, which allows Mirasol to focus its available resources on further exploration and business development opportunities while retaining exposure to potentially significant discoveries.

Mirasol’s Exploration Focus

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

Chile/Argentina: Atacama – Puna Region

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

Miocene to Pliocene (Mio-Pliocene, 23-5 Ma): Targeting high-sulfidation epithermal (“HSE”) Au+Ag and porphyry Cu+Mo deposits. In this belt north of the Maricunga Belt, Mirasol controls approximately 104,000 ha of granted exploration claims. Mirasol also presently holds approximately 23,000 ha of granted exploration claims in the southern part of the Mio-Pliocene aged Cu belt proximal to the border between Chile and Argentina.

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

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

Argentina: Santa Cruz Province

The Company’s portfolio of properties in Argentina is focussed in Santa Cruz Province and encompasses the area of the Deseado Massif, a 60,000 km² region of upper-middle Jurassic age volcanics that are recognized as having a high potential for hosting low- and intermediate-sulfidation epithermal Au+Ag deposits. Mirasol controls approximately 324,000 ha of exploration and mining claims in the Province.

The Company is closely monitoring the impact of the rapid currency devaluation and changing public policies. To date, these issues have not impacted Mirasol’s capacity to operate in Argentina and Mirasol continues to receive interest for its Argentine projects. The Company remains focused on securing new partner investments in its Argentine projects.

JOINT VENTURE, EXPLORATION AND BUSINESS DEVELOPMENT ACTIVITIES

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

Activities on Projects Under Option Agreements

Chile

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

Altazor is a HSE Au project covering 33,230 ha located in an underexplored section of the Mio-Pliocene age mineral belt. Mirasol completed a first-pass reconnaissance sampling over approximately 50% of the project area in 2017. These results showed comparable geology, alteration patterns and Au ppb level anomalous assays in soil and rock chip samples to those reported from surface sampling at Gold Fields' Au+Ag HSE Salares Norte development stage project (Reserves: 3.5 Moz Au and 39 Moz Ag¹), which has a geological setting analogous to Altazor and is also located in the Mio-Pliocene mineral belt of Chile.

On November 21, 2017 Mirasol announced the signing of an option and farm-in agreement with Newcrest International Pty Limited ("NCM"). The agreement grants NCM the right to acquire, in multiple stages, up to an 75% interest in the Altazor project by making at least US\$10 million in exploration expenditures and delivering a feasibility study. NCM may earn an additional 5% interest, if Mirasol's request NCM to fund the project to commercial production, thus reducing the Company's retained project equity to 20%. The first-year spending commitment of US\$1.5 million was directed to an aggressive property wide surface exploration and geophysics program for drill target definition. NCM is also required to pay US\$1.9 million in staged option payments to Mirasol over the duration of the agreement.

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

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

Exploration Results

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

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

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

In late 2018, Mirasol reported the results from the 2017/18 exploration program completed under the exploration agreement with NCM to define targets for drill testing (news release November 12, 2018). The program included alteration analysis of soils, radiometric age dating, 1,035 line-km ground magnetic geophysical survey, geological mapping, geochemical rock chip sampling over an area of 128 km², a 2,030 sample, low detection limit soil grid covering 85.6 km² and a 66.9 line-km Controlled Source Audio-Magnetotellurics ("CSAMT") resistivity geophysical survey. Integrated analysis of the combined data sets indicated Altazor to be a district-scale, zoned alteration system, preserved at a level that could conceal HSE Au deposits beneath "barren" steam heated cap rocks and post mineral cover; as has been the case at recent multimillion-ounce discoveries elsewhere in the Mio-Pliocene mineral belt in Chile.

The significant areal extent of the alteration system at Altazor will require detailed systematic work, possibly over a number of seasons, in order to complete a first pass evaluation to define and prioritize targets for drill testing. However, the first season's exploration has already identified multiple compelling large-scale drill targets in three principal prospects that have alteration, geochemical and geophysical characteristics in common with the predrill target signatures of the Salares Norte and Alturas Au HSE discoveries.

