Marimaca Copper Corp.
(formerly Coro Mining Corp.)

Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 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 September 30, 2020 and December 31, 2019

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

	September 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	$ 2,784	$ 9,865
Amounts receivable and prepaid expenses (note 4)	368	582
Inventories	-	186
	3,152	10,633
Non-current assets		
Amounts receivable (note 4)	-	2,126
Property, plant and equipment (note 5)	11,226	16,344
Exploration and evaluation assets (note 6)	42,433	28,957
Total assets	**$ 56,811**	**$ 58,060**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	$ 2,157	$ 1,786
Current portion of restoration provision (note 9)	-	960
Current portion of other debt (note 8)	9,258	18,474
	11,415	21,220
Non-current liabilities		
Non-current portion of other debt (note 8)	2,581	-
Restoration provision (note 9)	4,927	5,314
Total liabilities	**18,923**	**26,534**
Shareholders' equity		
Common shares (note 10)	142,678	142,678
Contributed surplus	9,723	8,173
Accumulated other comprehensive income ("AOCI")	831	928
Deficit	(115,344)	(120,253)
Total equity	**$ 37,888**	**$ 31,526**
Total liabilities and equity	**$ 56,811**	**$ 58,060**

Nature of operations and going concern (note 1)

Commitments and option payments (note 16)

Marimaca Copper Corp. (formerly Coro Mining Corp.)

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

For the three and nine months ended September 30, 2020 and 2019

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

	Three months ended		Nine months ended	
	Sept 30, 2020	**Sept 30, 2019**	**Sept 30, 2020**	**Sept 30, 2019**
Expenses				
Exploration expenditures (note 12)	$ 166	$ 1,160	$ 1,261	$ 3,792
Care and maintenance costs	207	789	1,357	3,312
Depreciation and amortization	54	35	139	108
Legal and filing fees	52	57	163	155
Other corporate costs	266	146	601	441
Salaries and management fees	149	180	478	649
Share-based payments expense	1,382	146	1,607	514
Operating loss	**2,276**	**2,513**	**5,606**	**8,971**
Finance expense	343	686	2,212	2,521
Foreign exchange loss (gain)	(69)	62	40	(388)
Gain on asset disposal (note 3)	-	-	(12,688)	-
Other expense (gain)	-	-	(79)	-
Net Loss (Income) for the period	**$ 2,550**	**$ 3,261**	**$ (4,910)**	**$ 11,104**
Items that may be reclassified subsequently to net income:				
Foreign currency translation adjustment	12	(1)	97	2
Comprehensive loss (income) for the period	**$ 2,562**	**$ 3,260**	**$ (4,813)**	**$ 11,106**
Basic and diluted loss (income) per share *	$ 0.04	$ 0.06	$ (0.08)	$ 0.19
Weighted average shares outstanding (000's) basic *	64,358	59,018	64,358	59,018
Weighted average shares outstanding (000's) diluted *	64,698	58,867	64,698	58,867

***share amounts are presented on a post consolidation basis (note 10)**

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Condensed Interim Consolidated Statements of Shareholders’ Equity

For the nine months ended September 30, 2020 and 2019

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

	Attributable to owners of the parent					
	Shares					
	Number of shares #000's	Amount	Contributed Surplus	AOCI	Deficit	Total
Balance at December 31, 2018	58,216	$ 129,838	$ 7,935	$ 934	$ (105,710)	$ 32,997
Private placement (note 10)	5,835	$ 12,522				$ 12,522
Options exercised (note 11)	282	$ 283	$ (95)	-	-	$ 188
Share-based payments (note 11)	-	-	$ 514	-	-	$ 514
Comprehensive loss	-	-	-	$ (2)	$ (11,104)	$(11,106)
Balance at Sept 30, 2019	**64,333**	**$ 142,643**	**$ 8,354**	**$ 932**	**$ (116,814)**	**$ 35,115**
Balance at December 31, 2019	64,358	$ 142,678	$ 8,173	$ 928	$ (120,253)	$ 31,526
Share-based payments (note 11)	-	-	$ 1,550	-	-	$ 1,550
Comprehensive income (loss)	-	-	-	$ (97)	$ 4,910	$ 4,813
Balance at Sept 30, 2020	**64,358**	**$ 142,678**	**$ 9,723**	**$ 831**	**$ (115,344)**	**$ 37,888**

