MIRASOL RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

December 31, 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 December 31, 2020, and June 30, 2020

(Expressed in Canadian Funds, except where indicated)

ASSETS		December 31, 2020		June 30, 2020
Current Assets				
Cash and cash equivalents *(Note 3)*	$	13,191,975	$	8,886,501
Short-term investments		-		6,707,866
Receivables and advances *(Note 4)*		188,315		226,136
Marketable securities *(Note 5)*		1,142,307		655,422
		14,522,597		16,475,925
Non-Current Assets				
Equipment		156,432		155,148
Right of use assets *(Note 6)*		232,458		258,774
Exploration and evaluation assets *(Note 7)*		2,279,642		2,344,040
		2,668,532		2,757,962
Total Assets	**$**	**17,191,129**	**$**	**19,233,887**

LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities *(Note 8)*	$	658,527	$	524,186
Current portion of lease liabilities *(Note 6)*		75,480		75,480
Advances from JV partner *(Note 7)*		365,238		-
		1,099,245		599,666
Long-Term Liabilities				
Non-current portion of lease liabilities *(Note 6)*		187,784		205,043
Total Liabilities	$	1,287,029	$	804,709

EQUITY				
Share Capital *(Note 9)*	$	57,668,519	$	57,767,690
Reserves		17,657,079		17,690,529
Accumulated Other Comprehensive Loss		(22,110)		(34,760)
Deficit		(59,399,388)		(56,994,281)
		15,904,100		18,429,178
Total Liabilities and Equity	**$**	**17,191,129**	**$**	**19,233,887**

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

On Behalf of the Board:

" Patrick Evans ", Director

" Nick DeMare ", Director

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

Mirasol Resources Ltd.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the Six and Three Months Ended December 31,
(Expressed in Canadian Funds, except where indicated)

	For the Three Months Ended December 31, 2020	For the Three Months Ended December 31, 2019	For the Six Months Ended December 31, 2020	For the Six Months Ended December 31, 2019
Operating Expenses				
Exploration expenditures *(Note 8a i)*	$ 536,307	$ 908,084	$ 1,316,692	$ 1,764,750
Business development	31,446	108,487	84,991	202,883
Management fees *(Note 8a i)*	146,143	162,510	342,093	328,885
Marketing and investor communications	27,226	45,144	56,844	82,452
Office and miscellaneous	52,962	133,533	117,014	251,621
Share-based payments *(Note (8c ii, 9ii)*	(154,483)	108,712	(59,528)	198,585
Professional fees	25,831	71,971	84,552	91,231
Director fees *(Note 8a iii)*	16,065	52,800	51,685	93,000
Travel	-	4,853	172	21,617
Transfer agent and filing fees	7,066	7,823	15,813	9,618
Depreciation	29,147	16,562	51,522	32,536
	(717,710)	(1,620,479)	(2,061,850)	(3,077,178)
Interest income	22,108	160,748	64,999	161,121
Interest expense	(10,079)	(12,033)	(20,481)	(24,383)
Fair value change in marketable securities	262,169	-	486,885	-
Foreign exchange loss	(618,776)	(275,990)	(874,660)	(163,353)
	(344,578)	(127,275)	(162,544)	(26,615)
Net Loss for the Period	$ (1,062,288)	$ (1,747,754)	$ (2,405,107)	$ (3,103,793)
Other Comprehensive Gain				
Exchange differences on translation of foreign operations	4,508	5,894	8,579	2,632
Loss and Comprehensive Loss for the Period	$ (1,057,780)	$ (1,741,860)	(2,396,528)	(3,101,161)
Loss per Share (Basic and Diluted)	$ (0.02)	$ (0.04)	$ (0.04)	$ (0.06)
Weighted Average Number of Shares Outstanding (Basic and Diluted)	54,150,864	54,100,671	54,156,247	54,079,775

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 December 31

(Expressed in Canadian Funds, except where indicated)

		Share Capital						
	Number of Common Shares	Number of Treasury Shares	Common Shares Amount	Treasury Shares Amount	Reserves	Accumulated Other Comprehensive Loss	Deficit	Total Equity
Balance – June 30, 2019	**54,033,878**	**-**	**$57,677,690**	**-**	**$17,354,426**	**$(25,742)**	**$(51,091,802)**	**$23,914,572**
Share-based payments *(Note 9)*	90,000	-	52,200	-	146,385	-	-	198,585
Foreign currency translation adjustment	-	-	-	-	-	(630)	-	(630)
Loss for the period	-	-	-	-	-	-	(3,103,793)	(3,103,793)
Balance – December 31, 2019	**54,123,878**	**-**	**$57,729,890**	**-**	**$17,500,811**	**$(26,372)**	**$(54,195,595)**	**$21,008,734**
Balance – June 30, 2020	**54,148,878**	**-**	**$57,767,690**	**-**	**$17,690,529**	**$(34,760)**	**$(56,994,281)**	**$18,429,178**
Treasure shares repurchased *(Note 9)*	-	(174,500)	-	(73,093)	-	-	-	(73,093)
Treasure shares cancelled *(Note 9)*	(59,500)	59,500	(59,435)	23,224	36,211	-	-	-
Share-based payments *(Note 9)*	26,665	-	10,133	-	(69,661)	-	-	(59,528)
Foreign currency translation adjustment	-	-	-	-	-	12,650	-	12,650
Loss for the period	-	-	-	-	-	-	(2,405,107)	(2,405,107)
Balance – December 31, 2020	**54,116,043**	**115,000**	**$57,718,388**	**$(49,869)**	**$17,657,079**	**$(22,110)**	**$(59,399,388)**	**$15,904,100**