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

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

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

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

The Gorbea properties were subject to a previous joint venture with Yamana Gold Inc. ("Yamana") that was terminated in April 2018, after the partner had incurred exploration expenditures in excess of US\$8 million. Yamana's exploration identified a significant body of HSE Au mineralization at the Atlas zone, which returned a best drill intercept of 114 m grading 1.07 g/t Au, including 36 m grading 2.49 g/t Au (news release September 11, 2017).

On January 28, 2019, the Company announced the signing of an agreement granting NCM the right to acquire, in multiple stages, up to a 75% interest of the Gorbea project by completing at least US\$19 million in exploration expenditures and delivering a feasibility study as well as making staged option payments to Mirasol. Upon NCM earning a 75% interest in the project, Mirasol can elect to fund its share and retain a 25% project equity position, or exercise a one-time equity conversion option to convert up to 10% of its equity to a Net Smelter Returns ("NSR") royalty at a rate of 2.5% equity per 0.5% NSR royalty (maximum 2% NSR royalty).

NCM has reported exploration expenditures of approximately US\$9.2 million on the property to the end of September 2020, thereby completing both the expenditure and drilling commitments over the option period. However, given the suspension of the exploration activities at the site as a safety precaution due to the COVID-19 pandemic, NCM and Mirasol have agreed to extend the option period by six months to January 25, 2021. NCM has committed to drilling at least 2,000 m at the project over the upcoming season.

Exploration Results

The Atlas target is centred on a sizable +20 km² HSE alteration system that hosts multiple Au and Ag prospective targets. The system exhibits many of the key geological and mineralization features characteristic of economic systems in the area, such as Salares Norte mine development project (Gold Fields), Alturas (Barrick Gold - Inferred Resource: 8.9 Moz Au²) and La Coipa mine (Kinross Gold), supporting its potential to host large-scale Au mineralization.

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

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

Best results from NCM's drilling:

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

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

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

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

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

The initial wide-spaced drilling at Atlas was designed to delineate the outer limits of this large mineralized system and define the distribution of the outcropping breccia targets that are favourable hosts for Au mineralization. Exploration efforts to define potential higher-grade Au zones for drill testing, will be guided by the targeting of resistive units as identified by CSAMT geophysics in conjunction with data from structural mapping, geochemical surveys, alteration and alunite composition vectoring to potential higher grade mineralized pods or feeder zones.

² Barrick Gold Corporation - Annual Information Form for the year ended December 31, 2019

NCM is planning to complete at least 2,000 m of additional drilling at the Gorbea project over the 2020/2021 field season, which will include an initial drill test of the El Dorado prospect, a newer target that has not been previously drilled.

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

On October 7, 2019, Mirasol announced the signing of a definitive agreement with First Quantum Minerals (“FQM”) for its 1,200 ha Coronación Cu+Au project, located northern Chile. FQM was granted the option to earn an 80% interest in the project over six years, by making annual cash payments totaling US\$875,000, completing at least 10,000 m of drilling and delivering a NI 43-101 compliant Prefeasibility Study Report. Following the completion of the 80% earn-in, FQM will have a one-time option to acquire the remaining 20% interest on terms to be negotiated between the parties at that time. If this option is not exercised, the parties will form a participating joint venture to further fund the development of the project. FQM is the project operator.

Exploration Results

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

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

Nord Polymetallic Project, Northern Chile: (Operated and funded by Encantada)

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

Mirasol has granted to Encantada the option to earn 100% of the Project over four years by making annual cash payments totaling US\$3 million and incurring at least US\$500,000 in exploration expenditures over the first two years of the option period. Upon completion of the option, 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 eight years for US\$3 million.

Exploration Results

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

The first type is characterized by large vein-type mineralization injected into fault structures as seen in the active small-scale mines located near the NE corner of the claim boundary and at Minería’s

Ciclon-Exploradora polymetallic development project, which is located adjacent to the eastern blocks of the project. These veins and related breccias occupy NNW, ENE & WNW trending faults hosting polymetallic (Cu, Zn, Pb, Ag, Au) mineralization. While surface geochemistry has returned only low to anomalous results, Minería's understanding will be valuable to define drill targets for potential extensions or parallel structures to the known mineralization (news release October 31, 2019).

