marimaca
COPPER CORP.

TSX: MARI

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Contents

This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations of Marimaca Copper Corp. (formerly Coro Mining Corp.) ("Marimaca Copper" or the "Company") has been prepared based on information available to the Company as at August 12, 2020, and should be read in conjunction with Marimaca Copper's unaudited condensed interim financial statements and related notes as at and for the three and six months ended June 30, 2020 and 2019. The unaudited condensed interim financial statements and MD&A are presented in U.S. dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements in accordance with IAS 34, Interim Financial Reporting. All dollar amounts herein are expressed in United States dollars ("U.S. dollars") unless otherwise stated. References to $ mean U.S. dollars and C$ to Canadian dollars.

Readers are cautioned that the MD&A may contain forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the Cautionary Statement on forward looking information at the end of this MD&A and to consult Marimaca Copper's (formerly Coro Mining Corp.) audited consolidated financial statements for the years ended December 31, 2019 and 2018 and the corresponding notes to the financial statements which are available on our website at www.marimaca.com and on SEDAR at www.sedar.com.

Additional information on the Company, including the Company's Annual Information Form ("AIF") for the year ended December 31, 2019 is available under the Company's profile at www.sedar.com and the Company's website at www.marimaca.com.

1 Overview

Marimaca Copper is a Canadian publicly-listed exploration and development company focused on exploring for and developing new copper mines in Chile. The Company's shares are traded on the Toronto Stock Exchange ("TSX") under the symbol "MARI".

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 an updated Mineral Resource Estimate ("MRE") for its wholly-owned Marimaca Project which contains 70 million tonnes, with an average grade of 0.60% copper, within the Measured & Indicated Categories (approximately 420Kt of contained copper) and 40 million tonnes, with an average grade of 0.52% copper, within the Inferred Category (approximately 224kt of contained copper) ***(please refer to the Company's press release dated 2 December 2019)***. This represented an increase of approximately 100% from an earlier MRE released in April 2018 and makes the Marimaca Project one of the most significant copper oxide discoveries in Chile in the last decade.

On August 4, 2020, the Company released the results of a Preliminary Economic Assessment ("PEA") on the Marimaca Project which confirmed that the Project has the potential to be a very low capital cost and a bottom quartile operating cost copper producer.

Highlights of the PEA include:

- $524 million after-tax NPV_8 (real) assuming a $3.15/lb flat long-term copper price:
  - Payback of 2.6 years;
  - After-tax IRR of 33.5%;
- Average steady state EBITDA of $163 million/year:
- Low pre-production capital cost of $285 million:
  - Capital intensity of $7,125/tonne of copper production capacity;
- Lowest quartile average all-in-sustaining cash costs life of mine of US$1.29/lb of copper[1]:
  - Life of mine average C1 Cash Costs of US$1.22/lb of copper[2];
- Average annual first five years steady state copper production of 40,000 tonnes of cathode:
  - Mine life of 12 years;
  - Total recovered copper of approximately 430,000 tonnes over the life of mine;
- Significant ongoing exploration potential for both oxide and sulphide mineralisation which could substantially extend the mine life of the Project.

COVID-19

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.

On March 17, 2020, the Company started implementing safety and economic measures due to this health and economic contingency caused by COVID-19 as recommended by local government and health authorities. The Company closed its corporate office and instructed all its employees to work from home and temporary suspended: (i) most of its on-ground exploration activities that were carried out at the sites; and (ii) all visits to the sites. Health and safety plans were implemented.

---

[1] All-in-sustaining cash costs is defined as cash cost (C1) plus general and administrative expenses, sustaining capital expenditure, deferred stripping, royalties and lease payments and is used by management to evaluate performance inclusive of sustaining expenditure required to maintain current production levels.

[2] C1 cash cost includes all mining and processing costs less any profits from by-products and is used by management to arrive at an approximated cost of finished metal.

2 Highlights

Corporate Highlights

- Released a PEA for the Marimaca Project;
- Released the results of a high-resolution magnetic survey which confirmed the potential for a large-scale sulphide zone target in the deposit down-dip east extension;
- Greenstone Resources II L.P. (“GSII”), a major shareholder of the Company, exercised its right to convert a $12.0 million loan into a 75% interest in Rising Star Copper (“RSC”), which was a wholly-owned subsidiary of the Company prior to the conversion;
- Completed a name change from Coro Mining Corp. to Marimaca Copper Corp.;
- Completed a share consolidation on a 25 to 1 basis;
- Signed a definitive agreement to purchase a 49% interest in the Marimaca 1-23 claims (“1-23 Claims”), resulting in a 100% ownership; and
- Release of an independent Mineral Resource Estimate on the Marimaca Project which included 70 million tonnes with an average grade of 0.60% (approximately 420Kt of contained copper), within the Measured & Indicated categories, and 40 million tonnes with an average grade of 0.52% (approximately 224Kt of contained copper), within the Inferred category.

Financial Highlights

- Reduced capital expenditures to minimum levels for non-Marimaca assets;
- Secured a $6.0 million loan facility to cover working capital and general operating costs; and
- Negotiated extensions to the payment schedules under certain option agreements.

3 Corporate Activities

RSC Conversion

On June 30, 2020, the Company received a conversion notice from GSII to convert the total outstanding principal of $12.0 million under a 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. RSC is the ultimate parent of Sociedad Contractual Minera Berta ("SCM Berta") which assets include the Nora Plant and certain concessions.

On June 30, 2020, the Company signed a Joint Venture and Shareholder Agreement ("JV Agreement") along with 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 at June 30, 2020, the Company deconsolidated RSC's assets and liabilities from the Company's consolidated financial statements.

Upon the conversion and subsequent deconsolidation, the Company deconsolidated assets in the amount of $7.0 million and liabilities totaling $19.9 million.

Name Change and Share Consolidation

Marimaca has undertaken several restructuring initiatives to position the Company for the successful development of Marimaca. In line with the focus on its flagship Marimaca Project, the Company announced it changed its name to Marimaca Copper Corp. At the same time, the Company undertook a 25:1 share consolidation as part of a capital reorganisation ***(please refer to the Company's press release dated 26 May 2020****)*.

