

**MIRASOL RESOURCES LTD.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**September 30, 2021**

**(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, 2021, and June 30, 2021

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

<b>ASSETS</b>	September 30, 2021	June 30, 2021
<b>Current Assets</b>		
Cash and cash equivalents <i>(Note 3)</i>	\$ 9,517,190	\$ 10,023,402
Due from JV partner <i>(Note 7m)</i>	-	46,090
Receivables and advances <i>(Note 4)</i>	197,949	165,755
Marketable securities <i>(Note 5)</i>	982,572	1,179,087
	<u>10,697,711</u>	<u>11,414,334</u>
<b>Non-Current Assets</b>		
Equipment	141,588	148,613
Right of use assets <i>(Note 6)</i>	192,984	206,142
Exploration and evaluation assets <i>(Note 7)</i>	1,706,579	1,706,579
	<u>2,041,151</u>	<u>2,061,334</u>
<b>Total Assets</b>	<b>\$ 12,738,862</b>	<b>\$ 13,475,668</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 439,651	\$ 899,176
Current portion of lease liabilities <i>(Note 6)</i>	82,140	81,030
Advances from JV partner <i>(Note 7m)</i>	367,530	-
	<u>889,321</u>	<u>980,206</u>
<b>Long-Term Liabilities</b>		
Non-current portion of lease liabilities <i>(Note 6)</i>	152,148	163,642
<b>Total Liabilities</b>	<b>\$ 1,041,469</b>	<b>\$ 1,143,848</b>
<b>EQUITY</b>		
Share Capital <i>(Note 9)</i>	\$ 57,452,930	\$ 57,477,459
Reserves	18,057,000	17,828,859
Accumulated Other Comprehensive Loss	(22,516)	(17,633)
Accumulated Deficit	(63,790,021)	(62,956,865)
	<u>11,697,393</u>	<u>12,331,820</u>
<b>Total Liabilities and Equity</b>	<b>\$ 12,738,862</b>	<b>\$ 13,475,668</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)*

	2021	2020
<b>Operating Expenses</b>		
Exploration expenditures <i>(Note 7)</i>	\$ 632,105	\$ 921,767
Option income <i>(Note 7c)</i>	(93,615)	(132,192)
Management fee income <i>(Note 7h)</i>	(14,267)	(9,190)
Business development	44,755	53,545
Marketing and investor communications	19,076	29,618
Management fees <i>(Note 8a i)</i>	76,703	195,950
Office and miscellaneous	63,194	59,767
Professional fees	24,744	58,721
Director fees <i>(Note 8a iii)</i>	19,950	35,620
Travel	3,907	172
Transfer agent and filing fees	1,264	8,747
Share-based payments <i>(Notes 8ii, 9c ii, 9d)</i>	215,952	94,955
Depreciation	24,464	22,375
	<u>(1,018,232)</u>	<u>(1,339,855)</u>
Interest income	176,386	42,891
Interest expense	(9,041)	(10,402)
Foreign exchange gain (loss)	201,905	(255,884)
Unrealized (loss) gain on marketable securities fair value <i>(Note 5)</i>	(196,515)	224,716
Other income (expense)	12,341	(4,285)
	<u>185,076</u>	<u>(2,964)</u>
<b>Loss for the Period</b>	<u>\$ (833,156)</u>	<u>\$ (1,342,819)</u>
<b>Other Comprehensive Loss</b>		
Exchange differences on translation of foreign operations	(4,883)	4,071
<b>Loss and Comprehensive Loss for the Period</b>	<u>\$ (838,039)</u>	<u>\$ (1,338,748)</u>
<b>Loss per Share (Basic and Diluted)</b>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
<b>Weighted Average Number of Shares Outstanding (Basic and Diluted)</b>	<u>53,879,293</u>	<u>54,161,631</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			Accumulated Other Comprehensive		Total
	Number of Common Shares	Common Shares Amount	Reserves	Loss	Deficit	Equity
<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>
<b>Balance – June 30, 2021</b>	<b>53,895,043</b>	<b>57,477,459</b>	<b>17,828,859</b>	<b>(17,633)</b>	<b>(62,956,865)</b>	<b>12,331,820</b>
Treasury shares cancelled <i>(Note 9)</i>	(23,000)	(24,529)	12,189	-	-	(12,340)
Share-based payments <i>(Note 9)</i>	-	-	215,952	-	-	215,952
Foreign currency translation adjustment	-	-	-	(4,883)	-	(4,883)
Loss for the period	-	-	-	-	(833,156)	(833,156)
<b>Balance – September 30, 2021</b>	<b>53,872,043</b>	<b>\$57,452,930</b>	<b>\$18,057,000</b>	<b>\$(22,516)</b>	<b>\$(63,790,021)</b>	<b>\$11,697,393</b>