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

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

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

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

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

Following the completion of the 80% earn-in, MDF will have a one-time option to acquire the remaining 20% interest on terms to be negotiated between the parties. If this option is not exercised, the parties will form a participating joint venture to further fund the development of the project.

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

Exploration Results

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

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

Lithocap covers a covers a 3.5 by 2.0 km area centred on a large, deeply weathered, advanced argillic alteration zone that is surrounded by gravel cover with thicknesses less than 50 m as modelled from a gravity survey. Large and productive porphyry Cu deposits can be found below or adjacent to the type of lithocap alteration zones present at Rubi as is evidenced at the El Salvador deposit. At Lithocap, previous explorers have drilled peripheral to, but not beneath or adjacent to, the post-mineral gravel covered western edge of the Cu and locally strong Mo anomaly. Mirasol's mapping and re-logging of previous drill holes have defined veining and brecciation with anomalous Cu+Mo mineralization and alteration patterns that indicates potentially concealed porphyry

mineralization to the N and NW of previous drill holes (see news release October 15, 2020). This combined information suggests the presence of a deep weathering profile that could potentially overlie supergene enriched and sulfide mineralization, as indicated by an Induced Polarization (“IP”) geophysical chargeability anomaly, which remains open to the north. This type of deep weathering in porphyry environments in northern Chile is often conducive for the development of supergene enriched Cu mineralization akin to the nearby El Salvador mining district.

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

Argentina

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

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

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

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

Exploration Results

Mirasol discovered the Virginia Ag deposit in 2009, following-up a high-priority reconnaissance target identified by its generative team. Mirasol’s exploration defined high-grade, intermediate sulfidation epithermal style mineralization in a series of prominent outcrops of vein-breccia that are associated with a rhyolitic volcanic flow dome field. Rock chip and saw cut channel geochemical sampling over these outcrops defined significant strike lengths of continuously mineralized vein-breccia. From 2010 to 2012, Mirasol completed a series of drill programs for 23,318 m of diamond core in 223 holes, designed to test the potential of the mineralized structures to a maximum depth of 266 m. This work was followed by the filing of an amended NI 43-101 Resource Estimate report in 2016 defining seven

outcropping bodies of high grade Ag mineralization, constrained³ within conceptual pits, with an indicated mineral resource of 11.9 million ounces of Ag at 310 g/t Ag and a further inferred 3.1 million ounces of Ag at 207 g/t Ag (see amended NI 43 -101 technical report filed on SEDAR on February 29, 2016).

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

In October 2020, the Company announced the start of first phase 2,500 m partner funded drill program. This initial diamond drill program with Silver Sands is designed to test both gaps and extensions to the principal veins as previously defined at Naty West, Ely Central, Martina and Magi veins, as well as newly identified vein structures at the Margarita, Patricia and Daniela veins. The new drill targets are located to the north, south and east of the current Virginia resource area and represent high potential drill-ready zones within the overall extensive vein field (see news release October 29, 2020). More than a 1,000 m of drilling has already been completed testing the Ely, Magi, Margarita, Martina, Roxanne and Julia South vein structures.

Mirasol's exploration team is also advancing rapidly with an on-going Pole Dipole IP program in key target areas, in order to both better define drill hole locations and to identify potentially buried targets, with more than 65 line-km completed. Given that significant IP chargeability responses are directly associated with the Virginia resource, the current survey is as expected to provide valuable information that is being used as an indicator to identify the more prospective veins in the system. The current IP survey will cover vein structures with Ag anomalies from rock chips and trench samples where there has been no previous drilling.

In parallel, a program of mechanical trenching is also progressing rapidly with 2,500 m opened and more than 2,000 m mapped and sampled. The primary focus of this program is to define the continuity of new vein targets, identified by previous geochemical rock chips sample programs, under cover and to expose bedrock for assessment and geochemical sampling in prospective covered areas, which host coincident IP chargeability and ground magnetic anomalies.

