



marimaca
C O P P E R C O R P.

Marimaca Copper Corp.
(formerly Coro Mining Corp.)

Condensed Interim Consolidated Financial Statements
Three and Six Months Ended June 30, 2020 and 2019
(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Condensed Interim Consolidated Statements of Financial Position

As at June 30, 2020 and December 31, 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

	June 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 2,077	\$ 9,865
Amounts receivable and prepaid expenses (note 5)	239	582
Inventories	-	186
	2,316	10,633
Non-current assets		
Amounts receivable (note 5)	-	2,126
Property, plant and equipment (note 6)	11,281	16,344
Exploration and evaluation assets (note 7)	41,651	28,957
Total assets	\$ 55,248	\$ 58,060
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 1,708	\$ 1,786
Current portion of restoration provision (note 10)	967	960
Current portion of other debt (note 9)	7,011	18,474
	9,686	21,220
Non-current liabilities		
Non-current portion of other debt (note 9)	2,505	-
Restoration provision (note 10)	3,936	5,314
Total liabilities	16,127	26,534
Shareholders' equity		
Common shares (note 11)	142,678	142,678
Contributed surplus	8,394	8,173
Accumulated other comprehensive income ("AOCI")	843	928
Deficit	(112,794)	(120,253)
Total equity	\$ 39,121	\$ 31,526
Total liabilities and equity	\$ 55,248	\$ 58,060

Nature of operations and going concern (note 1)

Commitments and option payments (note 17)

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

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Condensed Interim Consolidated Statements of Loss (Income) and Comprehensive Loss (Income)

For the three and six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Expenses				
Exploration expenditures (note 13)	\$ 453	\$ 1,071	\$ 1,095	\$ 2,632
Care and maintenance costs	314	1,079	1,150	2,523
Depreciation and amortization	43	37	85	73
Legal and filing fees	34	58	111	98
Other corporate costs	195	176	335	295
Salaries and management fees	216	262	329	469
Share-based payments expense	171	222	225	368
Operating loss	1,426	2,905	3,330	6,458
Finance expense	1,027	1,190	1,869	1,835
Foreign exchange loss (gain)	(254)	(84)	109	(450)
Gain on asset disposal (note 4)	(12,688)	-	(12,688)	-
Other expense (gain)	52	-	(79)	-
Net (Income) Loss for the period	\$ (10,437)	\$ 4,011	\$ (7,459)	\$ 7,843
Items that may be reclassified subsequently to net income:				
Foreign currency translation adjustment	92	1	85	3
Comprehensive loss (income) for the period	\$ (10,345)	\$ 4,012	\$ (7,374)	\$ 7,846
Basic and diluted loss (income) per share *	\$ (0.16)	\$ 0.07	\$ (0.12)	\$ 0.13
Weighted average shares outstanding (000's) basic *	64,358	58,250	64,358	58,233
Weighted average shares outstanding (000's) diluted *	64,516	58,804	64,549	58,650

*share amounts are presented on a post consolidation basis (note 11)

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

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Condensed Interim Consolidated Statements of Shareholders' Equity

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

	Attributable to owners of the parent					
	Shares		Contributed			
	Number of shares #000's	Amount	Surplus	AOCI	Deficit	Total
Balance at December 31, 2018	58,216	\$ 129,838	\$ 7,935	\$ 934	\$ (105,710)	\$ 32,997
Options exercised (note 12)	130	114	(40)	-	-	74
Share-based payments (note 12)	-	-	368	-	-	368
Comprehensive loss	-	-	-	(3)	(7,843)	(7,846)
Balance at June 30, 2019	58,346	\$ 129,952	\$ 8,263	\$ 931	\$ (113,553)	\$ 25,593
Balance at December 31, 2019	64,358	\$ 142,678	\$ 8,173	\$ 928	\$ (120,253)	\$ 31,526
Share-based payments (note 12)	-	-	221	-	-	221
Net income on asset disposal	-	-	-	-	12,688	12,688
Comprehensive loss	-	-	-	(85)	(5,229)	(5,314)
Balance at June 30, 2020	64,358	\$ 142,678	\$ 8,394	\$ 843	\$ (112,794)	\$ 39,121

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

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Condensed Interim Consolidated Statements of Cash Flows