Mirasol Resources Ltd.
Condensed Consolidated Interim Statement of Changes in Cash Flows
For the Six Months Ended December 31
(Expressed in Canadian Funds, except where indicated)

	2020	2019
Operating Activities		
Loss for the period	$ (2,405,107	$ (3,103,793)
Adjustments for:		
Share-based payments	(59,528)	198,585
Interest income	(64,999)	(161,121)
Interest expense	20,481	24,383
Unrealized gain on marketable securities fair value	(486,885)	-
Depreciation	30,461	32,536
Depreciation included in exploration expenses	21,062	27,260
Unrealized foreign exchange	(683,609)	163,353
	(3,628,125)	(2,818,797)
Changes in non-cash working capital items:		
Receivables and advances	(54,696)	19,521
Accounts payable and accrued liabilities	134,341	(152,345)
Advances from joint venture partner	365,238	(775,513)
Cash used in operating activities	(3,183,242)	(3,727,134)
Investing Activities		
Redemption of short-term investments	6,707,866	523,600
Exploration and evaluation assets, net of recovery	64,398	(64,398)
Purchase of equipment	(26,490)	(16,666)
Interest received	157,516	446,998
Cash provided by investing activities	6,903,290	889,934
Financing Activity		
Lease payments	(37,740)	(41,359)
Treasury shares repurchased	(73,093)	-
Cash used in financing activities	(110,833)	(41,359)
Effect of Exchange Rate Change on Cash and Cash Equivalents	696,259	(145,832)
Change in Cash and Cash Equivalents	4,305,474	(3,024,391)
Cash and Cash Equivalents - Beginning of period	8,886,501	4,648,284
Cash and Cash Equivalents - End of period	$ 13,191,975	$ 1,623,893
Cash and Cash Equivalents Consist of:		
Cash	$ 8,063,615	$ 1,623,893
Cash equivalents	$ 5,128,360	$ -
	$ 13,191,975	$ 1,623,893
Supplemental Schedule of Non-Cash Investing and Financing Transactions:		
Recognition of right of use assets and liabilities	$ -	$ 311,407
Cash paid during the period for interest	$ 20,481	$ 24,383
Cash paid during the period for income taxes	$ -	$ -

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 700 – 1199 West Hastings 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 related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible at this time 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, 2020.

The Board of Directors approved the condensed consolidated interim financial statements on February 25, 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.

(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

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.

3. Cash and cash equivalents

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.

4. Receivables and Advances

		December 31, 2020		June 30, 2020
Goods and services tax receivable	$	9,568	$	5,724
Interest receivable		4,194		97,646
Prepaid expenses and advances		174,553		122,766
	$	188,815	$	226,136

(Expressed in Canadian Funds, except where indicated)

5. Marketable Securities

		December 31, 2020		June 30, 2020
Common Shares Silver Sands	$	1,142,307	$	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 December 31, 2020, the market price of the shares was $0.305 per share ($0.175 June 30, 2020). Accordingly, the Company recorded an unrealized fair value gain of $486,885 in the condensed consolidated interim statement of loss and comprehensive loss.

6. Right of Use of Assets and Lease Liabilities

Right of Use Assets

		Office Lease
Balance:		
At June 30, 2020	$	311,407
Depreciation:		
At June 30, 2020		52,633
Charge for the period		26,316
At December 31, 2020		78,949
Net Book Value:		
At June 30, 2020		258,774
At December 31, 2020	$	232,458

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

Lease Liabilities

Lease liabilities recognized as of June 30, 2020	$	280,523
Lease payments made		(37,740)
Interest expense on lease liabilities		20,481
		263,264
Less: current portion		(75,480)
At December 31, 2020	$	187,784

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.

(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, 2020		Cost		Write-offs and Recoveries		Balance at December 31, 2020
Chile								
Atlas - Dos Hermanos	$	171,777	$	-	$	-	$	171,777
Zeus		64,398		-		(64,398)		-
Argentina								
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

		Balance at June 30, 2019		Cost		Recoveries		Balance at June 30, 2020
Chile								
Atlas - Dos Hermanos	$	171,777	$	-	$	-	$	171,777
Los Amarillos (Enami)		13,260		-		(13,260)		-
Zeus		-		64,398		-		64,398
Argentina								
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

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.

The agreement requires 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 a 51% interest in Altazor 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 Altazor 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 total development costs to production.

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

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.

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 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 75% interest in Gorbea 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.

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). 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 2021 and the additional 6,000 m must be completed before the end of 2022.

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.

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

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.

d) Nord Property option to joint venture:

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

The Company granted to Mineria 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, Mineria 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 Mineria 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.

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

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.

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 and will receive a management fee.

g) **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.

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.

During the period ended December 31, 2020, the Company terminated the option agreement and wrote-off $64,398 in capitalized costs on the project.

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.

(Expressed in Canadian Funds, except where indicated)

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

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
Total	US$3,400,000

i) 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.

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)
  - 1st anniversary: 5% of the S/O
  - 2nd anniversary: 5% of the S/O
  - 3rd 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 is 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) Homenaje

On December 11, 2020, the Company signed a Letter of Intent ("LOI") with an arm's length third party for its Homenaje project in northern Argentina. The LOI is subject to legal due diligence and execution of a definitive agreement. Mirasol has granted to the third party an exclusivity period to allow for these processes to be completed.

