

**MIRASOL RESOURCES LTD.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**September 30, 2020**

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

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

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

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

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

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

As of September 30, 2020, and June 30, 2020

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

<b>ASSETS</b>	September 30, 2020	June 30, 2020
<b>Current Assets</b>		
Cash and cash equivalents	\$ 8,782,154	\$ 8,886,501
Short-term investments <i>(Note 3)</i>	6,562,877	6,707,866
Receivables and advances <i>(Note 4)</i>	318,308	226,136
Marketable securities <i>(Note 5)</i>	880,138	655,422
	<u>16,543,477</u>	<u>16,475,925</u>
<b>Non-Current Assets</b>		
Equipment	166,969	155,148
Right of use assets <i>(Note 6)</i>	245,616	258,774
Exploration and evaluation assets <i>(Note 7)</i>	2,279,642	2,344,040
	<u>2,692,227</u>	<u>2,757,962</u>
<b>Total Assets</b>	<b>\$ 19,235,704</b>	<b>\$ 19,233,887</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities <i>(Note 8)</i>	\$ 444,824	\$ 524,186
Current portion of lease liabilities <i>(Note 6)</i>	75,480	75,480
Advances from JV partner <i>(Note 7)</i>	1,333,440	-
	<u>1,853,744</u>	<u>599,666</u>
<b>Long-Term Liabilities</b>		
Non-current portion of lease liabilities <i>(Note 6)</i>	196,575	205,043
<b>Total Liabilities</b>	<b>\$ 2,050,319</b>	<b>\$ 804,709</b>
<b>EQUITY</b>		
Share Capital <i>(Note 9)</i>	\$ 57,777,823	\$ 57,767,690
Reserves	17,775,351	17,690,529
Accumulated Other Comprehensive Loss	(30,689)	(34,760)
Deficit	(58,337,100)	(56,994,281)
	<u>17,185,385</u>	<u>18,429,178</u>
<b>Total Liabilities and Equity</b>	<b>\$ 19,235,704</b>	<b>\$ 19,233,887</b>

Nature of business *(Note 1)*Commitments *(Note 11)*Subsequent events *(Note 12)*

On Behalf of the Board:

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

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

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

For the Three Months Ended September 30,

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

	2020	2019
<b>Operating Expenses</b>		
Exploration expenditures <i>(Note 7)</i>	\$ 780,385	\$ 856,666
Business development	53,545	94,396
Management fees <i>(Note 8a i)</i>	195,950	166,375
Marketing and investor communications	29,618	37,308
Office and miscellaneous	59,767	118,088
Share-based payments <i>(Notes 9c ii, 9d)</i>	94,955	89,873
Professional fees	58,721	19,260
Director fees <i>(Note 8a iii)</i>	35,620	40,200
Travel	172	16,764
Transfer agent and filing fees	8,747	1,795
Depreciation	22,375	15,974
	<u>(1,339,855)</u>	<u>(1,456,699)</u>
Interest income	42,891	373
Interest expense	(10,402)	(12,350)
Gain on marketable securities fair value <i>(Note 5)</i>	224,716	-
Foreign exchange gain (loss)	(255,884)	112,637
Other income (expense)	(4,285)	-
	<u>(2,964)</u>	<u>100,660</u>
<b>Loss for the Period</b>	<u>\$ (1,342,819)</u>	<u>\$ (1,356,039)</u>
<b>Other Comprehensive Loss</b>		
Exchange differences on translation of foreign operations	4,071	(3,262)
<b>Loss and Comprehensive Loss for the Period</b>	<u>\$ (1,338,748)</u>	<u>\$ (1,359,301)</u>
<b>Loss per Share (Basic and Diluted)</b>	<u>\$ (0.02)</u>	<u>\$ (0.03)</u>
<b>Weighted Average Number of Shares Outstanding (Basic and Diluted)</b>	<u>54,161,631</u>	<u>54,058,606</u>

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

**Mirasol Resources Ltd.**

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

**As at September 30**

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

	Share Capital		Reserves	Accumulated Other Comprehensive Loss	Deficit	Total Equity
	Number of Shares	Amount \$				
<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>
Share-based payments <i>(Note 9)</i>	25,000	17,250	72,623	-	-	89,873
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>
<b>Balance – June 30, 2020</b>	<b>54,148,878</b>	<b>57,767,690</b>	<b>17,690,529</b>	<b>(34,760)</b>	<b>(56,994,281)</b>	<b>18,429,178</b>
Share-based payments <i>(Note 9)</i>	26,665	10,133	84,822	-	-	94,955
Foreign currency translation adjustment	-	-	-	4,071	-	4,071
Loss for the period	-	-	-	-	(1,342,819)	(1,342,819)
<b>Balance – September 30, 2020</b>	<b>54,175,543</b>	<b>57,777,823</b>	<b>17,775,351</b>	<b>(30,689)</b>	<b>(58,337,100)</b>	<b>17,185,385</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)*