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

	Six months ended June 30, 2020	Six months ended June 30, 2019
Cash flows from operating activities		
Net income (loss) for the period	\$ 7,459	\$ (7,843)
Items not affecting cash		
Depreciation and amortization	85	73
Reversal of VAT receivable write down (note 5)	(79)	-
Interest and arrangement fees	1,626	1,823
Share-based payment expense	225	368
Accretion on debt	289	92
Gain on asset disposal	(12,688)	-
Accretion on retirement obligation	56	74
	(3,027)	(5,413)
Change in non-cash operating working capital		
Decrease (increase) in receivables and prepaid	115	(401)
Decrease in inventory	28	32
Decrease in accounts payable and accruals	(174)	(49)
	\$ (3,058)	\$ (5,831)
Cash flows from financing activities		
Issuance of common shares (note 11)	-	74
Repayment of loans (note 9)	-	(6,000)
Other debt (note 9)	4,000	2,000
	\$ 4,000	\$ (3,926)
Cash flows from investing activities		
Cash paid on asset disposal	(63)	-
Proceeds from sale of Berta Mine	-	7,650
Property, plant and equipment (note 6)	(2)	(185)
Lease payments	(44)	-
Exploration and evaluation assets- 1-23 claims (note 3)	(6,000)	-
Exploration and evaluation assets- other (note 7)	(2,432)	(6,874)
Payments to acquire non-controlling interest (note 9)	(100)	(502)
	\$ (8,641)	\$ 89
Effect of exchange rate changes on cash	(89)	(1)
Increase (decrease) in cash and cash equivalents	(7,788)	(9,669)
Cash and cash equivalents: beginning of the period	9,865	14,496
Cash and cash equivalents: end of the period	\$ 2,077	\$ 4,827

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

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

1 Nature of operations and going concern

On May 27, 2020, Coro Mining Corp. changed its name to Marimaca Copper Corp. and commenced trading on the Toronto Stock Exchange under the new symbol “MARI”. The name change confirms the Company’s commitment to focus on the development of its flagship Marimaca Copper Project (the “Marimaca Project”).

Marimaca Copper Corp, formerly known as Coro Mining Corp. (the “Company” or “Marimaca Copper”) and its subsidiaries are engaged in the exploration and development of base metal projects in Chile. The Company was incorporated on September 22, 2004 and commenced activities in 2005. The Company’s registered office is Suite 2610, Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, Canada.

The Company’s principal asset is the Marimaca Project, located in the Antofagasta Region of northern Chile. The Marimaca Project comprises a set of claims (the “1-23 Claims”), properties 100% owned and optioned by the Company combined with the adjacent La Atómica and Atahualpa claims over which Marimaca Copper has the right to explore and exploit resources and where the most intensive exploration activities have been focused, this larger area is referred to as “Marimaca”. The Company released the results from a Preliminary Economic Assessment (“PEA”) on Marimaca on August 4, 2020 (See Note 18).

Going concern

These unaudited condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business. For the six months ended June 30, 2020, the Company reported a net income of \$7.5 million (June 30, 2019 – net loss of \$7.8 million) and cash outflows from operating activities of \$3.1 million (June 30, 2019 - \$5.8 million). As at June 30, 2020, the Company had a working capital deficit of \$7.4 million (December 31, 2019 – \$10.6 million) and an accumulated deficit of \$112.8 million (December 31, 2019 - \$120.3 million). The Company’s mineral property assets are not expected to generate any cash from operations for at least the next twelve months. Accordingly, the Company’s financial condition gives rise to a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

On March 5, 2020, the Company entered into a credit agreement (the “Marimaca WC Facility”) with Greenstone Resources II L.P. (“GSII”) and Tembo Capital Mining Fund II (“Tembo II”), both shareholders of the Company, for a twelve-month \$6.0 million non-revolving unsecured loan to cover working capital and general operating costs (See Note 9). As at June 30, 2020, the Company has drawn \$4.0 million under the Marimaca WC Facility and has accrued interest of \$0.2 million. The loan has a maturity date of March 25, 2021.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the foreseeable future, which is at least, but not limited, to twelve months from the end of the reporting period. The Company's ability to continue operations, fund its exploration expenditures on the Marimaca Project and meet its obligations as they fall due is dependent on several factors, including but not limited to its ability to secure additional financing. The Company continuously assesses the effects of COVID-19 in its current and future plans and makes changes according to the latest financial and health authorities’ news. There can be no assurance that the Company will be successful in raising additional financing.

These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore realize its assets and settle its liabilities and commitments in the normal course of business and at amounts different from those in the accompanying unaudited condensed interim financial statements. These adjustments could be material.