Mirasol will grant an option to earn 75% of the project over six years once the third party completes:

- An initial work program over 2.5 years of US$1.4 million in exploration expenditures, of which US$400,000 must be spent within the first 18 months, including 2,500 m of drilling; and
- A NI 43-101 compliant Prefeasibility Study by the end of the option period.

Upon completion of the option, Mirasol and the third party 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% net smelter return ("NSR") royalty.

(Expressed in Canadian Funds, except where indicated)

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

k) Nico

On December 11, 2020, the Company signed an LOI with an arm's length third party for its Nico Project in northern Argentina. The LOI is subject to legal due diligence and execution of a definitive agreement. Mirasol has granted to the third party an exclusivity period to allow for these processes to be completed.

Under the LOI, Mirasol will transfer its interest in the Nico property to the third party 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.

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 December 31, 2020, the Company has $365,238 (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:

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2020	2019	2020	2019
Management compensation (i)	55,042	98,866	189,333	201,280
Share-based payments (ii)	(165,804)	68,032	(103,708)	128,385
Director's fees (iii)	16,065	46,500	51,685	93,000
	(94,697)	213,398	137,310	422,665

i. Management compensation is included in management fees (December 31, 2020 ("2020") - $62,500; December 31, 2019 ("2019") - $150,000) and in exploration expenditures (2020 – $126,833; 2019 - $51,280) 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 period ended December 31, 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). As of April 1, 2020, members of the Board agreed to a reduced fee of 15% until further notice.

(Expressed in Canadian Funds, except where indicated)

8. Related Party Transactions (Cont'd…)

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
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:

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2020	2019	2020	2019
Legal fees	$ 18,651	$ 26,431	$ 47,097	$ 61,093
CFO services	7,500	13,500	15,000	27,000
	$ 26,151	$ 39,931	$ 62,097	$ 88,093

Included in accounts payable and accrued liabilities at December 31, 2020, is an amount of $33,376 (2019 - $24,462) 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 Issued and Outstanding

For the period ended December 31, 2020:

- 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 174,500 of its common shares under the NCIB for total consideration of $73,093 at a weighted average price of $0.42 per share.
- The Company cancelled and returned to its treasury 59,500 common shares of the Company that were repurchased under the NCIB during the period ended December 31, 2020. Upon the cancellation, $59,435 was recorded as a reduction to capital stock for the assigned value of the shares, and $36,211 was allocated to reserves.
- The Company issued 26,665 restricted share units ('RSUs").

(Expressed in Canadian Funds, except where indicated)

9. Share Capital (Cont'd…)

For the period ended December 31, 2019:

- The Company issued 90,000 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 December 31, 2020, a total of 5,411,604 options were reserved under the option plan with 2,740,000 options outstanding.

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	$1.29
Granted	-	$ -
Expired / Forfeited	(1,685,000)	$1.20
Options outstanding as at December 31, 2020	2,740,000	$0.95
Options exercisable as at December 31, 2020	2,186,667	$1.04

ii. Fair value of share purchase options granted

Total share-based payments for options vested recognised for the period ended December 31, 2020 amounted to $64,208 (June 30, 2019 - $58,335).

No share purchase options were granted during the six months ended December 31, 2020.

(Expressed in Canadian Funds, except where indicated)

9. Share Capital (Cont'd…)

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

A summary of the Company's options outstanding as at December 31, 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
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
April 15, 2022	0.68	12,500		12,500
November 8, 2023	0.52	1,010,000		20,000
April 28, 2023	0.40	50,000		16,667
		2,740,000	1.83	2,186,667

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 December 31, 2020, the Company granted 26,665 RSU's (2019 – 90,000). The RSUs vest immediately and the Company issued one common share for each RSU granted. During the period ended December 31, 2020, the Company recognized $10,133 (2019 - $52,200) as share-based payments. As of December 31, 2020, no RSU's were outstanding (2019 – Nil).

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:

Total Non-Current Assets	December 31, 2020	June 30, 2020
Canada	$ 255,940	$ 286,400
Argentina	2,191,007	2,163,531
Chile	221,585	308,031
	$ 2,668,532	$ 2,757,962

(Expressed in Canadian Funds, except where indicated)

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	$77,700
Second year	$82,140
Third year	$84,360
Fourth year	$88,800
Fifth year	$29,600

12. Subsequent events

Subsequent to the period ended December 31, 2020, the Company repurchase 41,000 of its common shares under the NCIB and cancelled and returned to its treasury 156,000 common shares.

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 condensed consolidated interim financial statements and related notes for the period ended December 31, 2020.

This MD&A is prepared as of February 25, 2021.

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 impacted and at time delayed some of 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.

Tim Heenan (MAIG), interim President 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 projects. This hybrid strategy was developed to accelerate the drill testing of key projects that host potential discoveries. Mirasol is currently advancing two self-funded projects, with drilling to start shortly at the Inca Gold project in Chile and drilling planned for the second calendar quarter at the Sascha Marcelina project in Argentina. In addition, Mirasol has six active option agreements in Chile and Argentina. Under these option agreements, Mirasol's partners are funding all exploration and land holding costs, which allows the Company 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 combined with follow-up ground 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:

<u>Miocene to Pliocene</u> (Mio-Pliocene, 23-5 Ma): Targeting high-sulfidation epithermal ("HSE") Au-Ag and porphyry Cu-Au-Molybdenum ("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.