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)*

	2021	2020
<b>Operating Activities</b>		
Loss for the period	\$ (833,156)	\$ (1,342,819)
Adjustments for:		
Interest income	(176,386)	(42,891)
Interest expense	9,041	10,402
Depreciation	24,464	22,375
Other expense	(12,341)	-
Share-based payments	215,952	94,955
Unrealized loss (gain) on marketable securities fair value	196,515	(224,716)
Unrealized foreign exchange	(178,738)	(250,134)
	<u>(754,649)</u>	<u>(1,732,828)</u>
Changes in non-cash working capital items:		
Receivables and advances	153,923	(558,953)
Accounts payable and accrued liabilities	(459,525)	(79,362)
Advance from joint venture partner	413,620	1,333,440
Cash used in operating activities	<u>(646,631)</u>	<u>(1,037,703)</u>
<b>Investing Activities</b>		
Redemption of short-term investments, net	-	144,989
Purchase of exploration and evaluation assets	-	64,398
Purchase of equipment	(4,282)	(24,371)
Interest received	2,610	509,672
Cash (used in) provided by investing activities	<u>(1,672)</u>	<u>694,688</u>
<b>Financing Activity</b>		
Lease payments	(19,425)	(18,870)
Treasury shares repurchased	(12,340)	-
Cash used in operating activities	<u>(31,765)</u>	<u>(18,870)</u>
<b>Effect of Exchange Rate Change on Cash and Cash Equivalents</b>	<u>173,856</u>	<u>257,538</u>
<b>Change in Cash and Cash Equivalents</b>	(506,212)	(104,347)
Cash and Cash Equivalents - Beginning of the period	<u>10,023,402</u>	<u>8,886,501</u>
<b>Cash and Cash Equivalents - End of the period</b>	<u>\$ 9,517,190</u>	<u>\$ 8,782,154</u>
<b>Cash and Cash Equivalents Consist of:</b>		
Cash	\$ 2,083,740	\$ 2,929,770
Cash equivalents	\$ 7,433,450	\$ 5,852,384
	<u>\$ 9,517,190</u>	<u>\$ 8,782,154</u>

**Supplemental Schedule of Non-Cash Investing and Financing Transactions:**

Cash paid during the period for interest	\$ 9,041	\$ 10,402
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, 2021**

*(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.

#### COVID-19

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.

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, 2021.

The Board of Directors approved the condensed consolidated interim financial statements on November 25<sup>th</sup>, 2021.

##### **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, 2021

(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, 2021.

#### Recent Accounting Pronouncements and Adoptions

*New accounting standards issued but not yet in effect*

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

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

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

This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

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### 3. Short-term Investments

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

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### 4. Receivables and Advances

	September 30, 2021		June 30, 2021
Goods and services tax receivable	\$ 5,823	\$	5,695
Interest receivable	6,878		6,347
Prepaid expenses and advances	185,248		153,713
	\$ 197,949	\$	165,755

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## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2021

(Expressed in Canadian Funds, except where indicated)

#### 5. Marketable Securities

##### Common shares:

Balance June 30, 2020	3,745,269
Additions	2,805,212
Balance June 30, 2021	6,550,481
Additions	-
Balance September 30, 2021	6,550,481

##### Fair value change:

At June 30, 2020	\$ 655,422
Additions	673,251
Fair value change	(149,586)
At June 30, 2021	1,179,087
Additions	-
Fair value change	(196,515)
At September 30, 2021	\$ 982,572

The Company holds 6,550,481 common shares (June 30, 2021 – 6,550,481) of Silver Sands Resources Corp. (“Silver Sands”) (Note 7h) that were received as partial consideration on an option agreement.

As at September 30, 2021, the market price of the shares was \$0.15 per share (June 30, 2021 - \$0.18). Accordingly, the Company recorded an unrealized fair value loss of \$196,515 (2021 – gain of \$224,716) in the condensed consolidated interim financial statements.