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

2 Significant estimates and accounting policies

a). Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements do not contain all the required annual disclosures and should be read in conjunction with the annual consolidated financial statements of the Company as at and for the year ended December 31, 2019. All amounts are expressed in US dollars (\$), unless otherwise noted. Reference to C\$ are to Canadian dollars.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 12, 2020.

b). Estimates, judgements and assumptions

COVID-19 estimation uncertainty

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. Since March 2020, the COVID-19 pandemic has had a material impact on the global economy, the scale and duration of which remain uncertain. To date, there has been significant volatility in commodity prices and foreign exchange rates, restrictions on the conduct of business in many jurisdictions, including travel restrictions, and supply chain disruptions. Depending on the duration and extent of the impact of COVID-19, this could materially impact the Company’s results of operations, cash flows and financial position and could result in changes to estimates used to determine mineral resources and estimates used to determine the recoverable amounts of long-lived assets. Changes related to these could be material.

c). Consolidation

These unaudited consolidated interim financial statements include the financial statements of Marimaca Copper Corp. (the parent) incorporated under the laws of Canada and of the following entities as of June 30, 2020.

	Relationship	Country of incorporation	Interest %
Minera Cielo Azul Ltda	Subsidiary	Chile	100%
Minera Rayrock Ltda	Subsidiary	Chile	100%
Inversiones Cielo Azul Ltda.	Subsidiary	Chile	100%
Compañia Minera Newco Marimaca	Subsidiary	Chile	100%
Rising Star Copper Ltd.	Associate	UK	25%

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All intercompany transactions, balances, income and expenses have been eliminated on consolidation.

d). Significant accounting policies

Investment in associate

An associate is an entity, over which the Company has the ability to exercise significant influence. The Company has significant influence over an entity when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control. Investment in associates is calculated using the equity method in which the Company’s investment in common shares of an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company’s share of net income and losses of the associate.

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

The Company's share of income and losses of the associate is recognized in net income during the period. Dividends and repayment of capital received from an associate are accounted for as a reduction in the carrying amount of the Company's investment. Intercompany balances and interest expense and income arising on loans and borrowings between the Company and its associates are not eliminated in the consolidated financial statements.

At the end of each reporting period, the Company assesses whether there's evidence that an investment in an associate is impaired demonstrating a measurable decrease in the estimated future cash flows of the investee's operations. An investment is impaired if the recoverable amount of an investment is less than its carrying amount, at which point the carrying amount is reduced to its recoverable amount and an impairment loss is recognized in the period.

The Company's proportionate share of the associate's profit or loss is based on its most recent financial statements. If the Company's share of the associate's losses equals or exceeds the investment in the associate, recognition of further losses is discontinued. After the interest is reduced to zero, additional losses will be provided for and a liability recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, we resume recognizing our share of those profits only after our share of the profits equals the share of losses not recognized.

As of June 30, 2020, the Company recognized its investment in RSC at cost and will recognize its share of the associate net income or loss using the equity method of accounting (See Note 4).

3 Marimaca (1-23 Claims) acquisition

On February 14, 2020, the Company executed the definitive agreement to acquire the remaining 49% interest in the 1-23 Claims, resulting in a 100% ownership. Under the terms of the definitive agreement, the Company agreed to pay \$12.0 million in cash, payable in three instalments as follows: (i) \$6.0 million upon signing of the definitive agreement (paid); (ii) \$3.0 million on the 20-month anniversary; and (iii) \$3.0 million on the second anniversary. The fair value of the \$6.0 million in remaining payments was estimated to be \$5.1 million using an annual discount rate of 12% for two years.

The sellers retain a 1.5% net smelter return royalty ("NSR") over the 1-23 Claims, with the Company retaining an option to buy-back 1% of the NSR for \$4.0 million at any time up to 24 months following the commencement of commercial production of the 1-23 Claims and retains a right of first refusal over the NSR.

As at June 30, 2020, the carrying value of the 1-23 Claims (Marimaca project) is \$20.0 million (December 31, 2019 - \$8.1 million) and it is included in the exploration and evaluation assets on the statement of financial position (See Note 7).

4 RSC conversion

On June 30, 2020, the Company received a conversion notice from GS II to convert the Company's total outstanding principal of \$12.0 million under the Convertible Facility Agreement into a 75% ownership interest in the Company's previously wholly-owned subsidiary, Rising Star Copper Corp ("RSC"), leaving the Company with a 25% interest in RSC.

On June 30, 2020, the Company signed a Joint Venture and Shareholder Agreement ("JV Agreement") among GSII and RSC outlining the details of the conversion and whereby the Company agreed to manage the operations of RSC. Management concluded that, as of June 30, 2020, the Company lost control of its subsidiary RSC and as of the same date, it has deconsolidated RSC's assets and liabilities from the Company's consolidated financial statements. The loss of control constitutes a disposition which resulted in a gain on the sale of the 75% interest.

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

Gain on asset disposal is as follows:

Fair value of consideration received as loan conversion	12,000
Total value on investment	12,000
Minus:	
Net assets / (liabilities) deconsolidated	(688)
Gain on debt conversion	12,688

In calculating the fair value of the 25% retained interest in RSC as at June 30, 2020, the Company determined that the value of RSC's net assets is lower than the total investment by the Company in RSC, therefore the Company has deemed a value of \$nil to the investment in associates.