Changes to the Board

As part of a broader corporate restructure, the Company announced changes to the Company's Board of Directors ***(please refer to the Company's press release dated 18 February 2020)*** including the transition of Mr. Colin Kinley from Non-Executive Chairman to a Non-Executive Director role and the appointment of Mr. Michael Haworth as the Company's Executive Chairman, reflecting the increasing time commitment expected of the role as the Company advances the development of its Marimaca project. The board changes also include the appointment of Ms. Petra Decher as the lead independent Non-Executive Director, and Mr. Kinley assuming the role of Chairman of the Compensation Committee.

Environment, Social and Governance ("ESG")

The Company is building its ESG credentials and strategies as a core part of its corporate initiatives and anticipates communicating in more detail after the PEA for Marimaca is announced in the second half of 2020.

The Company has maintained a strong relationship with the authorities, which has led to Marimaca Copper being invited to participate in a number of round table discussions, which the authorities are trying to maintain at the national and regional level with mining companies. As a result of this joint work with the authorities, the Marimaca Project was incorporated into the official Chilean marketing documentation that is being distributed globally, and specifically at PDAC 2020, which highlights the new Chilean mining projects to invest in.

The PEA work is taking into account all the existing infrastructure in the Mejillones area, so that the future water and power sources for the Project will be selected in such a way to minimize, as much as possible, the negative impacts on the surrounding environment. In that regards, negotiations are well advanced to access water from an existing sea water pipeline. As a result, new pumping and pipeline facilities would not be required to be built for the Project, reducing its estimated capital expenditure and the corresponding installation footprints. Another consideration is to incorporate renewable energy sources (such as solar energy) into the power matrix that is being considered for the Project.

Finally, a Social Environmental Perception Study was undertaken in the Mejillones area, to determine the local community perception and expectations regarding the installation of a future mining project such as Marimaca in the region. The main relevant conclusions of this study were:

- Industry is the main driver of Mejillones development.
- There is consensus on requesting business participation in local development.
- Communities expect local labour to be hired by new mining projects like Marimaca.

The main conclusions are in line with the Company´s view that Marimaca is conveniently located in a pro-mining jurisdiction.

4 Marimaca

Location

Marimaca is the Company's flagship asset and is located in the Antofagasta Region of northern Chile. The Marimaca Project is recognised for its exceptional location, just 14 kilometres from the highway and powerlines, 25 kilometres from the port of Mejillones and 45 kilometres from the regional capital of Antofagasta (See Figures 1 and 2 below).

Figure 1: Marimaca Chile Map

Figure 2: Marimaca Regional Map

Chile is the world's largest producer of copper and has developed the infrastructure and regulatory environment, as well as, the technical and administrative support services, necessary to facilitate the smooth development of small, mid-size and large-scale copper mining operations. In recent years, the search for new copper resources has become more challenging geologically and geographically. Marimaca's location near to the cities of Mejillones, Antofagasta and the Pacific Ocean is one characteristic that makes it a unique opportunity.

Geology and Mineral Resource Estimate

The Marimaca Project comprises a dominant structural feature of broad zones of sheeted dykes and fracture zones, oriented north-north-east and dipping 45-60o to the east, which host copper mineralisation at surface. The location of the Marimaca deposit is interpreted to be controlled by a dilational structural jog and the Company believes that this control applies both to the MOD and to its downwards continuation into the sulphide zone. There is strong evidence that the oxide zones encountered at surface were generated as a result of the in-situ oxidation of primary sulphide minerals, mostly chalcopyrite.

The PEA is based on the MRE, ***(please refer to the Company's press release dated 2 December 2019)***, whose NI-43101 report was released to the market in January 2020. The PEA includes Inferred Mineral Resources that are considered too speculative, geologically, to have the economic considerations applied that would enable classification as Mineral Reserves. There is no certainty that the conclusions within the PEA will be realized. The PEA is based on the material assumptions outlined in this document. These include assumptions about the availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the PEA can be achieved.

No mineral reserves have been estimated for the project. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

The MRE was based on 346 reverse circulation holes ("RC") and 39 diamond holes ("DD") for a total of 91,210m drilled between 2016 and 2019 and was completed at a range of Cut-Off grades by independent consultants NCL Ingeniería y Construcción SpA ("NCL"). To demonstrate reasonable prospects for eventual economic extraction, a series of Lerchs-Grossmann pit shell optimizations was completed by NCL, utilizing appropriate operating costs, recoveries obtained from metallurgical test work, and a long term US$3.00/lb copper price. The resources were estimated only for oxide, mixed, wad and enriched copper mineralization which can be processed by heap leaching (HL) and run of mine (ROM) dump leaching followed by solvent-extraction and electrowinning to produce copper cathode. Primary sulphide mineralization occurring in deeper parts of the deposit, which are within the constraining pit shell, is not included in the MRE or for the purposes of this PEA.

Cut-Off Grade (% CuT)	Measured			Indicated			Measured + Indicated			Inferred		
	Mineral kt	CuT (%)	CuS (%)	Mineral kt	CuT (%)	CuS (%)	Mineral kt	CuT (%)	CuS (%)	Mineral kt	CuT (%)	CuS (%)
0.40	14,403	0.81	0.55	30,600	0.74	0.48	45,003	0.76	0.50	23,607	0.70	0.40
0.30	17,865	0.72	0.49	40,253	0.64	0.42	58,118	0.67	0.44	33,410	0.60	0.35
0.22	20,721	0.66	0.44	49,666	0.57	0.37	70,387	0.60	0.39	43,015	0.52	0.31
0.18	22,072	0.63	0.42	54,109	0.54	0.35	76,181	0.57	0.37	47,164	0.49	0.29
0.10	23,087	0.61	0.41	57,619	0.52	0.33	80,706	0.54	0.35	50,641	0.47	0.27

Table 1: NI43-101 Mineral Resource Estimate at Various Cut-off Grades

** CuT means total copper and CuS means acid soluble copper. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource technical and economic parameters included: copper price US$3.00/lb; mining cost US$2.00/t; HL processing cost including G&A US$9.00/t; ROM processing cost including G&A US$2.50/t; selling cost US$0.07/lb Cu; heap leach recovery 76% of CuT; ROM recovery 40% of CuT and a 44°-46°pit slope angle*

The deposit has a significant higher-grade zone which occurs from surface in its southern extent and provides a logical target for the early years of mine life at Marimaca. The average grade expected during the first five years of mine life is 0.78% total copper and is dominantly comprised of the main oxide mineral sub-zones of brochantite, atacamite and chrysocolla.