	2020	2019
<b>Operating Activities</b>		
Loss for the period	\$ (1,342,819)	\$ (1,356,039)
Adjustments for:		
Share-based payments	94,955	89,873
Interest income	(42,891)	(373)
Interest expense	10,402	12,350
Unrealized gain on marketable securities fair value	(224,716)	-
Depreciation	15,230	15,974
Depreciation included in exploration expenses	7,145	13,631
Unrealized foreign exchange	(250,134)	(112,637)
	<u>(1,732,828)</u>	<u>(1,337,221)</u>
Changes in non-cash working capital items:		
Receivables and advances	(558,953)	(29,458)
Accounts payable and accrued liabilities	(79,362)	233,792
Advance from joint venture partner	1,333,440	(683,829)
Cash used in operating activities	<u>(1,037,703)</u>	<u>(1,816,716)</u>
<b>Investing Activities</b>		
Purchase of short-term investments	144,989	(166,044)
Exploration and evaluation assets, net of recovery	64,398	-
Purchase of equipment	(24,371)	(16,666)
Interest received	509,672	226,957
Cash provided by investing activities	<u>694,688</u>	<u>44,647</u>
<b>Financing Activity</b>		
Lease payments	(18,870)	(20,680)
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>	<u>257,538</u>	<u>109,375</u>
<b>Change in Cash and Cash Equivalents</b>	(104,347)	(1,683,374)
Cash and Cash Equivalents - Beginning of period	<u>8,886,501</u>	<u>4,648,284</u>
<b>Cash and Cash Equivalents - End of period</b>	<u>\$ 8,782,154</u>	<u>\$ 2,964,910</u>
<b>Cash and Cash Equivalents Consist of:</b>		
Cash	\$ 2,929,770	\$ 40,048
Cash equivalents	\$ 5,852,384	\$ 2,924,862
	<u>\$ 8,782,154</u>	<u>\$ 2,964,910</u>
<b>Supplemental Schedule of Non-Cash Investing and Financing Transactions:</b>		
Recognition of right of use assets and liabilities	\$ -	\$ 311,407
Cash paid during the period for interest	\$ 10,402	\$ 12,350
Cash paid during the period for income taxes	\$ -	\$ -

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

# Mirasol Resources Ltd.

## Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2020

(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.

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

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

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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, 2020.

The Board of Directors approved the condensed consolidated interim financial statements on November 27<sup>th</sup>, 2020.

#### Basis of measurement

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

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2020

(Expressed in Canadian Funds, except where indicated)

#### Significant Accounting Estimates and Judgments

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

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended June 30, 2020.

#### Recent Accounting Pronouncements and Adoptions

##### *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. 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.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2020

(Expressed in Canadian Funds, except where indicated)

#### 3. Short-term Investments

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

#### 4. Receivables and Advances

	September 30, 2020	June 30, 2020
Goods and services tax receivable	\$ 12,877	\$ 5,724
Interest receivable	139,039	97,646
Prepaid expenses and advances	166,392	122,766
	\$ 318,308	\$ 226,136

#### 5. Marketable Securities

	September 30, 2020	June 30, 2020
Common Shares Silver Sands	\$ 880,138	\$ 655,422

The Company holds 3,745,269 common shares of Silver Sands Resources Corp. (“Silver Sands”) (Note 7i) received as partial consideration on an option agreement. The market price on the date the Silver Sands shares were received was \$0.22 per share and accordingly the shares were recorded at an initial carrying value of \$823,959. As at September 30, 2020, the market price of the shares was \$0.235 per share (\$0.175 June 30, 2020). Accordingly, the Company recorded an unrealized fair value gain of \$224,716 in the condensed consolidated interim statement of loss and comprehensive loss.