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

<u>Paleocene to Early Eocene</u> (Paleocene, 66-53 Ma): Targeting low-intermediate-sulfidation epithermal Au-Ag and porphyry Cu-Au-Mo deposits. Mirasol presently controls approximately 18,000 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 km^2 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 344,000 ha of exploration and mining claims in the province.

The Company continues to monitor 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. In the second half of 2020, the Company restarted its exploration at the Inca Gold project in Chile and completed a drill program at the Virginia project in Argentina. 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 Ag[1]), which has a geological setting analogous to Altazor and is also located in the Mio-Pliocene mineral belt of Chile (news release October 11, 2017).

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 requests that NCM funds 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 infrastructure, being 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 5,200 m; 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 elements, 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 km^2, a 2,030 sample, low detection limit soil grid covering 85.6 km^2 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. This setting has also been recognized 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 successfully 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.

A diamond drilling program, initially planned for the 2019/2020 field season, has been delayed due to the local community's initial opposition to exploration activities, the broader civil unrest in Chile and restrictions implemented in response to the COVID-19 pandemic.

In December 2020, Mirasol was informed by NCM that due to the COVID-19 pandemic, activity will remain suspended at Altazor until at least August 2021 when COVID-19 conditions and local regulations will be reviewed by the parties. Mirasol and NCM are, however, taking this opportunity to proactively work together to advance community engagement, building support for future field activities.

<u>Gorbea Au Project, Northern Chile:</u> (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) target zones, located in the Mio-Pliocene age mineral belt of northern Chile. The project is located approximately 70 km north 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 project was 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).

In December 2020, Mirasol was informed by NCM that due to the COVID-19 pandemic, activity will remain suspended until at least August 2021 when COVID-19 conditions and local regulations will be reviewed by the parties. As a consequence of these developments, NCM was unable to complete its 2,000 m drilling commitment and Mirasol and NCM agreed to amend the agreement, allowing NCM to enter the farm-in phase of the agreement by making a US$500,000 payment to Mirasol. However, NCM reported exploration expenditures of approximately US$9.3 million on the property, thereby exceeding the expenditure requirement over the initial 2-year option period.

To complete the first farm-in phase and vest an initial 51% in the Gorbea project, NCM is required to complete an additional US$15 million in exploration expenditures over 4.5 years and drill a minimum of 8,000 m on the project. The first 2,000 m of drilling, which was previously committed to be completed before the end of the option phase, is now to be completed before the end of 2021 and an additional 6,000 m must be completed before the end of 2022. Mirasol and NCM have agreed to review the COVID situation in Chile in August 2021 and jointly decide how to advance the project during the next field season.

Exploration Results

The Atlas target is centred on a sizable +20 km^2 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 Au[2]) and La Coipa mine (Kinross Gold – Reserves: 0.9 Moz Au and 40.9 Moz Ag / Resources: 1.2 Moz Au and 28.7 Moz Ag[3]), 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)

[2] Barrick Gold Corporation - Annual Information Form for the year ended December 31, 2019
[3] Kinross Gold Corporation - 2020 Annual Mineral Reserve and Resource Statement

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.

NCM is to complete at least 2,000 m of drilling at the Gorbea project in 2021, 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 area displaying a more typical porphyry deposit style of alteration. Geochemical sampling has also defined a large 600 by 800 m Cu-Mo geochemical anomaly in the western area 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 current field season. FQM is working to receive the required permits and approval for this program.

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

On October 31, 2019, Mirasol entered into a memorandum of understanding with Mineria Activa SpA ("Mineria") 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 Mineria. Mineria 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 Mineria.

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, Mineria 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 Mineria 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 hosting polymetallic (Cu, Zn, Pb, Ag, Au) mineralization as seen in the active small-scale mines located near the northeast corner of the claim boundary and at Mineria's Ciclon-Exploradora polymetallic development project, which is located adjacent to the eastern blocks of the project. While surface geochemistry has returned only low to anomalous results, Mineria'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.

<u>Rubi Project, Northern Chile:</u> (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 2,000 m 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 Potrerillos 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 north and northwest of previous drill holes (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 north to northwest 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.

Mirasol, as operator, is working toward securing the required permits and approvals to complete an initial 2,000 m drill program, scheduled for calendar Q2 2021.

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 Corp., “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, constrained[4] 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 was designed to expand the resource by testing both gaps and extensions to the principal veins as previously defined at Naty Extension, Ely Central, Martina and Magi veins, as well as newly identified vein structures at the Margarita, Patricia and Daniela veins. The drill targets were 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 (news release October 29, 2020).

Mirasol's exploration team has also completed more than 65 line-km of Pole Dipole IP survey in key target areas, and opened 2,500 m of mechanically excavated trenches, of which with more than 2,000 m have been mapped and sampled. These programs were designed to better define drill hole locations and to identify other potentially buried targets.