Significant potential exists to increase oxide resources within proximity to Marimaca, but also in the broader claims packages that surround this exciting project. Furthermore, the Company has recently released the results of a high-resolution, drone mounted, magnetic survey, which indicates substantial potential for sulphide mineralization below the Marimaca Oxide Deposit (refer to announcement on 14 July 2020).

Preliminary Economic Assessment ("PEA")

The PEA for Marimaca was completed by Ausenco Engineering in conjunction with several Qualified Persons in various technical fields including NCL Ingeniería y Construcción SpA ("NCL") for mining and mine design and mineral resource estimation, and Jo Loyola Consultores de Procesos SpA ("JLCP") on metallurgy and process design. ***(please refer to the Company's press release dated 4 August 2020).***

The PEA was prepared in accordance with the requirements of the National Instrument 43-101, Standards of Disclosure for Mineral Projects, ("NI 43-101") and is based on a Mineral Resource Estimate ("MRE") completed by NCL, which comprised 70 million tonnes, with an average grade of 0.60% total copper within the Measured & Indicated Categories of mineral resources (approximately 420Kt of contained copper), and 40 million tonnes with an average grade of 0.52% total copper within the Inferred Category of mineral resources (approximately 224kt of contained copper) ***(please refer to the Company's press release dated 2 December 2019)***. The PEA is considered preliminary in nature and includes Inferred Mineral Resources that are considered too speculative, geologically, to have the economic considerations applied that would enable classification as Mineral Reserves. There is no certainty that the conclusions within the PEA will be realized. The PEA is based on the material assumptions including assumptions about the availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the PEA can be achieved.

No Mineral Reserves have been estimated for the project. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

Marimaca is amenable to bulk, open pit, mining methods and the PEA contemplates an owner operated fleet utilising a leasing option to minimise upfront capital costs associated with fleet purchase. The deposit's favourable geometry provides the Project with a low life of mine strip ratio of 0.84:1 as well as higher average grade in the first five years of mine life. This shortens the capital payback period and improves overall economics for the Project.

Due to the oxide resource, processing is via a standard heap leach and Run-of-Mine ("ROM") leach using sulphuric acid and seawater followed by conventional solvent extraction and electrowinning to produce an average of nearly 40,000 tonnes per annum of high grade copper cathode during steady state production. Heap leach pads are designed as dynamic leach pads where leach residue, known as ripios, are removed after the leaching cycle and stored in a dedicated waste facility. ROM leach pads are designed as static leach pads, with stack height increasing over the life of the mine.

Average recovery over the life of mine for the heap leach is estimated to be approximately 76% of total copper, and ranges from a high of approximately 82% in the pure oxide zones (brochantite / atacamite), which make up the majority of the project, down to approximately 49% in the enriched mineral subzone, which comprises a much smaller proportion of the overall mineable resource. Recovery over the life of mine for the ROM leach is estimated to be approximately 40% of total copper, comprising 9% of the estimated total copper cathode produced during the life of mine.

Summary of Economic Assumptions and Results

Copper Price Assumption	US$3.15/lb flat real
Pre-Tax NPV_8 & IRR	US$757 million / 39.9%
Post-Tax NPV_8 & IRR	US$524 million / 33.5%
Payback Period from First Production	2.6 years
Pre-Production Capital Costs	US$285 million[3]
Life of Mine Sustaining Capital	US$66 million
Ave. Annual Steady State EBITDA	US$169 million
Life of Mine C1 Operating Costs	US$1.22/lb of copper[4]
Life of Mine All-in-Sustaining Cash Costs	US$1.29/lb of copper[5]
Mine Life	12 years
Ave. Annual Metal Production (first 6 years)	Approximately 40,000 tonnes
Ave. Annual Metal Production Life of Mine (incl. ramp up)	35,600 tonnes
Steady State Average Process Recovery (Heap and ROM)	*76% / 40%*

Table 2: Summary of Economic Assumptions and Results

[3] Assumes mining fleet is financed through a lease to own contract structure to minimize upfront capital cost.
[4] All in sustaining costs is defined as cash cost (C1) plus general and administrative expenses, sustaining capital expenditure, deferred stripping, royalties and lease payments and is used by management to evaluate performance inclusive of sustaining expenditure required to maintain current production levels.
[5] C1 cash cost includes all mining and processing costs less any profits from by-products and is used by management to arrive at an approximated cost of finished metal.

Economics and Sensitivity Analysis

Copper Price US$/lb	Post-Tax NPV_8 Base Case US$ millions	Post-Tax NPV_8 Capex (-10%) US$ millions	Post-Tax NPV_8 Capex (+10%) US$ millions	Post-Tax NPV_8 Opex (-10%) US$ millions	Post-Tax NPV_8 Opex (+10%) US$ millions	Base Case IRR (%)
2.85	408	434	381	455	360	28.6%
3.00	466	492	439	514	418	31.1%
3.15	524	550	498	572	476	33.5%
3.30	582	608	556	630	535	35.7%
3.45	640	666	614	688	592	38.0%

Table 3: Sensitivity Analysis to Copper Price, Life of Mine Capital and Operating Costs

Capital and Operating Costs

The projected pre-production capital costs for Marimaca, which will be incurred over a 2-year construction period, were estimated on the basis of information from a variety of sources including direct equipment quotes, derivation from first principles and factoring from comparable benchmarks, and are summarized in the following table:

ITEM	COST ESTIMATE - US$ millions
Mining Equipment[6]	$14.0
Mine Development	$9.2
Crushing & Agglomeration	$22.7
Leaching	$43.5
SX-EW Plant	$81.1
Infrastructure (incl acid tanks, power supply, buildings)	$14.7
Sub Total Direct	**$185.1**
Indirect Costs	$42.6
Contingency	$56.9
Total Pre-Production Capital Cost	**$284.7**

Table 4: Summary of Estimated Pre-Production Capital Costs

[6] Assumes mining fleet is financed using a lease to own contract structure to minimize upfront capital cost.