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 nine months ended September 30, 2020 and 2019

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

		Nine months ended Sept 30, 2020		Nine months ended Sept 30, 2019
Cash flows from operating activities				
Net income (loss) for the period	$	4,910	$	(11,104)
Items not affecting cash				
Depreciation and amortization		140		108
Reversal of VAT receivable write down		(79)		-
Interest and arrangement fees		1,810		2,482
Share-based payment expense		1,607		514
Accretion on debt		447		134
Gain on asset disposal		(12,688)		-
Accretion on retirement obligation		81		111
		(3,772)		**(7,755)**
Change in non-cash operating working capital				
Decrease (increase) in receivables and prepaid		(14)		(517)
Decrease in inventory		28		32
Decrease in accounts payable and accruals		275		(173)
	$	**(3,483)**	**$**	**(8,413)**
Cash flows from financing activities				
Issuance of common shares (note 10)		-		12,807
Share issuance costs (note 10)		-		(96)
Repayment of loans (note 8)		-		(6,000)
Other debt (note 8)		6,000		2,000
	$	**6,000**	**$**	**8,711**
Cash flows from investing activities				
Cash paid on asset disposal		(63)		-
Proceeds from sale of Berta Mine		-		7,650
Property, plant and equipment (note 5)		(2)		(184)
Lease payments		(64)		-
Exploration and evaluation assets- 1-23 claims (note 6)		(6,000)		-
Exploration and evaluation assets- other (note 6)		(3,214)		(8,891)
Payments to acquire non-controlling interest (note 8)		(100)		(502)
	$	**(9,443)**	**$**	**(1,927)**
Effect of exchange rate changes on cash		(155)		(2)
Increase (decrease) in cash and cash equivalents		(7,081)		(1,631)
Cash and cash equivalents: beginning of the period		9,865		14,496
Cash and cash equivalents: end of the period	**$**	**2,784**	**$**	**12,865**

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

1 Nature of operations and going concern

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.

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").

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.

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 nine months ended September 30, 2020, the Company reported net income of $4.9 million (September 30, 2019 – net loss of $11.1 million) and cash outflows from operating activities of $3.5 million (September 30, 2019 - $8.4 million). As at September 30, 2020, the Company had a working capital deficit of $8.3 million (December 31, 2019 – $10.6 million) and an accumulated deficit of $115.3 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.

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. There can be no assurance that the Company will be successful in raising additional financing. The Company also is continuously assessing the effects of COVID-19 in its current and future plans and making changes according to the latest financial and health authorities' recommendations.

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.

2 Significant estimates and accounting policies

a). Statement of compliance

These unaudited condensed interim consolidated 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 November 13, 2020.

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

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 condensed interim consolidated financial statements include the financial information of Marimaca Copper Corp. and of the following entities as at September 30, 2020.

	Relationship	Coutry of incorporation	Interest %
Minera Cielo Azul Ltda	Subsidiary	Chile	100%
Minera Rayrock Ltda	Subsidiary	Chile	100%
Inversiones Cielo Azul Ltda.	Subsidiary	Chile	100%
Compañía 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.

The Company's share of income and losses of an 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 unaudited condensed interim 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.

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

As of September 30, 2020, the Company recognized its investment in Rising Star Copper Corp. ("RSC") at cost and will recognize its share of the associate net income or loss using the equity method of accounting (See Note 3).

3 RSC conversion

On June 30, 2020, the Company received a conversion notice from Greenstone Resources II LP ("GSII") 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 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.

Gain on asset disposal is as follows:

Consideration received as loan conversion	**12,000**
Minus:	
Net Assets / (Liabilities) deconsolidated	**(688)**
Gain on asset disposal	**12,688**

In calculating the carrying value of the 25% retained interest in RSC upon the conversion and as at September 30, 2020, the Company determined that RSC had negative net assets and therefore the Company recorded the investment in associate at $nil.