In January and February 2021, Mirasol reported the results from the 2,831 m Phase I exploration program completed in calendar Q4 2020 at the Virginia project. The drill holes completed at Martina, Julia South and Ely Central clearly show the potential for significant new mineralization outside the current resource area. Mirasol and Silver Sands are continuing to drill extensively with the objective of expanding the mineralized footprint and potentially upgrading the resource in late 2021 (news release January 21, 2021 and February 23, 2021). Notable intersects from the Phase I program include:

- Martina: 33.5 m at 198.51 g/t Ag, including 17.7 m at 316 g/t Ag
- Ely Central: 9.25 m at 233.54 g/t Ag, including 4.5 m at 441.71 g/t Ag
- Julia South: 8.50 m at 123.43 g/t Ag, including 3.90 m at 168.34 g/t Ag
- Martina SE: 16.05 m at 63.97 g/t Ag including 0.90 m at 352.32 g/t Ag

A Phase II program for 2,700 m was initiated in late January to expand and follow up on the Phase I program at the Virginia zone. In addition, 3 drill holes are planned at the Santa Rita target in the northern part of the property, where prior exploration by Mirasol defined an open ended 3,500 m long

[4] 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.

by 500 m wide northwest orientated trend containing mapped breccia veins with Ag epithermal mineralization generally less than 10 m wide (news release February 2, 2021).

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 Au, Ag and Cu Paleocene belt of Chile. The project hosts multiple attractive Ag-Au targets that have never been drill tested. The project builds 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 1,000m 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 1,000m drilling commitment.

Upon completion of this option, NEM will have the right to earn back 70% of the project in two stages. In stage 1, NEM will have to make a cash payment of US$3 million to Mirasol and fund $6 million in exploration over three years. In stage 2, NEM will have to deliver 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 incur an additional US$21 million in exploration expenditures over six years. If NEM completes stage 1 but not stage 2, Mirasol will retain 100% of the project and NEM will be granted an additional 0.5% NSR royalty, which may be bought back by Mirasol at fair market value.

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 3,000 m ASL and has good access allowing for year-round exploration. Mirasol's initial exploration at the Sandra prospect has defined five Ag-Au 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 which focused on the Sandra prospect. Mirasol's 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, with three of these targets have been prioritized for testing by an initial 1,500 m drill program (news release November 25, 2020).

The diamond drilling program, planned for Q1 2021, will target three of the most prospective target 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 target zones, 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.

In January 2021, Mirasol reported that following approval of the Company's environmental report, mobilization has commenced for the 1,500 m Phase I diamond drill program at the project. Site preparation is underway for the planned start to drilling in late February 2021.

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 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 Mirasol's 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 km^2) 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 (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 operated by Newmont, which is a high grade Au-Ag, low cost underground mine, 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 Ag[5]).

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 on the Sascha-Marcelina project (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

[5] Newmont Corporation - 2/13/2020 Press Release

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 (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).

The Company has integrated these results, along with those from the recent mapping and sampling campaigns, to define drill targets. A self-funded 2,600 m drill program has been approved for the Sascha-Marcelina project and is scheduled to start in March 2021. This program is designed to complete an initial test of the best targets on the project, principally at the Estancia Trend, Pellegrini Silica cap and Igloo Trend.

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 1,800 m 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 (news release November 5, 2020).

In December 2020, Mirasol announced the signing of two letters of intent (“LOI”) with an arm’s length third party regarding potential transactions in respect of its Homenaje and Nico projects in Santa Cruz province, Argentina. The Homenaje LOI contemplates Mirasol granting an option for the third party to earn a 75% interest in the project over six years by delivering of a positive Prefeasibility Study (as defined by NI 43-101). In addition, an initial US$1,400,000 work program must be completed over the first 2.5 years, including at least 2,500 m of drilling. In respect to Nico, Mirasol is to transfer its 100% interest in the Nico property to the acquiror in return for a 1.5% NSR royalty. If production from the property has not commenced by the end of the 3rd year, Mirasol will have the right to regain full ownership of the property at no cost. The transactions contemplated in both LOIs are subject to due diligence, board approvals and finalization of definitive agreements. Mirasol has granted a 90-day exclusivity period to negotiate and finalize these transactions (news release December 28, 2020).

HIGHLIGHTS FOR THE YEAR JULY 1, 2020 TO FEBRUARY 25, 2021

FINANCIAL CONDITION

Mirasol remains in a strong financial position with cash and cash equivalents of $13,191,975 and working capital of $13,423,352 as of December 31, 2020.

During the six months ended December 31, 2020, the Company incurred total company-wide net cash expenditures of $2,069,856. The financial statements show a total expenditure of $2,061,850 of which non-cash items such as share-based payments and depreciation totalled a recovery of $8,006.

For the period ended December 31, 2020 the total net cash expenditure was distributed between head office corporate spending of $753,164, inclusive of officer's salaries, board fees, business development, corporate administration, investor relations and regulatory compliance; and a total net exploration expenditure of $1,316,692 (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 period ended December 31, 2020, Mirasol invested $971,838 on exploration in Chile and $344,854 in Argentina (table 1).

The Company received $1,385,245 in cost recoveries during the period ended December 31, 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 $77,937 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 "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, 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 has approved the commencement of the NICB, 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. As part of the NCIB, as of December 31, 2020 the Company has repurchased 174,500 of its common shares, and 59,500 common shares were cancelled. Subsequent to the period ended December 31, 2020, the Company has repurchased an additional 41,000 common shares, and cancelled 115,000 common shares.

On December 23, 2020, Mirasol announced that the Company has received multiple unsolicited expressions of interest from third parties seeking to acquire the Company on an at-market zero-premium basis. The Board of Mirasol has given careful consideration to these expressions of interest and has determined that it is in the best interest of shareholders that the Company remain independent and focused on its current business plan.

On December 31, 2020, Max Pinsky was appointed as Corporate Secretary for the Company on the retirement of Gregory Smith.