Exploration Activities on 100% Owned or Controlled Claims

Chile

Inca Gold Au+Ag Project, Northern Chile

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

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

upon the Company's strategy to fund drilling on high quality deposit targets with favorable infrastructure.

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

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

Exploration Results

The 16,300 ha Inca Gold project is located in Region III of Chile, approximately 100 km north of Copiapo, and within the Inca Del Oro mining district that hosts both Santiago Metals Delirio Cu/Au mine and PanAust/Codelco's Inca de Oro porphyry Cu/Au deposit. Inca Gold lies between 2,000 to 3,000m ASL and has good access allowing for year-round exploration. Mirasol's initial exploration at the Sandra prospect has defined five Au/Ag prospects, none of which have been drill tested. Mirasol has also staked 2,400 ha of exploration claims directly to the south of the Sandra target and plans to complete a first pass evaluation of these new claims during the current field campaign. Local geology on the southern portion of the project is characterized by a thick volcanic-sedimentary sequence consisting of ignimbrites, lava flows, and volcanic breccias. The northern portion consists of an older sequence of intensely folded and faulted ignimbrites and volcanic breccias. These two geologic domains are separated by a regional NE lineament mostly covered by Atacama gravels.

The Sandra prospect is located at the southwestern border of the property and is currently the better-known target. Here a large hydrothermal vein system with development of intermediate sulfidation epithermal ("ISE") mineralization has been recognized.

In November 2020, Mirasol reported on the initial surface program commenced this season that focused on the Sandra prospect. Mirasol initial surveys included 1:2,000 scale geological mapping of the quartz vein swarms, systematic rock sawn geochemical channel sampling across the key veins and reconnaissance geochemical rock chip sampling over outlying areas of the prospect. In total, 498 samples were collected from 138 individual sawn channel cuts. Seven zones of veining and anomalous geochemistry have been outlined within the Sandra prospect, and three of these targets have been prioritized for testing by an initial 1,500 m drill program (see news release November 25, 2020).

The diamond drilling program, planned for Q1 2021, will target three of the most prospective zones along the principal Sandra trend (Lomo Ballena, Veta Escuela and Veta Valle), initially testing to a depth of 80 to 200 m vertically below the surface exposures. These targets, which represent the deepest eroded parts of the outcropping system (<2,450 m ASL), show an overall increase in Au and Ag grades when compared with the higher elevation surrounding areas, and are considered geologically, structurally and geochemically strong targets for this initial drill program. Five diamond drill holes have been selected as initial priorities and based on results, an additional series of drill holes are planned to follow along strike, down-dip and to step out to other prospective epithermal structures in the system. Results will be reported when they are available.

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

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

Mirasol has completed an integrated interpretation of district-scale exploration data sets collected prior to 2009. Anomalous rock chip Au+Ag assays and Aster satellite alteration anomalies define a 16.5 x 4.0 km (65 km²) hydrothermal “footprint” to the district, showing a large-scale, zoned alteration system characteristic of a sizable Au+Ag LSE system. Five, multi-kilometre long, mineralized vein and silicified breccia trends have been recognized to date across the consolidated district. The trends traverse the Pellegrini Silica Cap, or outcrop through post mineral gravel and basalt cover that surrounds the Silica Cap (see news release January 25, 2020).

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 Au+Ag, low cost underground mine operated by Newmont. Cerro Negro is located approximately 100 km to the north of the Sascha–Marcelina project (Reserves: 2.6 Moz Au and 21.34 Moz Ag / Resources: 2.12 Moz Au and 10.9 Moz Ag⁴).

Interpretation of mapped volcanic and sedimentary stratigraphy, Au+Ag and multielement geochemistry and alteration mineralogy shows that different levels of the epithermal system outcrop across the district, exposing what are interpreted to be varying levels of the mineralized column of an Au+Ag LSE 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 geochemical sampling, extensive soil grid geochemical sampling (with PXRF sourced geochemistry) and the acquisition of alteration data using in-house handheld ASD technology on all the rock chips and soil samples collected to date. This recent work has defined a large alteration footprint located in the immediate vicinity of the Marcelina claims, hosting an epithermal silica vein system with multiple mineralized trends. Within this area, new prospects have been recognized, with the “Estancia Trend” and the “Igloo Trend”, both located in close proximity to an extensive Pellegrini Silica Cap, which is interpreted as representing the preserved fossil paleosurface of a low sulfidation system.