The total deconsolidated net assets and liabilities of RSC is as follows:

Assets	
Current assets	3,479
Fixed assets	4,980
Other assets	906
Total assets	9,365
Liabilities	
Current liabilities	8,626
Other liabilities	1,427
Total liabilities	10,053
Net asset (liabilities) deconsolidated	(688)

5 Amounts receivable and prepaid expenses

	June 30, 2020	December 31, 2019
Prepaid expenses and other receivables	239	2,400
Environmental bond	-	308
Total amounts receivable and prepaid expenses	239	2,708
Non-current portion	-	(2,126)
Current portion	239	582

As of June 30, 2020, the Company deconsolidated \$2.4 million in accounts receivable related to RSC, mainly VAT receivable for \$2.0 million (December 31, 2019 - \$2.1 million) and an environmental bond on the Nora Plant of \$0.3 million (December 31, 2019 - \$0.3 million).

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

6 Property, plant and equipment

	Nora plant	Ivan plant	Other	Total
Cost				
December 31, 2019	4,626	11,217	853	16,696
Disposals	(4,626)	(26)	(473)	(5,125)
Additions	-	-	(3)	(3)
June 30, 2020	-	11,191	377	11,568
Accumulated depreciation				
December 31, 2019	-	-	(352)	(352)
Depreciation	-	-	(85)	(85)
Disposals	-	-	150	150
June 30, 2020	-	-	(287)	(287)
Net book value				
December 31, 2019	4,626	11,217	501	16,344
June 30, 2020	-	11,191	90	11,281

Nora plant

As at June 30, 2020, the Company deconsolidated the value of the Nora Plant (\$4.6 million) due to the loss of control in RSC.

Ivan plant

The Ivan plant was purchased in June 2017 and currently the plant is kept on care and maintenance. For the six months ended June 30, 2020, the Company expensed a total of \$0.8 million (Six month ended June 30, 2019 - \$0.7 million) in care maintenance cost and the plant has a carrying value of \$11.2 million as of June 30, 2020 (December 31, 2019 - \$11.2 million).

7 Exploration and evaluation assets

	Marimaca Properties						Others	Total
	MC	MD	LA	ATA	O&C	LI&M	El Jote	
Balance- January 1, 2019	7,047	389	4,176	7,692	218	-	646	20,168
Exploration and evaluation costs	1,074	-	1,858	4,487	-	-	-	7,419
Property acquisition costs	-	-	500	400	300	55	115	1,370
Balance at December 31, 2019	8,121	389	6,534	12,579	518	55	761	28,957
Exploration and evaluation costs	771	41	21	134	(1)	-	-	966
Property acquisition costs	11,096	-	500	200	700	-	117	12,613
Disposal	(7)	-	-	-	-	-	(878)	(885)
Balance at June 30, 2020	19,981	430	7,055	12,913	1,217	55	-	41,651

a) Marimaca property, Chile

1-23 Claims ("MC")

In September 2019, the Company entered into an agreement to acquire the remaining 49% interest in the 1-23 Claims (the "Transaction"). On February 14, 2020, the Company acquired the remaining interest for a total cash consideration of \$12.0 million. Subsequently in May 2020, the company modified the payment terms as follows: (i) \$6.0 million upon signing of the definitive agreement (paid); (ii) \$3.0 million on the 20-month anniversary of the definitive agreement; and (iii) \$3.0 million on the second anniversary of the definitive agreement. In addition, the Company will grant a 1.5% NSR on all the claims to the seller and will transfer certain non-core mineral claims. The Company will retain an option to buy-back 1% of

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

the NSR for \$4.0 million at any time up to 24 months following the commencement of commercial production from the 1-23 Claims and retains a right of first refusal over the NSR. The Company made the initial \$6.0 million payment and recorded the future payments of at a discounted value of \$5.1 million under other debt in the statement of financial position. (See Note 3 and Note 9).

La Atomica claims ("LA")

Under the terms of the August 2017 La Atomica Letter of Intent ("LOI") (Option Agreement signed October 2017), the Company may acquire 100% of the La Atomica property by paying a total of \$6.0 million as follows: \$0.6 million (paid); \$1.0 million on the 24-month anniversary date; and \$4.4 million on the 36-month anniversary date. A 1.5% NSR is payable on the claims, with the Company retaining an option to purchase 0.5% out of the 1.5% NSR for \$2 million at any time.