On January 5, 2021, Tim Heenan was promoted to the position of VP Exploration. Mr. Heenan is one of the original founders of Mirasol, was a director for more than thirteen years and has worked exclusively for Mirasol since its inception in 2003. He was directly involved in several discoveries, including the famous Cerro Negro Mining District in the Province of Santa Cruz, Argentina, and several other high-profile projects throughout the region.

On February 3, 2021, Tim Heenan was appointed to the position of Interim-President pending the appointment of a fulltime President and CEO, with Patrick Evans serving as Executive Chair during this period.

RESULTS OF OPERATIONS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2019 AND 2020

The Company's net loss for the six months ended December 31, 2020 ("2020") was $2,405,107 or $0.04 per share compared to a net loss of $3,103,793 or $0.06 per share for the six months ended December 31, 2019 ("2019"), a decrease of $698,686.

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 $2,061,850 and $3,077,178 for the six months ended December 31, 2020 and 2019, respectively.

The Company recorded interest income of $64,999 from its investments during the period ended December 31, 2020, as compared to $161,121 during the same period of last fiscal year. The Company also recorded an unrealized gain on its marketable securities of $486,885 as compared to $nil during the same period of last fiscal year.

The Company recorded a loss of $874,660 on foreign exchange from conversion of funds during the period ended December 31, 2020 as compared to a loss of $163,353 during the same period of last fiscal year.

Share-based payments decreased to a recovered amount of $59,528 in 2020 from an expense of $198,585 in 2019. The recovery is due to the reversal of previously recognized share-based payments from options that were cancelled during the period. Depreciation expense increased to $51,522 in 2020 from $32,536 in 2019. Both are non-cash items.

Other notable variances include a decrease in exploration expenditures to $1,316,692 in 2020 as compared to $1,764,750 in 2019 (table 1); a decrease in business development, marketing and investor communications expenses to $141,835 in 2020 from $285,335 in 2019; a decrease of management and directors fees to $393,778 in 2020 as compared to $421,885 in 2019; a decrease in office administration, filing fees, and travel expenses to $132,999 in 2020 compared to $282,856 in 2019; and a decrease in professional fees to $84,552 in 2020 compared to $91,231 in 2019 from various consultants.

Please refer to the Company's condensed consolidated interim financial statements for a breakdown of the Company's general and administration expenses for the six months ended December 31, 2020 and 2019.

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 six months ended December 31, 2020 and 2019.*

Table 1 - Exploration summary	**Total Chile**		**Total Argentina**		**Total Mirasol**	
Six months December 31,	**2020**	2019	**2020**	2019	**2020**	2019
Exploration costs	743,661	1,203,644	1,442,154	281,417	2,185,815	1,485,061
Exploration costs recovery	(31,556)	(608,252)	(1,353,689) (1)	-	(1,385,245)	(608,252)
Option income	(132,192)	(64,321)	-	-	(132,192)	(64,321)
Management fees	(1,517)	(35,934)	(76,420)	-	(77,937)	(35,934)
Corporate Operation	393,442	519,142	332,809	469,054	726,251	988,196
Net Exploration expenses	**971,838**	**1,014,279**	**344,854**	**750,471**	**1,316,692**	**1,764,750**

(1) During the period ended December 31, 2020, the Company received USD$750,000 from Silver Sands as part of the option agreement. Funds were received in Canada and transferred to the Company's subsidiary in Argentina. Once the funds were received in Argentina, the Company used a mechanism whereby the US funds are used to buy and then sell government bonds denominated in pesos. The buy and sell of the bond creates an implied exchange rate, which diverges significantly above Argentina's official fixed exchange rate. Accordingly, a recovery of $1,353,689 has been recorded under Virginia project in Argentina, (note #1 in the breakdown by projects for Argentina's exploration and evaluation expenses table).

FOR THE THREE MONTHS ENDED DECEMBER 31, 2019 AND 2020

The Company's net loss for the three months ended December 31, 2020 ("2020") was $1,062,288 or $0.02 per share compared to a net loss of $1,747,754 or $0.04 per share for the three months ended December 31, 2019 ("2019"), a decrease of $685,466.

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 $717,710 and $1,620,479 for the three months ended December 31, 2020 and 2019, respectively.

The Company recorded interest income of $22,108 from its investments during the period ended December 31, 2020, as compared to $160,748 during the same period of last fiscal year. The Company also recorded an unrealized gain on its marketable securities of $262,169 as compared to $nil during the same period of last fiscal year. The Company recorded a loss of $618,776 on foreign exchange from conversion of funds during the period ended December 31, 2020 as compared to a loss of $275,990 during the same period of last fiscal year.

Share-based payments decreased to a recovered amount of $154,483 in 2020 from an expense of $108,712 in 2019. The recovery is due to the reversal of previously recognized share-based payments from options that were cancelled during the period. Depreciation expense increased to $29,147 in 2020 from $16,562 in 2019. Both are non-cash items.

Other notable variances include a decrease in exploration expenditures to $536,307 in 2020 as compared to $908,084 in 2019 (table 2); a decrease in business development, marketing and investor communications expenses to $58,672 in 2020 from $153,631 in 2019; an decrease of management and directors fees to $162,208 in 2020 as compared to $215,310 in 2019; a decrease in office administration, filing fees, and travel expenses to $60,028 in 2020 compared to $146,209 in 2019; and an decrease in professional fees to $25,831 in 2020 compared to $71,971 in 2019 from various consultants.

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 December 31, 2020 and 2019.