The net assets and liabilities of RSC deconsolidated from the condensed interim consolidated financial statement of the Company as at June 30, 2020 were 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)**

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

4 Amounts receivable and prepaid expenses

	September 30, 2020	December 31, 2019
Prepaid expenses and other receivables	368	2,400
Environmental bond	-	308
Total amounts receivable and prepaid expenses	**368**	**2,708**
Non-current portion	-	(2,126)
Current portion	**368**	**582**

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

5 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)
September 30, 2020	-	**11,191**	**377**	**11,568**
Accumulated depreciation				
December 31, 2019	-	-	(352)	(352)
Depreciation	-	-	(140)	(140)
Disposals	-	-	150	150
September 30, 2020	-	-	**(342)**	**(342)**
Net book value				
December 31, 2019	4,626	11,217	501	16,344
September 30, 2020	-	**11,191**	**35**	**11,226**

Nora plant
As at June 30, 2020, the Company deconsolidated the value of the Nora Plant of $4.6 million due to the loss of control in RSC (See Note 3).

Ivan plant
The Ivan plant was purchased in June 2017 and currently the plant is on care and maintenance. For the nine months ended September 30, 2020, the Company expensed a total of $1.0 million (Nine month ended September 30, 2019 - $1.2 million) in care maintenance costs.

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

6 Exploration and evaluation assets

	Marimaca Properties						Others	
	MC	LA	ATA	O&C	Ll&M	MD	El Jote	Total
Balance- January 1, 2019	**7,047**	**4,176**	**7,692**	**218**	**-**	**389**	**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**	**6,534**	**12,579**	**518**	**55**	**389**	**761**	**28,957**
Exploration and evaluation costs	1,475	23	136		-	43	-	1,678
Property acquisition costs	11,096	500	200	700	50	20	117	12,683
Disposal	(7)	-	-	-	-	-	(878)	(885)
September 30, 2020	**20,685**	**7,057**	**12,915**	**1,218**	**105**	**452**	**-**	**42,433**

a) Marimaca property, Chile

1-23 Claims ("1-23")

On February 14, 2020, the Company executed the definitive agreement to acquire the remaining 49% interest in the 1-23 Claims, resulting in 100% ownership, for a total cash consideration of $12.0 million. Under the terms of the definitive agreement, amended on May 2020, 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 initially estimated to be $5.1 million using an annual discount rate of 12% for two years (See Note 8).

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 1.5% NSR for $4.0 million at any time up to 24 months following the commencement of commercial production of the 1-23 Claims, as well as a right of first refusal over the NSR.

As at September 30, 2020, the carrying value of the 1-23 Claims (Marimaca project) is $20.7 million (December 31, 2019 - $8.1 million) and it is included in the exploration and evaluation assets on the statement of financial position.

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 (paid); 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% of the 1.5% NSR for $2.0 million at any time.

In May 2020, the Company modified the Option Agreement to split into three tranches the $4.4 million payment due on the 36-month anniversary payable as follows: (i) $1.0 on the 36-month anniversary of the original agreement; (ii) $1.1 million on the 42-month anniversary, and (iii) $2.6 million on the 48-month anniversary. These amended instalments include $0.3 million in interest calculated using a 0.9% monthly interest rate.

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

Under the terms of a January 2018 LOI, the Company acquired 100% of the Atahualpa, Tarso, Sierra and Sorpresa claims, which are immediately adjoining its Marimaca Project 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 (paid); $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 have been capitalized.

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) $0.6 on the 36-month anniversary of the original agreement; (ii) $0.2 million on the 38-month anniversary; (iii) $1.1 million on the 48-month anniversary. These amended instalments include $0.1 million in interest calculated using a 0.9% monthly interest rate.

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 16-month anniversary (paid); $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 have been capitalized.

Marimaca District ("MD")
In the third quarter of 2020, the Company signed two option agreements related to the Akicy and Emilia claims. The details of the option agreements are detailed below.

Akicy
Under the terms of a July 2020 option agreement, the Company may acquire the Cincy 1-10 and Esperada 1-17 properties for a total consideration of $0.5 million payable as follows: $0.01 million upon signing (paid); $0.08 million on the 12-month anniversary; $0.11 million on the 24-months anniversary and $0.3 million on the 36-months anniversary. These claims are subject to a 1.5% NSR with a buyback clause to buy a 0.5% NSR for $0.5 million exercisable at any time. As these claims are not located adjacent to the known mineralization, only acquisition costs have been capitalized at this time.