On November 14, 2019, the Company modified the La Atomica Option Agreement to split into two tranches the \$1.0 million payment due on the 24-month anniversary payable as follows: (i) \$0.5 million upon signing of the new agreement (paid); (ii) \$0.5 million on the 4-month anniversary date of the modified option agreement (paid).

In May 2020, the Company modified the Option Agreement to split into three tranches the \$4.4 million payment due on the 24-month anniversary payable as follows: (i) \$1.0 on the 24-month anniversary of the original agreement; (ii) \$1.1 million on the 41-month anniversary, and (iii) \$2.6 million on the 47-month anniversary.

Atahualpa claims ("ATA") - Formerly known as Sierra Miranda claims

Under the terms of a January 2018 LOI, the Company acquired 100% of the claims of Atahualpa, Tarso, Sierra and Sorpresa immediately adjoining its Marimaca property for a total cash consideration of \$6.0 million (paid). A 2% NSR is payable on the claims under the original option agreement.

On February 1, 2019, the Company entered into an option agreement to purchase the outstanding 2% NSR for \$2.2 million. The amount is payable in four tranches over 36 months as follows: \$0.2 million upon closing (paid); \$0.2 million on the 12-month anniversary of closing (paid); \$0.2 million on the 24-month anniversary of closing; and \$1.6 million on the 36-month anniversary of closing.

Olimpo y Cedro claims ("O&C") - Formerly known as Naguayan claims

Under the terms of a January 2018 option agreement, the Company may acquire 100% of the Olimpo y Cedro properties for a total cash consideration of \$6.5 million: \$0.2 million upon signing (paid in 2018); \$0.3 million on the 12-month anniversary date (paid in January 2019); \$0.7 million on the 24-month anniversary date; \$1.75 million on the 36 month anniversary date; and \$3.55 million on the 48-month anniversary date. A 1.5% NSR is payable, with the Company retaining an option to purchase 0.5% of the 1.5% NSR for \$2 million within the first 12 months following the start of commercial production on the property. As these claims are not adjacent to the known mineralization, only acquisition costs are capitalized.

On November 28, 2019, the Company modified the option agreement to split in two tranches the \$0.7 million payment due on the 24-month anniversary payable as follows: (i) \$0.4 million on January 3, 2020 (paid); (ii) \$0.3 million on April 13, 2020 (paid). The second payment of \$0.3 million included an interest charge of \$0.05 million, representing 0.03% interest rate per day from the date of the new agreement to April 13, 2020.

In May 2020, the Company modified the Option Agreement to split into three tranches the \$1.75 million payment due on the 36-month anniversary payable as follows: (i) \$0.5 on the 36-month anniversary of the original agreement; (ii) \$0.2 million on the 38-month anniversary; (iii) \$1.1 million on the 44-month anniversary.

Llanos and Mercedes ("Ll&M")

Under the terms of a May 2019 option agreement, the Company may acquire the Llanos and Mercedes properties for a total consideration of \$2.0 million payable as follows: \$0.05 million upon signing (paid in May 2019); \$0.05 million on the 12-month anniversary (amended); \$0.1 million on the 24-month anniversary; \$0.125 million on the 30-month anniversary; \$0.125 million on the 36-month anniversary; \$0.15 million on the 42-month anniversary, and \$1.4 million on the 48-month anniversary. In addition, the Llanos and Mercedes claims are subject to a 1% NSR with a buyback option for the NSR of \$0.5 million exercisable up to 24 months from the start of commercial production. As these claims are not located adjacent to the known mineralization, only acquisition costs are capitalized.

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

On April 17, 2020 The Company amended the original option agreement to extend the payment due on the 12-month anniversary of the agreement to 16-month anniversary. The other terms and provisions included in the original agreement will remain unchanged.

b) Other properties, Chile

El Jote (Deconsolidated)

As of June 30, 2020, the Company deconsolidated \$0.9 million in deferred exploration expenses previously capitalized for El Jote project due to the Company's loss of control in RSC.

8 Accounts payable and accrued liabilities

	June 30, 2020	December 31, 2019
Accounts payable	872	1,073
Accrued liabilities	836	713
	1,708	1,786

9 Other debt

	June 30, 2020	December 31, 2019
Shareholder's loans (a)	4,186	17,996
Marimaca acquisition debt (b)	5,304	-
ProPipe instalment (c)	-	478
Lease	26	-
Total other debt	9,516	18,474
Current portion	(7,011)	(18,474)
Non-current portion	2,505	-

a) Shareholder's loans

Marimaca Copper WC Facility

On March 5, 2020, the Company signed a working capital facility with GSII and Tembo II for a twelve-month \$6.0 million loan to cover working capital and general operating costs. The Marimaca WC Facility has a fixed annual interest rate of 12% compounded quarterly and a 3% arrangement fee on the aggregate of the principal amounts drawn under this Marimaca WC Facility which are payable at maturity. The maturity date is March 25, 2021. The Marimaca WC Facility is a non-revolving-unsecured loan.