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

##### Right of Use Assets

Balance:		Office Lease
At June 30, 2020		311,407
Depreciation:		
At June 30, 2020		52,633
Charge for the period		13,158
At September 30, 2020		65,791
Net Book Value:		
At June 30, 2020		258,774
At September 30, 2020	\$	245,616

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 Interim Financial Statements

For the Three Months Ended September 30, 2020

(Expressed in Canadian Funds, except where indicated)

#### 6. Right of Use of Assets and Lease Liabilities (Cont'd...)

<u>Lease Liabilities</u>	
Lease liabilities recognized as of June 30, 2020	\$ 280,523
Lease payments made	(18,870)
Interest expense on lease liabilities	10,402
	272,055
Less: current portion	(75,480)
At September 30, 2020	\$ 196,575

#### 7. Exploration and Evaluation Assets

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

A reconciliation of capitalized acquisition costs is as follows:

##### Acquisition Costs

	<b>Balance at June 30, 2020</b>	<b>Cost</b>	<b>Write-offs and Recoveries</b>	<b>Balance at September 30, 2020</b>
<b>Chile</b>				
Atlas - Dos Hermanos	\$ 171,777	\$ -	\$ -	\$ 171,777
Zeus	64,398	-	(64,398)	-
<b>Argentina</b>				
Santa Rita and Virginia	1,984,860	-	-	1,984,860
Sascha-Marcelina	102,839	-	-	102,839
Pipeline projects	20,166	-	-	20,166
	\$ 2,344,040	\$ -	\$ (64,398)	\$ 2,279,642

	<b>Balance at June 30, 2018</b>	<b>Cost</b>	<b>Recoveries</b>	<b>Balance at June 30, 2019</b>
<b>Chile</b>				
Atlas - Dos Hermanos	\$ 171,777	\$ -	\$ -	\$ 171,777
Los Amarillos (Enami)	13,260	-	(13,260)	-
Zeus	-	64,398	-	64,398
<b>Argentina</b>				
Santa Rita and Virginia	2,808,819	-	(823,959)	1,984,860
Sascha-Marcelina	33,696	69,143	-	102,839
Pipeline projects	20,166	-	-	20,166
	\$ 3,047,718	\$ 133,541	\$ (837,219)	\$ 2,344,040

## **Mirasol Resources Ltd.**

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

**For the Three Months Ended September 30, 2020**

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

#### **7. Exploration and Evaluation Assets (Cont'd...)**

##### **Chile**

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

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

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

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

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

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

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

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

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

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

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

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

NCM can then earn in stages up to a 75% 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.

## **Mirasol Resources Ltd.**

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

**For the Three Months Ended September 30, 2020**

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

#### **7. Exploration and Evaluation Assets (Cont'd...)**

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

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

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

- Making annual cash payments totaling US\$875,000:
  - On signing of definitive agreement: US\$50,000 (received)
  - 1st anniversary: US\$50,000 (received)
  - 2nd anniversary: US\$75,000
  - 3rd anniversary: US\$100,000
  - 4th anniversary: US\$150,000
  - 5th anniversary: US\$200,000
  - 6th anniversary: US\$250,000
  
- Completing at least 10,000 m of drilling; and
- Delivering a NI 43-101 compliant Prefeasibility Study Report.

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

##### **d) Nord Property**

On September 4, 2020, the Company signed a definitive agreement with Minería Activa ("Minería") for the Company's 100% owned Nord project in northern Chile.

The Company granted to Minería the option to earn-in 100% of the project over four years by:

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

Upon completion of the option, 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 of signing of the definitive agreement for a US\$3 million payment.

##### **e) 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.

## **Mirasol Resources Ltd.**

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

**For the Three Months Ended September 30, 2020**

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

#### **7. Exploration and Evaluation Assets (Cont'd...)**

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

Subsequent to September 30, 2020, the Company made the decision to terminate the option agreement and wrote-off the capitalized costs on the project in the amount of \$64,398.

##### **f) Inca Property**

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

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

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

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

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

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

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

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

##### **g) Rubi Property**

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

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

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

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

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2020

(Expressed in Canadian Funds, except where indicated)

#### 7. Exploration and Evaluation Assets (Cont'd...)

##### Argentina

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

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

During the year ended June 30, 2019, the Company entered into an option agreement to acquire a 100% interest in certain other claims now included in the Sascha-Marcelina Project. The Company can acquire the claims under option by making staged option payments totalling US\$3.4 million over four years.

The Company has a minimum US\$300,000 exploration spending commitment during the three years of the option period. The property owner retains a 1.5% NSR royalty.

Option payments are due as follows:

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

###### *i) Virginia Property*

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

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

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

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

###### *j) 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.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2020

(Expressed in Canadian Funds, except where indicated)

#### 7. Exploration and Evaluation Assets (Cont'd...)

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

As at September 30, 2020, the Company has \$1,333,340 (2019 - \$Nil) of unspent exploration advances.