Emilia
Under the terms of an August 2020 option agreement, the Company may acquire the Emilia 1-10 properties for a total consideration of $0.5 million payable as follows: $0.01 million upon signing (paid); $0.08 million on the 12-month anniversary; $0.11 million on the 24-months anniversary and $0.3 million on the 36-months anniversary. These claims are subject to a 1.5% NSR with a buyback clause to buy a 0.5% NSR for $0.5 million exercisable at any time. As these claims are not located adjacent to the known mineralization, only acquisition costs have been capitalized at this time.

b) Other properties, Chile

El Jote (Deconsolidated)
As of June 30, 2020, the Company deconsolidated $0.9 million in deferred exploration costs previously capitalized related to the El Jote project due to the Company's loss of control in RSC (See Note 3).

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

7 Accounts payable and accrued liabilities

	September 30, 2020	December 31, 2019
Accounts payable	1,103	1,073
Accrued liabilities	1,054	713
	2,157	**1,786**

8 Other debt

	September 30, 2020	December 31, 2019
Shareholder's loans (a)	6,372	17,996
Marimaca acquisition debt (b)	5,460	-
ProPipe instalment (c)	-	478
Lease	7	-
Total other debt	**11,839**	**18,474**
Current portion	(9,258)	(18,474)
Non-current portion	**2,581**	**-**

a) Shareholder´s loans

Marimaca Copper WC Facility
On March 5, 2020, the Company entered into a credit agreement (the Marimaca WC Facility) with 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. 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.

As of September 30, 2020, the Company has drawn $6.0 million under the Marimaca WC Facility and has accrued interest and arrangement fees of $0.4 million.

As a result of the de-consolidation of RSC (See Note 3), 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 comprised $12.0 million related to the convertible loan, $2.0 million associated with a working capital loan and accrued interest of $5.5 million on the convertible and working capital loans.

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 6). 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 September 30, 2020, included under current portion of other debt is $2.9 million in principal and accumulated interest related to the second instalment and $2.6 million in principal and interest is included under non-current portion of other debt.

c) ProPipe instalment (deconsolidated)

This amount related to the buyout of a non-controlling interest of SCM Berta, formerly an indirect wholly owned subsidiary of the Company, 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 (See Note 3).

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

9 Restoration provision

	September 30, 2020			2019
	Nora	**Ivan**	**Total**	**Total**
Balance, beginning of the period	1,415	4,859	6,274	6,742
Accretion expense	12	68	80	148
Reclamation revaluation	-	-	-	549
Disposal	(1,427)	-	(1,427)	(1,165)
Less curent portion	-	-	-	(960)
Balance, end of the period	**-**	**4,927**	**4,927**	**5,314**

In calculating the present value of the restoration provisions as at September 30, 2020, management used risk-free rates between 1.6%-1.95% and inflation rates between 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 were deconsolidated from the Company's consolidated financial statements as a result of the Company no longer controlling RSC (See Note 3).

Ivan
As at September 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.

10 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.

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

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

11 Stock options

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.

	September 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
Granted	2,150,000	3.20	-	-
Exercised	-	-	(307,759)	0.88
Expired	(44,279)	1.79	(504,551)	3.14
Forfeited	-	-	(74,556)	1.73
Outstanding - Ending	**4,161,471**	**2.58**	**1,615,750**	**2.09**

At September 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	0.38
440,000	146,666	1.25	4.56
360,000	240,000	1.50	3.19
228,869	149,111	1.73	1.49
52,016	17,339	1.93	3.18
260,078	260,078	2.13	1.70
80,000	26,667	2.50	3.51
5,333	5,333	2.75	0.50
338,101	135,241	3.85	0.86
2,150,000	766,667	3.20	4.99
4,161,471	**1,994,176**	**0.92**	**3.72**

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.

On September 25, 2020, the Company granted a total of 2,150,000 stock options to certain directors, executive officers and a consultant with an average exercise price of C$3.2 for a period of 5 years. The fair value of the options was C$4.9 million. The options will vest in three tranches, being 1/3 on the date of grant and 1/3 on the first and second anniversary of the date 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 nine months ended September 30, 2020, total share-based compensation expense was $1.6 million (Nine month ended September 30, 2019 - $0.5 million). For the three months ended September 30, 2020, total share-based compensation expense was $1.4 million (Three month ended September 30, 2019 - $0.1 million).