As of June 30, 2020, the Company owed \$4.0 million in principal, \$0.1 million in accrued interest and \$0.1 million in arrangement fees.

As a result of the de-consolidation of RSC (See Note 4), shareholder's loans totaling \$19.5 million were de-consolidated from the Company's statement of financial position as at June 30, 2020. The \$19.5 million was comprised of \$12.0 million from the conversion, \$2.0 million associated with a working capital loan and accrued interest on the convertible and working capital loans.

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

b) Marimaca acquisition debt

On February 14, 2020, the Company acquired the remaining 49% interest into 1-23 Claims for a total cash payment of \$12.0 million (See Note 3). The sellers agreed to transfer their 49% interest in the 1-23 Claims on the execution date of the definitive agreement. The Company paid the initial \$6.0 million upon execution of the definitive agreement and recorded the fair value of the remaining two instalments as a loan.

The fair value of the future instalments was estimated to be \$5.1 million using an annual discount rate of 12% for two years. As at June 30, 2020, included under current portion of other debt is \$2.8 million in principal and accumulated interest related to the second instalment and \$2.5 million in principal and interest is included under non-current portion of other debt. The book value of the loan is \$5.3 million.

c) ProPipe instalment (deconsolidated)

This amount relates to the buyout of the non-controlling interest of SCM Berta in 2018. As at June 30, 2020, the amortized loan balance of \$0.4 million including interest of \$0.1 million and was deconsolidated from the Company's consolidated financial statements.

10 Restoration provision

	June 30, 2020			December 31, 2019
	Nora	Ivan	Total	Total
Balance, beginning of the period	1,415	4,859	6,274	6,742
Accretion expense	12	44	56	148
Reclamation revaluation	-	-	-	549
Disposal	(1,427)	-	(1,427)	(1,165)
Less current portion	-	(967)	(967)	(960)
Balance, end of the period	-	3,936	3,936	5,314

In calculating the present value of the restoration provisions as at June 30, 2020, management used risk-free rates between 1.6%-1.95% and inflation rates of 2.02%-2.12%. The undiscounted cash flows, before inflation adjustments, estimated to settle the restoration provisions are approximately equal to the discounted cash flows. No changes to the retirement plans were identified to reflect the impact of the COVID-19 pandemic, but the Company will continue to closely monitor future inflation rates and other variables which may result in adjustments to the carrying value of the restoration provisions. (See Note 2).

Nora (deconsolidated)

As at June 30, 2020, total reclamation costs of \$1.4 million related to the Nora Plant was deconsolidated from the Company's consolidated financial statements as a result of the Company no longer controlling RSC.

Ivan

As at June 30, 2020, Ivan's undiscounted restoration provision totalled \$4.9 million which consists of costs associated with reclamation and closure activities for the Ivan plant and mine site. These activities include costs for disposition of chemical materials, earthworks, and the dismantling and demolition of structures.

11 Common shares

Share consolidation

On May 27, 2020, the Company completed a share consolidation of its share capital on the basis of twenty-five (25) pre-consolidation shares for one (1) post-consolidation share (the "Consolidation"). All references to the number of shares, options and per share amounts presented have been retroactively restated to reflect the Consolidation (post-consolidation basis).

Authorized

The Company has an unlimited number of authorized common shares without par value.

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

Issued

As of June 30, 2020, the Company had 64,357,847 common shares issued and outstanding (December 31, 2019: 64,357,847 common shares).

12 Stock option

The Company has a stock option plan that permits the granting of stock options to directors, officers, key employees and consultants. Terms and pricing of options are determined in accordance with the plan. A total of 10% of the issued and outstanding common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	June 30, 2020		December 31, 2019	
	Number of options	Weighted average exercise price C\$	Number of options	Weighted average exercise price C\$
Outstanding - Opening	1,615,750	2.09	2,054,616	2.24
Granted	440,000	1.25	448,000	1.70
Exercised	-	-	(307,759)	0.88
Expired	(44,279)	1.79	(504,551)	3.14
Forfeited	-	-	(74,556)	1.73
Outstanding - Ending	2,011,471	1.91	1,615,750	2.09

At June 30, 2020, the following stock options were outstanding:

Number of options outstanding	Number of options vested and exercisable	Exercise price C\$	Weighted Average Remaining Life in Years
247,074	247,074	0.78	0.63
440,000	146,666	1.25	4.81
360,000	240,000	1.50	3.45
228,869	149,111	1.73	2.28
52,016	17,339	1.93	3.44
260,078	260,078	2.13	1.95
80,000	26,667	2.50	3.76
5,333	5,333	2.75	0.75
338,101	135,241	3.85	1.12
2,011,471	1,227,509	1.91	2.69

On April 21, 2020, the Company granted a total of 440,000 (2019 - 448,000) stock options to certain directors and a consultant with an average exercise price of C\$1.25 (2019 - C\$1.7) for a period of 5 years. The fair value of the options was \$0.4 million (2019 - \$0.5 million). The options will vest in three tranches, being 1/3 on the date of grant and 1/3 on the first and second anniversaries of the date of grant.