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 three months ended December 31, 2020 and 2019.*

Table 2 - Exploration summary	**Total Chile**		**Total Argentina**		**Total Mirasol**	
Three months December 31,	**2020**	2019	**2020**	2019	**2020**	2019
Exploration costs	280,350	354,272	1,294,122	173,248	1,574,472	527,520
Exploration costs recovery	(31,556)	(98,698)	(1,261,794)	-	(1,293,350)	(98,698)
Option income	-	(64,321)	-	-	-	(64,321)
Management fees	(1,517)	2,800	(67,230)	-	(68,747)	2,800
Corporate Operation	198,571	300,325	125,361	240,457	323,932	540,783
Net Exploration expenses	**445,848**	**494,378**	**90,459**	**413,705**	**536,307**	**908,084**

A breakdown by country and group of projects of the Company's exploration and evaluation expenses for the three and six months ended December 31, 2020 and 2019:

	For the Six Months Ended December 31, 2020	2019	For the Three Months Ended December 31, 2020	2019
CHILE				
Altazor				
Camp and general	2,910	1,062	2,910	-
Contractors and consultants	7,003	2,875	6,952	928
Mining rights and fees	69,278	8,283	25,527	2,916
Travel & accommodation	2,451	-	2,451	-
	81,642	12,220	37,840	3,844
Gorbea Package				
Camp and general	-	56	-	56
Contractors and consultants	5,981	44,307	2,442	28,674
Mining rights and fees	9,479	22,031	3,316	8,630
Exploration costs recovered	-	(47,086)	-	(47,086)
Travel & accommodation	-	389	-	307
Resource Studies	-	6,797	-	-
	15,460	26,494	5,758	(9,419)
Coronation				
Camp and general	-	279	-	279
Contractors and consultants	4,166	6,170	2,035	6,170
Option income	(66,422)	(64,321)	(652)	(64,321)
Mining rights and fees	247	328	247	328
Professional fees	-	8,167	-	8,167
Travel & accommodation	-	711	-	711
	(62,009)	(48,666)	1,630	(48,666)
Indra_Agni				
Assays and sampling	-	96,801	-	(5,076)
Camp and general	-	27,164	-	599
Contractors and consultants	-	122,178	-	(58,298)
Drilling	-	251,290	-	-
Environmental	-	16,220	-	-
Exploration costs recovered	-	(561,165)	-	(51,611)
Mining rights and fees	-	4,617	-	2,632
Resource Studies	-	5,166	-	-
Travel & accommodation	-	30,283	-	211
	-	(7,446)	-	(111,543)
Los Amarillos (Enami)				
Assays and sampling	-	23,536	-	10,198
Camp and general	-	8,182	-	5,070
Contractors and consultants	-	47,594	-	24,773
Environmental	-	5,367	-	5,367
Resource Studies	-	18	-	18
Travel & accommodation	-	13,818	-	7,602
	-	98,515	-	53,028
Rubi				
Camp and general	8,249	-	8,249	-
Contractors and consultants	20,221	-	16,928	-
Exploration costs recovered	(31,556)	-	(31,556)	-
Environmental	28,949	-	28,949	-
Mining rights and fees	63	-	15	-
Professional fees	215	-	-	-
Travel & accommodation	5,936	-	5,936	-
	32,077	-	28,521	-
Nord				
Contractors and consultants	22,292	1,008	2,214	1,008
Mining rights and fees	13,133	934	5,030	934
Option income	(65,770)	-	652	-
	(30,345)	1,942	7,896	1,942
Total - Properties joint ventured to other	**36,825**	**83,059**	**81,645**	**(110,814)**

CHILE (Cont'd…)	For the Six Months Ended December 31, 2020	2019	For the Three Months Ended December 31, 2020	2019
Chile Pipeline Projects				
Assays and sampling	-	22,086	-	13,708
Camp and general	-	23,351	-	18,670
Contractors and consultants	4,949	137,439	4,102	91,704
Mining rights and fees	1,665	37,847	229	16,262
Professional fees	-	-	-	(8,167)
Travel & accommodation	-	23,394	-	16,110
	6,614	244,117	4,331	148,287
Los Amarillos (Brahma)				
Assays and sampling	-	11,532	-	7,811
Camp and general	-	8,615	-	5,439
Contractors and consultants	5,073	83,366	473	48,201
Environmental	-	26,205	-	26,205
Geophysics	-	1,994	-	23
Mining rights and fees	10,118	34,305	2,621	34,283
Professional fees	-	-	-	-
Travel & accommodation	-	11,970	-	7,294
	15,191	177,987	3,094	129,256
Zeus				
Camp and general	-	755	-	755
Contractors and consultants	2,681	16,891	2,681	16,785
Mining rights and fees	16,632	131	12,001	89
Professional fees	1,612	-	-	-
Travel & accommodation	-	370	-	370
	20,925	18,147	14,682	17,999
Total - 100% owned properties	**42,730**	**440,251**	**22,107**	**295,542**
Inca				
Assays and sampling	29,275	-	7,073	-
Camp and general	60,173	-	2,056	-
Contractors and consultants	222,854	-	81,652	-
Environmental	6,785	-	4,950	-
Mining rights and fees	15,414	-	9,669	-
Resource studies	2,517	-	2,517	-
Travel & accommodation	41,974	-	(2,365)	-
	378,992	-	105,552	-
Ladera - Joint Venture				
Camp and general	61	-	61	-
Contractors and consultants	6,438	2,976	6,438	2,976
Join Venture Payments	64,398	-	-	-
Mining rights and fees	3,530	4,339	1,735	4,064
Travel & accommodation	-	446	-	143
	74,427	7,761	8,234	7,183
Total - Earn-in joint venture on third party	**453,419**	**7,761**	**113,786**	**7,183**
Project Generation	46,939	-	31,256	(657)
Management Fee Income	(1,517)	(35,934)	(1,517)	2,800
Corporate Operation & Management - Chile	393,442	519,142	198,571	300,325
Total Chile	**971,838**	**1,014,279**	**445,848**	**494,379**