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

	September 30, 2020	December 31, 2019
Risk-free interest rate	1%	1.5%
Expected life	5 years	5 years
Expected volatility	94% to 99%	109% to 111%
Expected dividend yield	0%	0%

12 Exploration expenditures

	Three months ended September 30, 2020			
	El Jote	Marimaca District	General	Total
Drilling & trenching costs	-	63	14	77
General & administration costs	-	-	113	113
Property investigations	-	-	(24)	(24)
Total	**-**	**63**	**103**	**166**

	Three months ended September 30, 2019			
	El Jote	Marimaca District	General	Total
Drilling & trenching costs		797	-	797
General & administration costs		198	180	378
Property investigations		-	(15)	(15)
Total	**-**	**995**	**165**	**1,160**

	Nine months ended September 30, 2020			
	El Jote	Marimaca District	General	Total
Drilling & trenching costs	-	389	252	641
General & administration costs	-	111	584	695
Property investigations	-	-	(75)	(75)
Total	**-**	**500**	**761**	**1,261**

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

	Nine months ended September 30, 2019		
	Marimaca District	General	Total
Drilling & trenching costs	2,566	-	2,566
General & administration costs	645	629	1,274
Property investigations	-	(48)	(48)
Total	**3,211**	**581**	**3,792**

13 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		Nine months ended	
	Sept 30, 2020	Sept 30, 2019	Sept 30, 2020	Sept 30, 2019
Paid to related parties				
Short-term employee benefits	217	248	671	922
Share-based payments	1,363	135	1,522	533
Total	**1,580**	**383**	**2,193**	**1,455**

On June 30, 2020 GSII converted $12.0 million in outstanding principal into a 75% interest in RSC. (See Note 3).

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 $6.0 million (See Note 8) – (September 30, 2019- $17.3 million).

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

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

14 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	
	Marimaca	**RSC ***	**Corporate**	**Total**
September 30, 2020				
Current Assets	2,903	-	249	3,152
Non-current Assets	53,416	-	243	53,659
Total Assets	56,319	-	492	56,811
Current Liabilities	4,578	-	6,837	11,415
Total Liabilities	12,086	-	6,837	18,923
Net Loss (Gain)	3,685	-	(8,595)	(4,910)

	Chile		Canada	
	Marimaca	**RSC ***	**Corporate**	**Total**
December 31, 2020				
Current Assets	9,116	1,451	66	10,633
Non-current Assets	40,442	6,700	285	47,427
Total Assets	49,558	8,151	351	58,060
Current Liabilities	1,436	19,384	400	21,220
Total Liabilities	5,336	20,799	400	26,535
Net Loss (Gain)	5,922	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 3).

15 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 September 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 .

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 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.

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

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 certain cash, amounts receivable and prepaid and accounts payables and accrued liabilities in Chilean pesos. 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").

Total currency exposure from foreign currencies is a equivalent to $0.8 million as at September 30, 2020 ($2.0 million as of December 31, 2019). Based on the net exposures as of September 30, 2020, and assuming that all other variables remain constant, a change of 10% in 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 $0.01 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 holds 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's liquidity risk has increased due to the ongoing COVID-19 pandemic (See Notes 1 and 2b).

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
September 30, 2020					
Accounts payable and accrued liabilities	2,157	-	-	-	2,157
Working facility loan including interest and fees	6,372	-	-	-	6,372
Marimaca acquisition loan including interest	2,879	2,581	-	-	5,460
Reclamation provision	-	-	-	4,927	4,927
Leases	7	-	-	-	7
Total	**11,415**	**2,581**	**-**	**4,927**	**18,923**

	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**

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

16 Commitments and option payments

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

	Three months 2020	2021	2023-2024	Total
Property option payments (note 6)				
La Atomica	1,000	3,704	-	4,704
Atahualpa	-	200	1,600	1,800
Olimpo & Cedro	-	1,846	3,550	5,396
Llanos & Mercedes	-	225	1,675	1,900
Akicy & Emilia	-	160	820	980
Total	**1,000**	**6,135**	**7,645**	**14,780**