Stock options are valued using the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

During the six months ended June 30, 2020, total share-based compensation expense was \$0.2 million (Six month ended June 30, 2019 - \$0.4 million). For the three months ended June 30, 2020, total share-based compensation expense was \$0.2 (Three month ended June 30, 2019 - \$0.2 million).

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

	June 30, 2020	December 31, 2019
Risk-free interest rate	1%	1.5%
Expected life	5 years	5 years
Expected volatility	99%	109% to 111%
Expected dividend yield	0%	0%

13 Exploration expenditures

	Three months ended June 30, 2020		
	Marimaca District	General	Total
Drilling & trenching costs	139	81	220
General & administration costs	37	225	262
Property investigations	-	(29)	(29)
Total	176	277	453

	Three months ended June 30, 2019		
	Marimaca District	General	Total
Drilling & trenching costs	1,767	(987)	780
General & administration costs	344	(33)	311
Property investigations	-	(20)	(20)
Total	2,111	(1,040)	1,071

	Six months ended June 30, 2020		
	Marimaca District	General	Total
Drilling & trenching costs	326	238	564
General & administration costs	111	471	582
Property investigations	-	(51)	(51)
Total	437	658	1,095

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

	Six months ended June 30, 2019		
	Marimaca District	General	Total
Drilling & trenching costs	1,769	-	1,769
General & administration costs	447	449	896
Property investigations	-	(33)	(33)
Total	2,216	416	2,632

a) Marimaca District, Chile

The Marimaca District is a large exploration area of interest, located 25 kms east of the port of Mejillones in the II Region of Chile. Exploration activities in the Marimaca District include property exploration expenditures, costs associated with the Marimaca project and other wholly-owned projects that are not adjacent to the Marimaca project but may potentially be added to mineral reserves in the future. As the Company continues to conduct exploration activities on adjacent properties to the Marimaca project, which may include drilling, the overall potential of the Marimaca District continues to be evaluated.

For the six months ended June 30, 2020, certain exploration related expenses were capitalized and included under exploration and evaluation assets (See Note 7) with district exploration expenses being expensed and included in exploration expenditures in the statement of loss and comprehensive loss.

b) General, Chile

General exploration expenses on other properties outside the Marimaca District includes projects like Ivan and the total comprises mainly for the following: (i) \$0.2 million in drilling costs are related to the Ivan property; and (ii) \$0.5 million related to the allocation of project administration costs like office salaries and general expenses.

14 Related party transactions

Key management personnel

The Company considers directors and officers of the Company to be key management personnel. Compensation was as follows:

	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Paid to related parties				
Short-term employee benefits	253	353	453	674
Share-based payments	112	243	159	398
Total	365	596	612	1,072

On June 30, 2020 GSII converted \$12.0 million in outstanding principal into a 75% interest in RSC. (See Note 4).

On March 5, 2020, the Company signed a twelve-month loan agreement for \$6.0 million with two of its major shareholders and drew down \$4.0 million (See Note 9). As at June 30, 2020, included in current portion of other debt, was an amount of \$4.2 million due to shareholders that includes principal, interest and arrangement fees (June 30, 2019- \$16.6 million).

As at June 30, 2020, included in accounts payable and accrued liabilities is an amount of \$0.1 million (June 30, 2019 - \$nil) related to directors' fees.

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

15 Segmented information

The Company's reportable segments include its Marimaca Project and its corporate operations. The Company's segments are summarized in the following table:

	Chile			Canada	Total
	Marimaca	Rayrock	RSC *	Corporate	
June 30, 2020					
Current assets	2,065	197	-	54	2,316
Non-current assets	49,085	3,562	-	285	52,932
Total assets	51,150	3,759	-	339	55,248
Current liabilities	4,101	1,018	-	4,477	9,596
Total liabilities	6,696	4,954	-	4,476	16,126
Net loss (gain)	(9,487)	662	-	1,366	(7,459)

	Chile			Canada	Total
	Marimaca	Rayrock	RSC	Corporate	
December 31, 2019					
Current assets	9,090	26	1,451	66	10,633
Non-current assets	36,880	3,562	6,700	285	47,427
Total assets	45,970	3,588	8,151	351	58,060
Current liabilities	399	1,037	19,384	400	21,220
Total liabilities	398	4,937	20,799	400	26,534
Net loss (gain)	4,541	1,381	6,867	1,754	14,543

*As at June 30, 2020, the Company deconsolidated the assets and liabilities of its RSC reportable segment (See note 4).