To date, a total of 422 new rock chip samples have been collected from within the Marcelina area with assays averaging 0.25 g/t Au and 2.46 g/t Ag and up to 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 (see news release July 18, 2019)

Mirasol has also completed further surface exploration including a total of 40 line-km of IP geophysics survey over the three principle areas - the Estancia Trend (20.5 line-km), the Pellegrini silica cap (14.2 line-km) and the Igloo trend (5.35 line-km).

⁴ Newmont Corporation - 2/13/2020 Press Release

The Company has integrated these results, along with those from the recent mapping and sampling campaigns, to define drill targets for testing at all three prospects.

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

Other Properties

Mirasol holds several additional drill-ready and early-stage exploration properties prospective for Au, Ag and Cu mineralization in southern Argentina and northern Chile. The Company has signed confidentiality agreements, distributed data sets and conducted field reviews with selected companies with the objective of securing potential new partnerships for these properties.

In November 2020, Mirasol introduced and reported initial exploration results from its 100% owned Nandi Cu project, located in the Paleocene porphyry Cu belt in northern Chile. Nandi was staked by Mirasol through its project generation program and comprises approximately 5,000 ha of exploration claims, located 30 km northwest of BHP's Escondida Cu mine and 63 km southeast of Glencore's Lomas Bayas Cu mine. Nandi is favorably situated in the area of intersection between the continental-scale north-south trending Domeyko Fault System and the northwest trending Archibarca Lineament, a regional structural framework that, for example, controlled the emplacement of the giant Escondida porphyry Cu deposit cluster. The project also benefits from easy access along the asphalt highway from the port city of Antofagasta to the Escondida mine, lying at a relatively low altitude of 1,800m above sea level. Initial exploration results have been encouraging with multiple targets for potential porphyry Cu mineralization defined, which merits follow up field work before drill testing (see news release November 5, 2020).

HIGHLIGHTS FOR THE YEAR JULY 1, 2020 TO SEPTEMBER 30, 2020

FINANCIAL CONDITION

Mirasol remains in a strong financial position with cash and short-term investment of \$15,345,031 and working capital of \$14,689,733 as of September 30, 2020.

During the three months ended September 30, 2020, the Company incurred total company-wide net cash expenditures of \$1,222,525. The financial statements show a total expenditure of \$1,339,855 of which non-cash items such as share-based payments and depreciation totalled \$117,330.

For the period ended September 30, 2020 the total net cash expenditure was distributed between head office corporate spending of \$442,140, inclusive of officer's salaries, board fees, business development, corporate administration, investor relations and regulatory compliance; and a total net exploration expenditure of \$780,385 (table 1).

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

EXPLORATION FINANCIAL SUMMARY

The Company's total exploration costs include generative exploration, property retention costs of the exploration project portfolio, costs associated with preparing projects for joint venture, in-country operation and management, and local value added taxes ("VAT"). For the quarter ended September 30, 2020, Mirasol invested \$525,900 on exploration in Chile and \$254,395 in Argentina (table 1).

The Company received \$91,895 in cost recoveries during the quarter ended September 30, 2020; including claims fees, salaries of Mirasol employees seconded to the partner-funded programs and other operational costs that are covered by the partners under the terms of agreements. Mirasol earned \$9,190 of management fee income during the period. The Company also received \$132,192 in option payments from its Coronación and Nord projects (table 1).

CORPORATE MATTERS

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

During a board meeting held on July 15, 2020, the board of directors reappointed the following officers of the Company: Norman Pitcher, President and CEO; Dana Prince, Chairman; Mathew Lee, CFO; Timothy Heenan, Country Manager; Jonathan Rosset, VP Corporate Development and Gregory Smith, Corporate Secretary.