#### 8. 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,	
	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
	<u>\$ 232,007</u>	<u>\$ 196,667</u>

- 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 years ended June 30, 2020 and 2019.
- iii. The independent directors of the Company are paid \$2,100 per month (2019 - \$2,100 per month) while the Chairman of the Board of Directors receives an additional \$nil per month for serving in this capacity (2019 - \$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:

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

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2020

(Expressed in Canadian Funds, except where indicated)

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

##### b) Transactions with other related parties (Cont'd...)

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

	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.

#### 9. Share Capital

##### a) Authorized Share Capital

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

##### b) Share Issuances

###### Fiscal 2021:

The Company issued 26,665 restricted share units ('RSUs').

###### Fiscal 2020:

The Company issued 115,000 RSUs upon vesting.

##### c) Share Purchase Options

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from the date of grant or such lesser period as determined by the Company's board of directors.

The exercise price of an option is equal to or greater than the closing market price on the TSX Venture Exchange ("TSXV") on the day preceding the date of grant. The vesting terms for each grant are set by the Board of Directors.

The option plan provides that the aggregate number of shares reserved for issuance under the plan shall not exceed 10% of the total number of issued and outstanding shares. At September 30, 2020, a total of 5,417,554 options were reserved under the option plan with 3,805,000 options outstanding.

**Mirasol Resources Ltd.**

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

**For the Three Months Ended September 30, 2020**

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

**9. Share Capital (Cont'd...)**

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

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

	Number of Options	Weighted Average Exercise Price
Options outstanding as at June 30, 2019	3,711,876	\$1.52
Granted	1,460,000	\$0.52
Expired / Forfeited	(746,876)	\$2.40
Options outstanding as at June 30, 2020	4,425,000	\$1.04
Granted	-	\$ -
Expired / Forfeited	(620,000)	\$1.35
Options outstanding as at September 30, 2020	3,805,000	\$0.99
Options exercisable as at September 30, 2020	2,181,667	\$1.28

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

Total share-based payments for options vested recognised for the period ended September 30, 2020 amounted to \$84,822 (June 30, 2019 - \$58,335).

No share purchase options were granted during the three months ended September 30, 2020.

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

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

Expiry Date	Exercise price \$	Options Outstanding	Weighted Average Remaining Life of Options (years)	Options Exercisable
April 29, 2021	0.88	340,000		340,000
April 29, 2021	1.38	40,000		40,000
September 12, 2021	1.80	150,000		150,000
December 19, 2020	1.61	155,000		155,000
December 20, 2020	1.65	310,000		310,000
July 18, 2021	1.76	60,000		60,000
December 14, 2021	1.10	327,500		327,500
January 31, 2022	1.27	150,000		150,000
January 31, 2023	1.27	600,000		400,000
March 14, 2023	1.09	200,000		200,000
April 15, 2022	0.68	12,500		12,500
November 8, 2023	0.52	1,410,000		20,000
April 28, 2023	0.40	50,000		16,667
		3,805,000	1.98	2,181,667

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2020

(Expressed in Canadian Funds, except where indicated)

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

##### d) RSU Plan

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

During the period ended September 30, 2020, the Company granted 26,665 RSU's (2019 – 25,000). The RSUs vest immediately and the Company issued one common share for each RSU granted. During the period ended September 30, 2020, the Company recognized \$10,133 (2019 - \$31,538) as share-based payments. As of September 30, 2020, no RSU's were outstanding (2019 – Nil).

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#### 10. 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, 2020	June 30, 2020
Canada	\$ 271,170	\$ 286,400
Argentina	2,195,078	2,163,531
Chile	225,979	308,031
	<b>\$ 2,692,227</b>	<b>\$ 2,757,962</b>

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#### 11. Commitments

- i. On February 6, 2019, the Company signed a lease for its head office located at 1150 - 355 Burrard Street, Vancouver, British Columbia, effective May 1, 2019 to April 30, 2025. The Company has made a security deposit of \$20,000 (Note 4).

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

Period	Amount
In 1 year	\$76,035
Second year	\$82,140
Third year	\$82,695
Fourth year	\$88,800
Fifth year	\$51,800

#### 12. Subsequent events

On October 19, 2020, the Company announced its intention to make a normal course issuer bid (the "Bid") to purchase for cancellation, from time to time, as it considers advisable, up to 3,900,000 of its issued and outstanding common shares. The Exchange has approved the commencement of the Bid, which 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.