ITEM	Cost Estimate US$ / tonne of material processed	Cost Estimate US$ / lb of Copper
Mining (incl. grade control, drill & blast, load and haul)	$3.19	$0.44
Processing Costs (incl crushing, acid, SX-EW and ripios disposal)	$4.95	$0.69
G&A	$0.54	$0.09
Total Operating Cost	**$8.68**	**$1.22**

Table 5: Summary of Estimated Average Life of Mine Operating Cost per Tonne of Material Processed

The Preliminary Economic Assessment is considered preliminary in nature and includes Inferred Mineral Resources that are considered too speculative, geologically, to have the economic considerations applied that would enable classification as Mineral Reserves. There is no certainty that the conclusions within the PEA will be realized. The PEA is based on the material assumptions outlined in this document. These include assumptions about the availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the PEA can be achieved.

No mineral reserves have been estimated for the project. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

Marimaca (1-23 Claim) Acquisition

On February 14, 2020, the Company executed a definitive agreement to acquire the remaining 49% interest in the 1-23 Claims, resulting in a 100% ownership of these claims. The 1-23 Claims represent the core claims of the Marimaca Project. 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; (ii) $3.0 million on the first 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. Transactions costs were $0.03 million.

The sellers retained 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 from the 1-23 Claims and retains a right of first refusal over the NSR.

Also included in the transaction was an agreement to sell a set of mining claims known as “SOR del 1 al 16” located in the Region of Antofagasta.

On July 2, 2020, it was agreed to modify the date of the second payment and extend until October 14, 2021. This extension will generate compound monthly interest of 0.9%.

The acquisition of the 1-23 Claims was classified as an asset acquisition, with the total acquisition costs allocated to the identifiable asset.

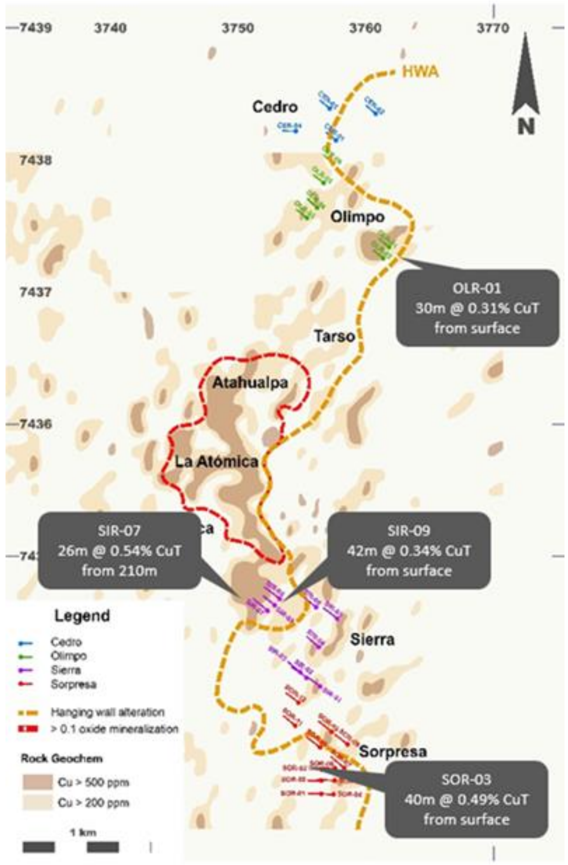
Marimaca Oxide Scout Drilling

A preliminary scout drilling programme close to the Marimaca Project was completed during the latter part of 2019 and the results were released on February 24, 2020. The programme, which included 31 Reverse Circulation drill holes, had the objective of testing several oxide targets within close proximity to both the north and south areas of the Project, which have the potential to add near surface tonnes to any future development plans. Drilling in both the north and south regions intercepted mineralisation confirming the potential for new oxide resources. 27 out of the 31 holes encountered zones of oxide copper mineralisation offering potential areas for follow up drilling.

The drilling results provided new information to re-plan and focus ongoing exploration for near surface oxide deposits in the surrounding area of the defined deposit. The Marimaca Hanging Wall Alteration zone, interpreted as representing the upper expression of the Marimaca style of mineralization at depth, has been identified extending over 10km across the Project area. In conclusion, the Marimaca Project remains open to the north and south and at depth with its exciting sulphide potential. Considerable exploration potential for Marimaca style oxide copper deposits exists within Marimaca Copper's extensive land package both adjacent to the current MRE at Marimaca, and more distant to it. As a result, any new satellite deposits to be found could represent additional mine life for the future project that is being defined by the PEA.

Based on a preliminary review of the data from the scout drilling programme, the results appear to demonstrate that within the HWA alteration zone there are many structures carrying copper mineralization which may be an expression of Marimaca-style mineralization at depth. This concept will be followed up with further surface exploration to generate targets for subsequent drilling.