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

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

On October 19, 2020, the Company announced its intention to make a normal course issuer bid (the "Bid") to purchase for cancellation, from time to time, as it considers advisable, up to 3,900,000 of its issued and outstanding common shares, being approximately 7.2% of the Company's currently outstanding common shares and approximately 9.93% of the Company's Public Float (as that term is defined in the policies of the TSX Venture Exchange (the "Exchange")). The Exchange has approved the commencement of the Bid, which commenced on October 22, 2020, and will terminate on October 21, 2021, or such earlier time as the Bid is completed or at the option of the Company. As part of the Bid, the Company purchased, and subsequently cancelled, 19,500 shares.

RESULTS OF OPERATIONS

FOR THE PERIODS ENDED SEPTEMBER 30, 2019 AND 2020

The Company's net loss for the three months ended September 30, 2020 ("2020") was \$1,342,819 or \$0.02 per share compared to a net loss of \$1,356,039 or \$0.03 per share for the three months ended September 30, 2019 ("2019"), a decrease of \$13,220.

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

The Company's total operating expenses were \$1,339,855 and \$1,456,699 for the three months ended September 30, 2020 and 2019, respectively.

The Company recorded interest income of \$42,891 from its investments during the period ended September 30, 2020, as compared to \$373 during the same period of last fiscal year.

The Company recorded a gain of \$255,884 on foreign exchange from conversion of funds during the period ended September 30, 2020 as compared to a loss of \$112,637 during the same period of last fiscal year.

Share-based payments increased to \$94,955 in 2020 from \$89,873 in 2019, and depreciation expense increased to \$22,375 in 2020 from \$15,974 in 2019. Both are non-cash items.

Other notable variances include a decrease in exploration expenditures to \$780,385 in 2020 as compared to \$856,666 in 2019 (table 1); a decrease in business development, marketing and investor communications expenses to \$83,163 in 2020 from \$131,704 in 2019; an increase of management and directors fees to \$231,570 in 2020 as compared to \$206,575 in 2019; a decrease in office administration, filing fees, and travel expenses to \$68,686 in 2020 compared to \$136,647 in 2019; and an increase in professional fees to \$58,721 in 2020 compared to \$19,260 in 2019 from various consultants.

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

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

Table 1 - Exploration summary	Total Chile		Total Argentina		Total Mirasol	
	2020	2019	2020	2019	2020	2019
Three months September 30,						
Exploration costs	463,311	849,372	148,032	108,169	611,343	957,541
Exploration costs recovery	-	(509,554)	(91,895)	-	(91,895)	(509,554)
Option income	(132,192)	-	-	-	(132,192)	-
Management fees	-	(38,734)	(9,190)	-	(9,190)	(38,734)
Corporate Operation	194,871	218,816	207,448	228,597	402,319	447,413
Net Exploration expenses	525,990	519,900	254,395	336,766	780,385	856,666

Please refer to the Company's condensed consolidated interim financial statements for a breakdown of the Company's general and administration expenses for the three months ended September 30, 2020 and 2019.

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

	For the Three Months Ended September 30,	
	2020	2019
CHILE		
Altazor - Joint Venture		
Camp and general	-	1,062
Contractors and consultants	51	1,947
Mining rights and fees	43,751	5,367
	<u>43,802</u>	<u>8,376</u>
Gorbea Package - Joint Venture		
Contractors and consultants	3,539	15,633
Mining rights and fees	6,163	13,401
Travel & accommodation	-	82
Resource Studies	-	6,797
	<u>9,702</u>	<u>35,913</u>
Coronation		
Contractors and consultants	2,131	-
Option income	(65,770)	-
	<u>(63,639)</u>	<u>-</u>
Indra_Agni - Joint Venture		
Assays and sampling	-	101,877
Camp and general	-	26,565
Contractors and consultants	-	180,476
Drilling	-	251,290
Environmental	-	16,220
Exploration costs recovered	-	(509,554)
Mining rights and fees	-	1,985
Resource Studies	-	5,166
Travel & accommodation	-	30,072
	<u>-</u>	<u>104,097</u>
Los Amarillos (Enami)		
Assays and sampling	-	13,338
Camp and general	-	3,112
Contractors and consultants	-	22,821
Travel & accommodation	-	6,216
	<u>-</u>	<u>45,487</u>
Nord		
Contractors and consultants	20,078	-
Option income	(66,422)	-
Mining rights and fees	8,103	-
	<u>(38,241)</u>	<u>-</u>
Total - Properties joint ventured to other	<u>(48,376)</u>	<u>193,873</u>