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

##### Right of Use Assets

##### Cost:

At June 30, 2020 and 2021	\$ 311,407
Additions	-
At September 30, 2021	\$ 311,407

##### Depreciation:

At June 30, 2020	\$ 52,633
Charge for the year	52,632
At June 30, 2021	105,265
Charge for the year	13,158
At September 30, 2021	\$ 118,423

##### Net Book Value:

At June 30, 2021	\$ 206,142
At September 30, 2021	\$ 192,984

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, 2021

(Expressed in Canadian Funds, except where indicated)

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

##### Lease Liabilities

	September 30, 2021	June 30, 2021
Beginning balance	\$ 244,672	\$ 280,523
Lease payments made	(19,425)	(75,480)
Interest expense	9,041	39,629
	\$ 234,288	\$ 244,672
Less: current portion	(82,140)	(81,030)
Non-current portion	\$ 152,148	\$ 163,642

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

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

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#### 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 conducts generative exploration to identify and acquire new prospects.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2021

(Expressed in Canadian Funds, except where indicated)

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

A reconciliation of capitalized acquisition costs is as follows:

##### Acquisition Costs

	Balance at June 30, 2021	Cost	Write-offs and Recoveries	Balance at September 30, 2021
<b>Chile</b>				
Gorbea belt	\$ 171,777	\$ -	\$ -	\$ 171,777
<b>Argentina</b>				
Santa Rita and Virginia	1,311,609	-	-	1,311,603
Sascha-Marcelina	203,027	-	-	203,027
Pipeline projects	20,166	-	-	20,166
	\$ 1,706,579	\$ -	\$ -	\$ 1,706,579

	Balance at June 30, 2020	Cost	Recoveries	Balance at June 30, 2021
<b>Chile</b>				
Gorbea belt	\$ 171,777	\$ -	\$ -	\$ 171,777
Zeus	64,398	-	(64,398)	-
<b>Argentina</b>				
Santa Rita and Virginia	1,984,860	-	(673,251)	1,311,609
Sascha-Marcelina	102,839	100,188	-	203,027
Pipeline projects	20,166	-	-	20,166
	\$ 2,344,040	\$ 100,188	\$ (737,649)	\$ 1,706,579

#### 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 ("Altazor").

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

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 the 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 51% interest in the Project.

In August 2021, the NCM terminated the option agreement.

##### 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 ("Gorbea").

On January 28, 2019, the Company signed an agreement with NCM, whereby NCM has been granted the option to acquire up to a 75% interest in Gorbea, 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

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2021

(Expressed in Canadian Funds, except where indicated)

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

US\$100,000 option payment (received) in the first 18 months of the option. NCM will be the operator of the exploration program and will receive a 5% management fee.

NCM can earn a 51% interest in Gorbea 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 65% interest in Gorbea by delivering a 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 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.

In December 2020, the Company and NCM agreed to amend the agreement allowing NCM to exercise its option to enter the farm-in phase of the Agreement by making a US\$500,000 payment to Mirasol (received and recorded as option income in the Company's consolidated statements of loss and comprehensive loss). In order to complete the first farm-in phase and vest an initial 51% in Gorbea, NCM is now required to complete at least US\$15 million in exploration expenditures over 4.5 years and drill a minimum of 8,000 m on the Gorbea project. The first 2,000 m of drilling is to be completed before the end of calendar year 2021 and the additional 6,000 m must be completed before the end of calendar year 2022.

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

On September 24, 2019, the Company entered into a definitive agreement with First Quantum Minerals ("FQM") for the Company's 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 (received)
  - 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.

During the period ended September 30, 2021, the Company recorded US\$75,000 (2020 – US\$50,000) as option income in the Company's consolidated statement of loss and comprehensive loss.

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 is 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.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2021

(Expressed in Canadian Funds, except where indicated)

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

##### d) Nord Property option to joint venture:

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 (received)
  - 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 US\$3 million.

##### e) Inca Property option to purchase:

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.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2021

(Expressed in Canadian Funds, except where indicated)

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

##### f) *Rubi Property to joint venture:*

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 the 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 order to exercise the option, MDF must also deliver a positive NI 43-101 compliant Prefeasibility Study on the project.

Mirasol is the operator of the project during the option period.

#### Argentina

##### g) *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 (paid)	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>

##### h) *Virginia Property option to joint venture:*

On May 21, 2020, the Company entered into an option agreement with Silver Sands for the Company's 100% owned Virginia Silver Project in the Santa Cruz Province of Argentina.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2021

(Expressed in Canadian Funds, except where indicated)

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

Under the agreement, Mirasol granted 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 upon completion of the option:
  - On signing of the definitive agreement: 9.9% of the S/O (received) (Note 5)
  - 1<sup>st</sup> anniversary: 5% of the S/O (received) (Note 5)
  - 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, or funding US\$6 million in exploration expenditures:
  - Year 1: US\$1 million (received)
  - Year 2: US\$2 million
  - Year 3: US\$3 million
- Mirasol is the operator of the project during the option period and will receive a management fee. Accordingly, the Company has recognized \$14,267 (2020 - \$9,190) in management fee income during the period ended September 30, 2021.