Figure 4: Marimaca District Selected Oxide Scout Drilling Exploration Results

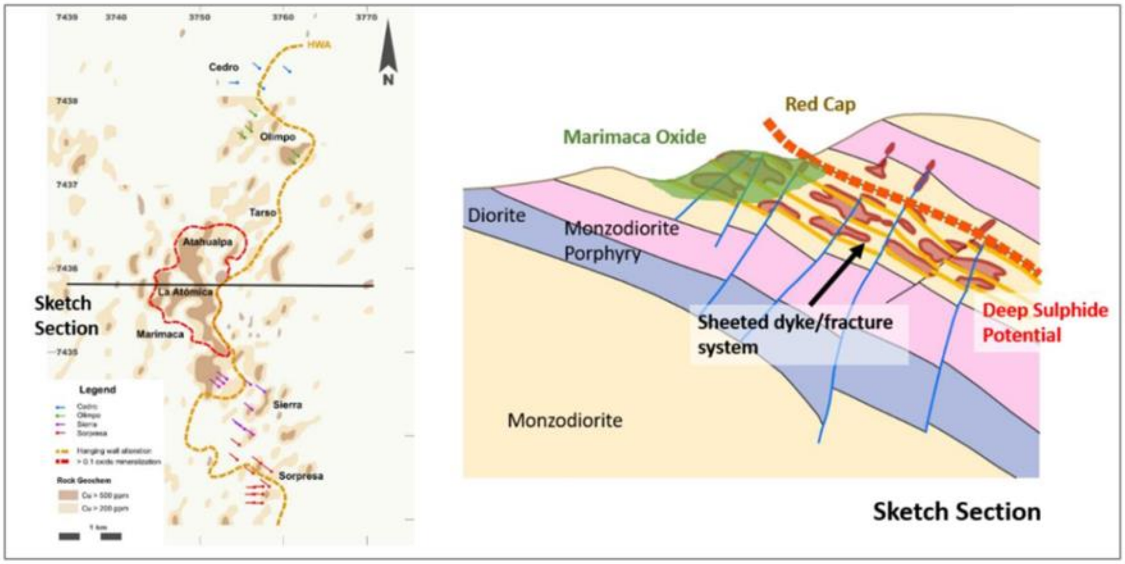


Marimaca Exploration for Sulphide Mineralization

Marimaca Copper devoted considerable resources to the reinterpretation of the geology and geological model for the Marimaca Project ***(please refer to the Company's press release dated 1 June 2020)***. The Project comprises a dominant structural feature of broad zones of sheeted dykes and fracture zones, oriented north-north-east and dipping 45-60^{o} to the east, which host copper mineralisation at surface.

There is strong evidence that the oxide zones encountered at surface were generated as a result of the in-situ oxidation of primary sulphide minerals, mostly chalcopyrite. During the 2018/19 drilling program, numerous drill holes intercepted sulphide mineralisation below the current resource within the broader Marimaca Oxide Deposit ("MOD"). The location of the Marimaca deposit is interpreted to be controlled by a dilational structural jog and the Company believes that this control applies both to the MOD and to its downwards continuation into the sulphide zone.

Figure 5: Schematic Diagram of Structural Controls Showing Potential for Down-Dip Sulphide Extension below MOD.



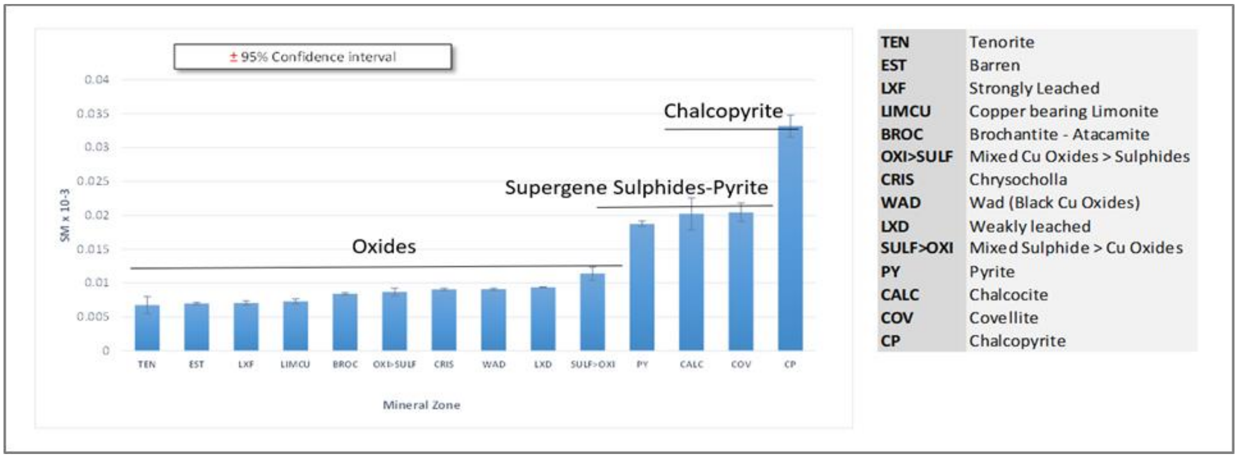
Based on the interpretation of the in-situ oxidation of primary sulphides, grades would be expected to be in the same range as observed for the MOD. Furthermore, the iron oxide zonation defined by previous exploration indicates that Marimaca is preserved as a medium-high level IOCG system, which further reinforces the belief for the potential of depth extensions. In primary mineralization, a strong relationship between chalcopyrite and magnetite is observed throughout the deposit area. The Company has completed magnetic susceptibility work on most of the drill core available confirming this clear relationship. This is an important feature as it allows the use of targeted geophysical campaigns to further identify zones of coincident magnetic and IP anomalies for follow up drilling.

The Company completed a drone mounted high resolution magnetic survey ***(please refer to the Company's press release dated 14 July 2020)*** to identify potential magnetic anomalies and will also undertake high resolution/deep IP surveys on MOD area, to further refine potential sulphide targets for future exploration.

The survey identified a significant magnetic anomaly beneath the current MOD, which dips to the east with the same geometry as the interpreted extension of the surface structures that host the copper mineralization at Marimaca. The strong correlation of the magnetic response and the primary sulphide bearing mineralized zones (mainly chalcopyrite), which was identified during the magnetic susceptibility testing of drill samples from Marimaca, provides a clear indication of a major copper sulphide target. The total volume of the magnetic anomaly, as generated by the Geosoft's™ Magnetic Vector Inversion modelling method, is approximately 175 million cubic metres, which equates to approximately 475 million tonnes assuming a specific graphic of 2.7g/cm^3.