CHILE (Cont'd...)	For the Three Months Ended September 30,	
	2020	2019
Chile Pipeline Projects		
Assays and sampling	-	8,378
Camp and general	-	4,681
Contractors and consultants	4,140	45,735
Mining rights and fees	1,485	21,585
Professional fees	215	8,167
Travel & accommodation	-	7,284
	<u>5,840</u>	<u>95,830</u>
Los Amarillos (Brahma)		
Assays and sampling	-	3,721
Camp and general	-	3,176
Contractors and consultants	4,600	35,165
Geophysics	-	1,971
Mining rights and fees	7,497	22
Travel & accommodation	-	4,676
	<u>12,097</u>	<u>48,731</u>
Zeus		
Contractors and consultants	-	106
Mining rights and fees	4,631	42
Professional fees	1,612	-
	<u>6,243</u>	<u>148</u>
Total - 100% owned properties	<u>24,180</u>	<u>144,709</u>
Inca		
Assays and sampling	22,202	-
Camp and general	58,117	-
Contractors and consultants	141,203	-
Environmental	1,835	-
Mining rights and fees	5,745	-
Travel & accommodation	44,338	-
	<u>273,440</u>	<u>-</u>
Ladera - Joint Venture		
Join Venture Payments	64,398	-
Mining rights and fees	1,795	275
Travel & accommodation	-	303
	<u>66,193</u>	<u>578</u>
Total - Earn-in joint venture on third party	<u>339,633</u>	<u>578</u>
Project Generation	15,682	657
Management Fee Income	-	(38,734)
Corporate Operation & Management - Chile	194,871	218,817
Total Chile	<u>525,990</u>	<u>519,900</u>

	For the Three Months Ended September 30,	
	2020	2019
ARGENTINA		
Virginia - Joint Venture		
Camp and general	29,084	4,847
Contractors and consultants	54,813	526
Drilling	8,076	-
Exploration costs recovered	(91,895)	-
Mining rights and fees	1,260	975
Travel & accommodation	1,152	-
	<u>2,490</u>	<u>6,348</u>
Total - Properties joint ventured to other	2,490	6,348
Argentina Pipeline Projects		
Camp and general	-	(170)
Contractors and consultants	-	14,442
Environmental	-	12
Mining rights and fees	3,433	10,305
Travel & accommodation	-	46
	<u>3,433</u>	<u>24,635</u>
Claudia		
Camp and general	3,375	622
Contractors and consultants	192	2,205
Geophysics	-	1,933
Mining rights and fees	25,066	26,035
	<u>28,633</u>	<u>30,795</u>
La Curva		
Contractors and consultants	-	1,651
Mining rights and fees	5,333	5,065
	<u>5,333</u>	<u>6,716</u>
Sasha		
Contractors and consultants	993	810
Environmental	9	-
Mining rights and fees	463	317
	<u>1,465</u>	<u>1,127</u>
Total - 100% owned properties	38,864	63,273
Marcelina - Joint Venture		
Camp and general	-	9,241
Contractors and consultants	7,469	25,104
Drilling	6,730	-
Mining rights and fees	584	1,057
Travel & accommodation	-	3,146
	<u>14,783</u>	<u>38,548</u>
Total - Earn-in joint venture on third party	14,783	38,548
Management Fee Income	(9,190)	-
Corporate Operation & Management - Argentina	207,448	228,597
Total Argentina	254,395	336,766
Total Exploration and Evaluation Costs	780,385	856,666

FOURTH QUARTER ANALYSIS

Not required for the interim MD&A.