	For the Six Months Ended December 31, 2020	2019	For the Three Months Ended December 31, 2020	2019
ARGENTINA				
Virginia - Joint Venture				
Assays and sampling	152,258	-	152,258	-
Camp and general	375,026	12,300	345,941	7,453
Contractors and consultants	209,979	1,135	155,166	609
Drilling	564,177	-	556,102	-
Exploration costs recovered (1)	(1,353,689)	-	(1,261,794)	-
Geophysics	11,344	-	11,344	-
Mining rights and fees	14,143	6,143	12,883	5,168
Travel & accommodation	16,967	-	15,815	-
	(9,795)	19,578	(12,285)	13,230
Total - Properties joint ventured to other	**(9,795)**	**19,578**	**(12,285)**	**13,230**
Argentina Pipeline Projects				
Camp and general	-	(12)	-	158
Contractors and consultants	3,730	22,834	3,730	8,392
Environmental	365	1,207	365	1,195
Mining rights and fees	6,726	17,899	3,293	7,594
Travel & accommodation	-	46	-	-
	10,821	41,974	7,388	17,339
Claudia				
Assays and sampling	-	79	-	79
Camp and general	3,375	1,274	-	652
Contractors and consultants	286	5,324	94	3,119
Environmental	-	3,014	-	3,014
Geophysics	-	1,933	-	-
Mining rights and fees	49,884	58,131	24,818	32,096
Travel & accommodation	-	64	-	64
	53,545	69,819	24,912	39,024
La Curva				
Assays and sampling	-	124	-	124
Camp and general	-	209	-	209
Contractors and consultants	27	3,291	27	1,640
Mining rights and fees	10,032	10,537	4,699	5,472
Travel & accommodation	-	55	-	55
	10,059	14,216	4,726	7,500
Sasha				
Contractors and consultants	1,002	5,875	-	5,065
Geophysics	-	12,982	-	12,982
Mining rights and fees	889	2,877	426	2,560
	1,891	21,734	426	20,607
Total - 100% owned properties	**76,316**	**147,743**	**37,452**	**84,470**
Marcelina - Joint Venture				
Assays and sampling	-	3,458	-	3,458
Camp and general	-	38,684	-	29,443
Contractors and consultants	13,599	64,765	6,130	39,661
Drilling preparation	6,730	-	-	-
Environmental	437		437	-
Mining rights and fees	1,178	1,686	594	629
Travel & accommodation	-	5,503	-	2,357
	21,944	114,096	7,162	75,548
Total - Earn-in joint venture on third party	**21,944**	**114,096**	**7,162**	**75,548**
Project Generation	-	-	-	-
Management Fee Income	(76,420)	-	(67,230)	-
Corporate Operation & Management -	332,809	469,054	125,360	240,457
Total Argentina	**344,854**	**750,471**	**90,459**	**413,705**
Total Exploration and Evaluation Costs	**1,316,692**	**1,764,750**	**536,307**	**908,084**

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 $
2nd Quarter 2021	Nil	(1,062,288)	(0.02)	(0.02)
1st Quarter 2021	Nil	(1,342,819)	(0.02)	(0.02)
4th Quarter 2020	Nil	(2,360,152)	(0.04)	(0.04)
3rd Quarter 2020	Nil	(438,534)	(0.01)	(0.01)
2nd Quarter 2020	Nil	(1,747,754)	(0.04)	(0.04)
1st Quarter 2020	Nil	(1,356,039)	(0.03)	(0.03)
4th Quarter 2019	Nil	(1,975,115)	(0.04)	(0.04)
3rd Quarter 2019	Nil	(3,440,524)	(0.07)	(0.07)

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 $5,128,360 compared to $16,312,339 in the prior year. The Company received interest income of $64,999 during the period ended December 31, 2020, compared to $161,121 from the period ended December 31, 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 commonly 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 $13.4 million on December 31, 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:

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2020	2019	2020	2019
Management compensation (i)	55,042	98,866	189,333	201,280
Share-based payments (ii)	(165,804)	68,032	(103,708)	128,385
Director's fees (iii)	16,065	46,500	51,685	93,000
	(94,697)	213,398	137,310	422,665

i. Management compensation is included in management fees (December 31, 2020 ("2020") - $62,500; December 31, 2019 ("2019") - $150,000) and in exploration expenditures (2020 – $126,833; 2019 - $51,280) 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 period ended December 31, 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). As of April 1, 2020, members of the Board agreed to a reduced fee of 15% until further notice.

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
Max Pinsky Personal Law Corporation	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:

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2020	2019	2020	2019
Legal fees	$ 18,651	$ 26,431	$ 47,097	$ 61,093
CFO services	7,500	13,500	15,000	27,000
	$ 26,151	$ 39,931	$ 62,097	$ 88,093

Included in accounts payable and accrued liabilities at December 31, 2020, is an amount of $33,376 (2019 - $24,462) 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

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.

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 December 31, 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 53,960,043 issued and outstanding common shares. In addition, the Company has 2,740,000 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 six months ended December 31, 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.