As mentioned, strong relationship between chalcopyrite and magnetite is observed throughout the deposit area. The Company has completed magnetic susceptibility work on over 42,800 samples representing 85km of available drilling. The results, which have been analysed on the basis of rock types as well as mineral sub-zones across the Marimaca deposit, show a clear correlation of high- magnetic susceptibility in the zones with primary sulphide and the feeder zones associated with this mineralization as compared to the oxide zones (see Figure 6). Of the dataset analysed, the 1,458 samples which included chalcopyrite mineralization show a mean magnetic susceptibility significantly greater than the other mineral subzones of the Project. This observation was also true for other sulphides including covellite and chalcocite.

Figure 6: Summary of Magnetic Susceptibility Analysis by Mineral Completed on Drill Core from Marimaca



Based on the recent reassessment of the geological model for Marimaca the Company believes it has the potential for significant sulphide mineralization at depth. Furthermore, the interpretation of its genesis being the result of in-situ oxidation of primary copper sulphides, with a low pyrite content, suggests that the grades in the sulphide zone would in the same range as observed for the MOD.

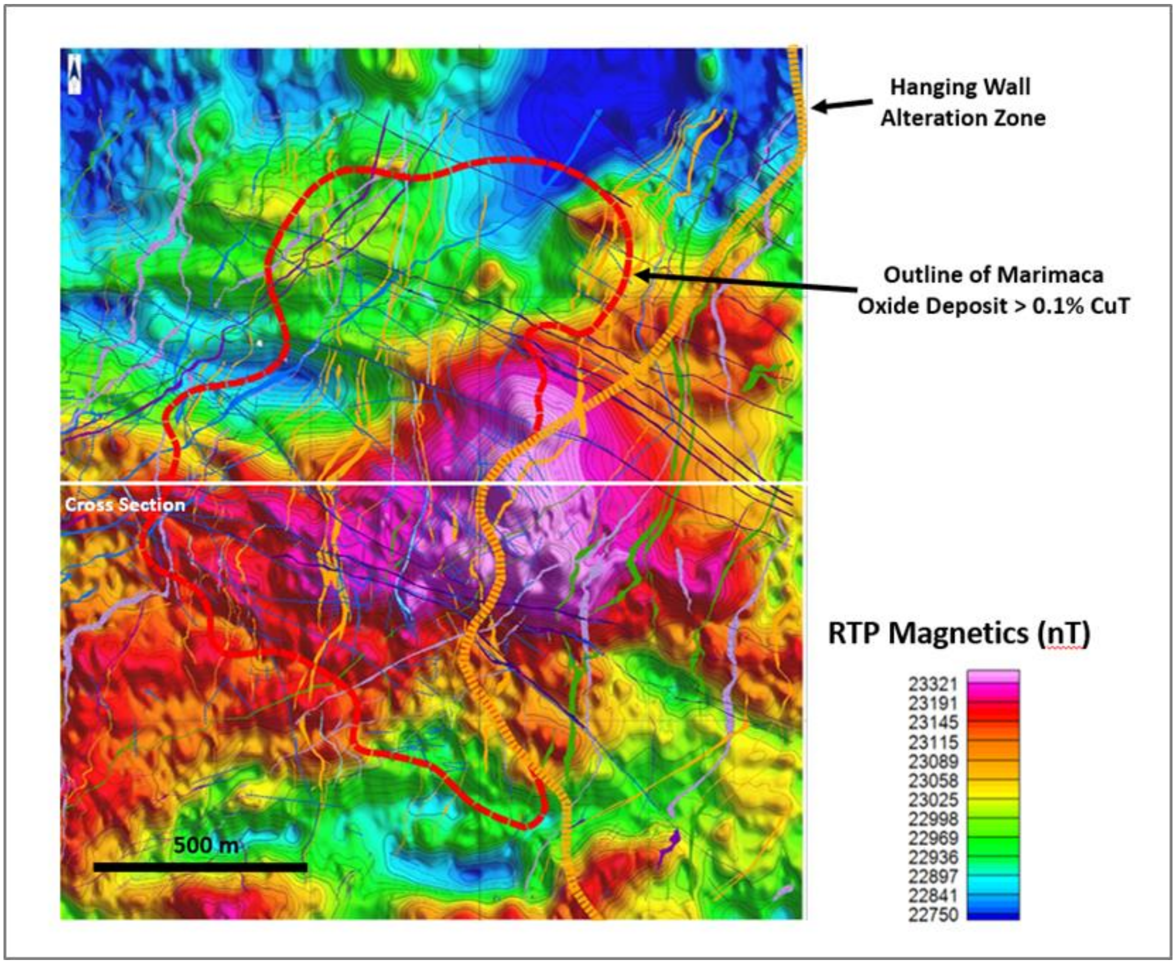
Next step is to revealing the deep sulphide target as supported by geology; mainly by the structure down-dip extension and the well-defined relationships between copper sulphide and magnetite. It is anticipated that the use of ground magnetics will help to identify such potential. The Company plans to apply frontier geophysical techniques for magnetics, which includes de high-resolution surveys, by means the use of drones, and the modelling of data employing the most recent Magnetic Vector Inversion techniques.

Marimaca High Resolution Mag-Drone Survey defines a large sulphide target

Following the sulphide exploration work plan, the Company completed a drone mounted, high resolution, magnetic survey over an area of 2km by 2km which is directly coincident with the MOD and its immediate surrounding area. The survey was completed on 25m line spacing oriented east-west with north-south control lines every 250m, and with an average flight altitude of 20m above the ground, for a total of 1,600 line kilometres of survey data.