SUMMARY OF QUARTERLY RESULTS

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

Period	Revenues \$	Income (Loss) from Continued Operations \$	Basic Income (Loss) per Share from Continued Operations \$	Diluted Income (Loss) per Share from Continued Operations \$
1 st Quarter 2021	Nil	(1,342,819)	(0.02)	(0.02)
4 th Quarter 2020	Nil	(2,360,152)	(0.04)	(0.04)
3 rd Quarter 2020	Nil	(438,534)	(0.01)	(0.01)
2 nd Quarter 2020	Nil	(1,747,754)	(0.04)	(0.04)
1 st Quarter 2020	Nil	(1,356,039)	(0.03)	(0.03)
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

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

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

INVESTING ACTIVITIES

The Company continued to invest Canadian, Australian and US dollars in interest-bearing financial instruments maturing up to one year. The total amount invested in 2020 was \$12,415,261 compared to \$16,955,050 in the prior year. The Company received interest income of \$42,891 during the period ended September 30, 2020, compared to \$373 from the period ended September 30, 2019.

CAPITAL RESOURCES AND LIQUIDITY

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

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

With working capital of approximately \$14.7 million on September 30, 2020, the Company has sufficient funds to conduct its administrative, business development, and discretionary exploration activities over the next twelve months. Actual funding requirements may vary from those planned due to several factors, including the Company’s joint venture partners encountering difficulty in financing exploration programs on the optioned properties. The Company further believes it has the ability to raise equity capital to meet its foreseeable longer-term working capital needs but recognizes that the ability to raise capital in the future involves risks beyond its control.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no significant off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions.

TRANSACTIONS WITH RELATED PARTIES

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

a) Compensation of key management personnel

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

The remuneration of management and independent directors was as follows:

	Three Months Ended September 30,	
	2020	2019
Management compensation (i)	\$ 134,291	\$ 102,414
Share-based payments (ii)	62,096	60,353
Director’s fees (iii)	35,620	33,900
	\$ 232,007	\$ 196,667

(i) Management compensation is included in management fees (September 30, 2020 (“2020”) - \$62,500; September 30, 2019 (“2019”) - \$75,000) and in exploration expenditures (2020 - \$71,791; 2019 - \$27,414) in the Company’s consolidated statements of loss and comprehensive loss.

- (ii) Share-based payments are included in the share-based payments expense in the Company's consolidated statements of loss for the three months ended September 30, 2020 and 2019.
- (iii) The independent directors of the Company are paid \$2,100 per month (2019 - \$2,100 per month) while the Chairperson of the Board of Directors receives an additional \$7,100 per month for serving in this capacity (2019 - \$7,100 per month).

b) Transactions with other related parties

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

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

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

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

	Three Months Ended September 30,	
	2020	2019
Legal fees	\$ 28,446	\$ 34,661
CFO services	7,500	13,500
	\$ 35,946	\$ 48,161

Included in accounts payable and accrued liabilities at September 30, 2020, is an amount of \$48,688 (2019 - \$16,770) owing to directors and officers of the Company and to companies where the directors and officers are principals.

SIGNIFICANT ACCOUNTING POLICIES

The details of the Company's accounting policies are presented in Note 3 of the Company's audited consolidated financial statements for the year ended June 30, 2020. The following policies are considered by management to be essential to the understanding of the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

RECENT ACCOUNTING ADOPTION

Definition of a business (Amendments to IFRS 3)

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

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

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

New accounting standards issued but not yet in effect

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

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

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

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

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

FINANCIAL INSTRUMENTS

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

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

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

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

MANAGEMENT OF CAPITAL RISK

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

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

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

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

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

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's operating expenses is provided above, and in the Company's consolidated statements of loss and comprehensive loss of the audited annual consolidated financial statements for the year ended June 30, 2020 that is available on the Company's website at www.mirasolresources.com or on its SEDAR company page accessed through www.sedar.com.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 54,156,043 issued and outstanding common shares. In addition, the Company has 3,805,000 options outstanding that expire through April 28th, 2023. At the date of this MD&A, no RSU's were outstanding.

Details of issued share capital are included in Note 9 of the condensed consolidated interim financial statements for the three months ended September 30, 2020.

APPROVAL

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

ADDITIONAL INFORMATION

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