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.

##### **i) Homenaje**

On April 15, 2021, the Company signed a definitive agreement with Patagonia Gold Corp ("PGC") for the Company's Homenaje project in northern Argentina.

The Company will grant an option to earn 75% of the project over six years once PGC completes:

- An initial work program over 2.5 years of US\$1.15 million in exploration expenditures, of which US\$400,000 must be spent within the first 18 months, including 2,500 m of drilling;
- A NI 43-101 compliant Prefeasibility Study by the end of the option period; and
- Spending a minimum of US\$400,000 annually, or US\$200,000 in any six-month period, thereafter.

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

##### **j) Nico**

On April 15, 2021, the Company signed a definitive agreement with PGC for the Company's Nico Project in northern Argentina.

Under the agreement, Mirasol will transfer its interest in the Nico property to PGC in return for a 1.5% NSR royalty. Mirasol will have the right to regain full ownership of the property at no cost if production on the property has not commenced by the end of year three.

##### **k) Libanesa**

On October 4, 2021, the Company entered into an option agreement with Golden Arrow Resources Corp ("Golden Arrow") for the Company's Libanesa project located in the Santa Cruz Province of Argentina.

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2021

(Expressed in Canadian Funds, except where indicated)

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

Under the terms of the agreement, Mirasol will grant Golden Arrow an option to earn 75% of the Libanesa project over six years by:

- Making annual cash payments totaling US\$1,000,000:
  - US\$100,000 to be paid on the 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> anniversaries
  - US\$250,000 on the 5<sup>th</sup> anniversary; and
  - US\$450,000 on the 6<sup>th</sup> anniversary.
- Incurring, or funding exploration expenditures totalling US\$4.0 million
  - USD \$500,000 per year during the first 2 years; and
  - USD \$750,000 per year for the following 4 years.

In addition, Golden Arrow is required to complete a minimum of 2,000m of drilling by the end of the second year.

Upon completion of the option, Mirasol and Golden Arrow will hold 25% and 75%, respectively, in a participating JV company holding Libanesa. If either party's equity interest is diluted below 10%, it will convert to a 2% net smelter return royalty.

#### *l) Pipeline Properties:*

The Company carries out exploration programs on a number of properties which are prospective for precious and base metals in Chile and Argentina.

#### *m) Advances to/from joint venture partners:*

As at September 30, 2021, the Company has \$367,530 (2020 – (\$46,090)) of unspent exploration advances.

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#### 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,	
	2021	2020
Management compensation (i)	\$ 69,007	\$ 134,291
Share-based payments (ii)	107,860	62,096
Director's fees (iii)	19,950	35,620
	<u>\$ 196,817</u>	<u>\$ 232,007</u>

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2021

(Expressed in Canadian Funds, except where indicated)

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

- i. Management compensation is included in management fees (2021 - \$3,715 2020 - \$62,500) and in exploration expenditures (2021 - \$57,860; 2020 - \$71,791) in the Company's condensed consolidated interim statements of loss and comprehensive loss.
- ii. Share-based payments are included in the share-based payments expense in the Company's condensed consolidated interim statements of loss for the periods ended September 30, 2021 and 2020.
- iii. The independent directors of the Company are paid \$2,100 per month (2020 - \$1,785 per month), while the Chairman of the Board of Directors receives an additional \$nil per month for serving in this capacity (2020 - \$7,100).

#### b) Transactions with other related parties

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

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

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

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

	Three Months Ended September 30,	
	2021	2020
Legal fees	\$ 26,494	\$ 28,446
CFO services	7,500	7,500
	\$ 33,994	\$ 35,946

- i. Legal fees are included in professional fees (2021 - \$9,744; 2020 - \$25,182) and in business development (2021 - \$16,750; 2020 - \$3,264) in the Company's condensed consolidated interim statements of loss and comprehensive loss.
- ii. CFO services are included in management fees in the Company's condensed consolidated interim statements of loss for the periods ended September 30, 2021, and 2020.

Included in accounts payable and accrued liabilities at September 30, 2021, is an amount of \$60,873 (2020 - \$48,668) owing to directors and officers of the Company and to companies where the directors and officers are principals.

## **Mirasol Resources Ltd.**

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

**For the Three Months Ended September 30, 2021**

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

#### **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**

###### **For the period ended September 30, 2021:**

- The Company repurchased 23,000 of its common shares under the NCIB for total consideration of \$12,340 at a weighted average price of \$0.54 per share.
- The Company cancelled and returned to its treasury 23,000 common shares of the Company that were repurchased under the NCIB during the period ended September 30, 2021. Upon the cancellation, \$24,529 was recorded as a reduction to share capital for the assigned value of the shares, and \$12,189 was allocated to reserves.