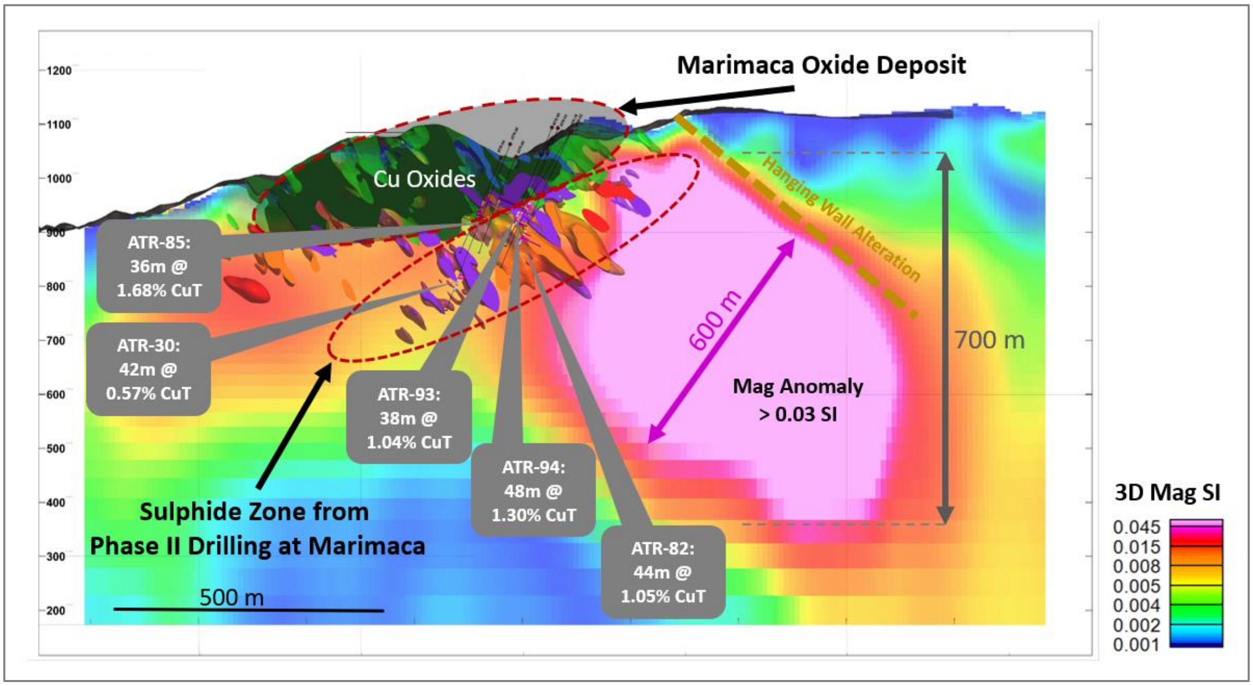
The results show a large magnetic anomaly adjacent to and underlying the current MOD Mineral Resource Estimate area. The magnetic anomaly, which extends to circa 700m below the MOD MRE area, appears to be controlled or truncated by the late stage, west-northwest trending Manolo fault. The magnetic anomaly also appears oriented on a north-south to north-north east strike, which is consistent with the strike of the MOD at surface (see Figure 7).

Figure 7: Pole Reduced Drone Mag Results on 2km x 2km Area over Marimaca Copper Project with location of main dykes and structures and the >0,1% CuT oxide surface outline. Cross section from Figures 8 and 9 is located for reference



A representative 2D EW cross section is shown in Figure 8, demonstrating the correlation between the MOD, the deep drilling sulphide intercepts and the projected high mag solid, as interpreted by means the Magnetic Vector Inversion modelling technique. The > 0.03 SI magnetic susceptibility solid is fairly consistent with the geologic continuity interpretations. A 3D projected view of same cross section is shown in Figure 8.

Figure 8: Cross Section with Interpreted Sulphide Zone, Previously Completed Sulphide Drill Results and Vector Inversion Magnetic Anomaly > 0.03 SI



Marimaca Development Plan

In late 2019 and early 2020, the Company engaged Gestion y Economía Minera Limitada ("GEM") to undertake a robust and thorough study to identify, evaluate and risk-adjust possible development plans for the Marimaca Project. After evaluating several possible development strategies, including small scaled and phased developments, the Company identified a stand-alone development scenario with a design capacity for up to 40,000 tonnes of copper cathode per annum as the design basis for a PEA on the Marimaca Project ***(please refer to the Company's press release dated 1 June 2020)***.

Metallurgical Testing

The Company announced the results of three phases of metallurgical test work, which were completed between April 2017 and March 2018 ***(please refer to the Company's press release dated 24 June 2020)***.

These tests have been carried out by Geomet S.A., a well-known Chilean laboratory with considerable experience in metallurgical programs for copper deposits in Chile. Phase 4 has been designed and executed under the supervision of Marcelo Jo of Jo & Loyola Process Consultants, who has 35 years' experience in processing. He is supported by Randolph E. Scheffel, a Consultant Metallurgical Engineer with over 45 years' experience in copper processing.

These tests were completed on materials obtained from Marimaca to characterise the metallurgical response of the deposit to different operational conditions. The first three phases were performed on a variety of parameters including agglomeration conditions, granulometry, column height, irrigation rates and acid consumption. These tests were followed up with more detailed analysis including bottle roll Iso-pH tests.

The fourth phase program, which is almost complete, comprises broader, more detailed and rigorous programs, which will provide the final technical data and information required for a Preliminary Feasibility Study.

5 Financial Position Review

At the beginning of 2020, the Company had cash and cash equivalents of $9.9 million and during the six months ended June 30, 2020, the Company used its available cash and drawdowns under a working capital facility to pay $7.5 million in property acquisition costs (including the initial $6.0 million payment for the 1-23 Claims and $1.5 million in other option agreement payments) and $0.9 million in additional exploration and evaluation costs. The Company used $3.1 million in cash from operating activities to fund $1.2 million in care and maintenance costs, $1.1 million for general exploration expenses, and a scout drilling program, with the remainder used for general and administrative expenses.

As at June 30, 2020, the Company had cash of $2.1 million, total assets of $64.5 million, total liabilities of $16.1 million and shareholders' equity of $48.4 million.

On March 5, 2020, the Company signed a working capital facility with GSII and Tembo Capital Mining Fund II LP ("Tembo II"), both shareholders of the Company, for a twelve-month $6.0 million loan facility to cover working capital and general operating costs. A total of $4.0 million was drawn under the facility during the six months ended June 30, 2020.