16 Financial instruments

Financial instruments include cash and any contracts that give rise to a financial asset to one party and a financial liability or equity instrument to another party. As at June 30, 2020, the Company's carrying values of cash and cash equivalents, amounts receivable, accounts payable, accrued liabilities approximate their fair values due to their short term to maturity (See Note 2).

Credit risk

Credit risk is a risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligations as agreed. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies.

Currency risk

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency rates in the market. The Company's financial instruments are exposed to currency risk where

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

those instruments are denominated in currencies that are not the same as the functional currency of the entity that holds them; foreign exchange gains and losses in these situations impact earnings.

The Company's significant subsidiaries are located in Chile and although their functional and reporting currency is the US dollar, they are subject to currency risk because they maintain cash, amounts receivable and prepaid and accounts payables and accrued liabilities in Chilean pesos (See Note 2). The parent company is in Canada and its functional currency is the Canadian dollar and also maintains cash and accounts payables and accrued liabilities in US dollars and Great Britain pounds ("GBP").

(000's)	Equivalence		Canadian	Equivalence		Chilean	Equivalence	
	Canadian	in US\$		\$	in GBP\$		\$	in US\$
June 30, 2020								
Cash	4	3	-	-	204,993		251	
Amounts receivable and prepaids	-	-	-	-	46,688		57	
Accounts payable and accrued liabilities	(33)	(24)	(43)	(24)	(345,346)		(423)	
Other debt	(5,705)	(4,186)	-	-	-		-	
Total	(5,734)	(4,207)	(43)	(24)	(93,665)		(115)	

(000's)	Equivalence		Canadian	Equivalence		Chilean	Equivalence	
	Canadian	in US\$		\$	in GBP\$		\$	in US\$
December 31, 2019								
Cash	4	3	-	-	472,028		630	
VAT receivable	-	-	-	-	1,618,556		2,162	
Amounts receivable and prepaids	-	-	-	-	399,572		534	
Accounts payable and accrued liabilities	(16)	(12)	-	-	(969,628)		(1,295)	
Total	(12)	(9)	-	-	1,520,528		2,031	

Based on the net exposures as of June 30, 2020, and assuming that all other variables remain constant, a change of 10% on the Canadian dollar, British pounds and Chilean peso against the US dollar would result in a change in the Company's net loss of approximately \$0.4 million (December 31, 2019 - \$0.2 million). The Company manages and monitors the currency risk on a regular basis by keeping certain accounts to minimum when the currency has a devaluation effect or vice versa.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of our financial instruments will fluctuate because of changes in market interest rates. Cash and cash equivalents and loans are the only financial instruments the Company hold that are impacted by interest. The Marimaca WC Facility loan contains a fixed interest rate and therefore is not exposed to fluctuations in interest rates and the Company doesn't carry large amounts of cash in other currencies other than US dollars.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is reliant upon equity issuances and loans as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its short-term ongoing obligations and reviews its actual expenditures and forecast cash flows on a regular basis and matches the maturity dates of its cash equivalents to capital and operating needs. The Company liquidity risk has increased due to the ongoing COVID-19 pandemic (See Notes 1 and 2b).

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
June 30, 2020					
Accounts payable and accrued liabilities	1,708	-	-	-	1,708
Working facility loan including interest and fees	4,186	-	-	-	4,186
Marimaca acquisition loan including interest	2,799	2,505	-	-	5,304
Reclamation provision	967	-	-	3,936	4,903
Leases	26	-	-	-	26
Total	9,686	2,505	-	3,936	16,127

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
December 31, 2019					
Accounts payable and accrued liabilities	1,786	-	-	-	1,786
SCMB facility including interest	14,982	-	-	-	14,982
Working capital loan including interest and fees	3,014	-	-	-	3,014
Propipe instalment	478	-	-	-	478
Reclamation provision	960	-	-	5,314	6,274
Total	21,220	-	-	5,314	26,534

17 Commitments and option payments

The following table sets out the total commitments and option payments of the Company as of June 30, 2020.

	2020	2021	2023-2024	Total
Property option payments (note 8)				
La Atomica	1,000	3,704	-	4,704
Atahualpa	200	200	1,600	2,000
Olimpo y Cedro	-	1,846	3,550	5,396
Llanos y Mercedes	-	225	1,675	1,900
Total	1,200	5,975	6,825	14,000