###### **For the year ended June 30, 2021:**

- On October 19, 2020, the Company announced its intention to make a normal course issuer bid ("NCIB") 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 TSX Venture Exchange has approved the commencement of the NCIB, which commenced on October 22, 2020, and will terminate on October 21, 2021, or such earlier time as the NCIB is completed or at the option of the Company.
- The Company repurchased 280,500 of its common shares under the NCIB for total consideration of \$124,479 at a weighted average price of \$0.44 per share.
- The Company cancelled and returned to its treasury 280,500 common shares of the Company that were repurchased under the NCIB during the year ended June 30, 2021. Upon the cancellation, \$298,910 was recorded as a reduction to share capital for the assigned value of the shares, and \$174,431 was allocated to reserves.
- The Company issued 26,665 restricted share units ("RSUs").

##### **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, 2021, a total of 5,387,204 options were reserved under the option plan with 4,452,500 options outstanding.

**Mirasol Resources Ltd.****Notes to the Condensed Consolidated Interim Financial Statements****For the Three Months Ended September 30, 2021***(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, 2020	4,425,000	\$1.04
Expired / Forfeited	(2,850,000)	\$1.19
Options outstanding as at June 30, 2021	1,575,000	\$0.87
Granted	3,100,000	\$0.34
Expired / Forfeited	(222,500)	\$1.73
Options outstanding as at September 30, 2021	4,452,500	\$0.46
Options exercisable as at September 30, 2021	1,790,834	\$0.60

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

Total share-based payments for options vested recognised for the period ended September 30, 2021 amounted to \$215,952 (September 30, 2020 - \$84,822).

The Company granted 3,100,000 shares purchase options during the period ended September 30, 2021. The weighted-average fair values of stock options granted, and the assumptions used to calculate the related compensation expense for the period ended September 30, 2021, was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

	<b>September 30, 2021</b>
Expected dividend yield	0.0%
Expected share price volatility	98.05%
Risk-free interest rate	0.79%
Expected life of options	4.5 years
Fair value of options granted (per share option)	\$0.34

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

A summary of the Company's options outstanding as at September 30, 2021 is as follows:

Expiry Date	Exercise price \$	Options Outstanding	Weighted Average Remaining Life of Options (years)	Options Exercisable
December 14, 2021	1.10	292,500		292,500
March 14, 2023	1.09	200,000		200,000
November 8, 2023	0.52	810,000		490,000
April 28, 2023	0.40	50,000		33,334
September 14, 2026	0.34	3,100,000		775,000
		4,452,500	3.93	1,790,834

## Mirasol Resources Ltd.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2021

(Expressed in Canadian Funds, except where indicated)

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

##### d) RSU Plan

On May 12, 2021, the shareholders approved an RSU plan (the "RSU Plan"). The RSU plan was also approved by the Board on April 7, 2021 and by the TSXV on May 25, 2021. The RSU Plan provides for the issuance of up to 750,000 restricted share units (the "RSUs"). Under the RSU Plan, RSUs may be granted to directors, officers, employees and consultants of the Company (excluding investor relations consultants) as partial compensation for the services they provide to the Company. The RSU Plan is a fixed number plan, and independent of the number of stock options available under the Company's stock option plan.

During the period ended September 30, 2021, the Company granted nil RSU's (2020 – 26,665). During the period ended September 30, 2021, the Company recognized \$nil (2020 - \$10,133) as share-based payments. As of September 30, 2021, no RSU's were outstanding (2020 – 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, 2021	June 30, 2021
Canada	\$ 210,871	\$ 225,480
Argentina	1,616,440	1,623,059
Chile	213,840	212,795
	<b>\$ 2,041,151</b>	<b>\$ 2,061,334</b>

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#### 11. Commitments

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

#### 12. Subsequent events

Subsequent to September 30, 2021, the Company:

- Purchased and cancelled 22,000 of its common shares.
- Announce its intention to renew its normal course issuer bid (the "Bid"), to purchase for cancellation, from time to time, as it considers advisable, up to 3,500,000 of its issued and outstanding common shares. The Bid will commence on December 15, 2021, and will terminate on December 14, 2022, or such earlier time as the Bid is completed or at the option of the Company.
- Granted a total of 165,000 restricted share units ("RSU") to certain officers and employees of the Company under the short-term incentive structure approved by the board.