On February 14, 2020, the Company completed the acquisition of the remaining 49% interest in the 1-23 Claims, resulting in a 100% ownership over the 1-23 Claims which are core to the Marimaca Project. Under the terms of the transaction, the Company made an initial $6.0 million cash payment with two future instalment payments of $3.0 million each, due on the second and third anniversary of the closing of the transaction, respectively.

In Q1 2020, the Company focused its exploration activities primarily on the Marimaca Project but had to suspend all field work on March 17, 2020 due to COVID-19 measures taken by the Company. In the six months ended June 30, 2020, the Company paid a total of $1.5 million under various property options agreements – Olimpo & Cedro (Ex-naguayan), Atahualpa, and La Atómica – and paid the initial $6 million as part of the 1-23 Claim acquisition transaction.

On April 21, 2020, the Company granted a total of 440,000 stock options to directors and a consultant having a weighted average exercise price of C$1.25 and for a 5-year term. The fair value of the stock options granted was C$0.4 million, calculated using the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted: stock price C$1.25; exercise price C$1.25; 5 years expected life; 99% volatility, and a 1% risk-free interest rate. The stock options will vest over three years as follows: 1/3 on the date of grant and 1/3 on the first and second anniversaries of the date of grant.

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"). As a result of the Consolidation, the 1,608,946,194 common shares issued and outstanding as at the date of the consolidation were consolidated into 64,357,847 common shares. All references to the number of shares, options and per share amounts presented have been retroactively restated to reflect the Consolidation (post-consolidation basis).

On June 30, 2020, the total outstanding principal of $12.0 million under the SCM Berta Facility Agreement ("SCMB Loan Conversion") was converted into a 75% interest in RSC.

On June 30, 2020, the Company signed a Joint Venture and Shareholder Agreement ("JV Agreement") along GSII and RSC outlining the details of the conversion and whereby the Company agreed to manage and take charge of the financial and operating decisions of RSC, a separate vehicle, without having joint control of the entity. The Company concluded that it does not have the ability to use its power to affect the RSC's returns since the Company's representation at the board of directors has been reduced to one third after the debt conversion but also established that it has significant influence managing RSC. Consequently and as of June 30, 2020, the Company lost control of its subsidiary RSC and as of the same date, it deconsolidated RSC's assets and liabilities from the Company's consolidated financial statements ("RSC Deconsolidation") and accounted for its remaining 25% interest in RSC as an investment in associate at cost, with subsequent measure using the equity method of accounting.

Working Capital

As at June 30, 2020, the Company's working capital deficiency was $7.4 million (December 31, 2019: working capital deficiency of $10.6 million). The main reason for the improvement of the Company's working capital position is the deconsolidation of assets and liabilities of RSC from the Company's financial statements resulting from the SCMB Loan Conversion and SCMB Deconsolidation.

As at June 30, 2020, accounts receivable decreased by to $0.2 million as at June 30, 2020 compared to $0.6 million as at December 31, 2019, mainly due the deconsolidation of a bond receivable in RSC for $0.3 million.

The current portion of other debt decreased by $11.5 million from $18.5 million to $7.0 million mainly due to the reduction of liabilities from the conversion of $12.0 million in outstanding principal and the deconsolidation of approximately $7.9 million related to RSC and SCM Berta, partially offset by increases from the $4.0 million drawn under the Marimaca Copper WC Facility *(See the Shareholder Loans and Other Debt Section below)*, the recognition of the fair value of the second instalment payment associated with the 49% acquisition of the 1-23 Claims of $2.7 million and $1.8 million in interest, arrangement fees and accretion of debt.

Long-Lived Assets

($ 000's)	RAYROCK (Chile) June 30, 2020	MARIMACA (Chile) June 30, 2020	CORPORATE (Canada) June 30, 2020	TOTAL CONSOLIDATED June 30, 2020	TOTAL CONSOLIDATED December 31, 2019
Amounts receivable					
VAT receivable	-	-	-		2,126
Total amounts receivable	**-**	**-**	**-**		**2,126**
Property, plant and equipment					
Nora plant	-	-	-	-	4,626
Iván plant	3,562	7,629	-	11,191	11,217
Other	-	90	-	90	501
Total PP&E	**3,562**	**7,719**	**-**	**11,281**	**16,344**
Exploration and evaluation assets					
Marimaca	-	19,696	285	19,981	8,121
Marimaca District	-	430	-	430	389
La Atómica	-	7,055	-	7,055	6,534
El Jote	-	-	-	-	761
Atahualpa	-	12,913	-	12,913	12,579
Llanos and Mercedes	-	55	-	55	55
Olimpo & Cedro (ex Naguayan)	-	1,217	-	1,217	518
Total E&E	**-**	**41,366**	**285**	**41,651**	**28,957**
Total long-lived assets	**3,562**	**49,085**	**285**	**52,932**	**47,427**

Table 6: Long-Lived Assets

Long-lived assets consist of non-current accounts receivable, investment in associates, PP&E and E&EA assets. VAT receivable decreased to $nil as of June 30, 2020 from $2.1 reported as December 31, 2019 due to the deconsolidation of RSC assets from the Company's consolidated financial statements. The investment in associate is valued using the equity method of accounting.

PP&E assets decreased by $5.0 million from $16.3 million reported as of December 31, 2019 to $11.3 million in June 30, 2020 mainly driven by the deconsolidation of the Nora Plant for $4.6 million as of June 30, 2020.

E&EA assets increased by $12.7 million to $41.7 million as at June 30, 2020 from $29.0 million as at December 31, 2019. The increase is attributable to the capitalization of 1-23 Claim's expenses of $11.9 million of which $11.1 million are related to the acquisition of the 49% interest in the claims and $0.8 million are related to exploration activities in the same area. Option payments of $1.5 million were capitalized as follows: (i) $0.2 million for Atahualpa; (ii) $0.7 million for Olimpo and Cedro (ex Naguayan); (iii) $0.5 million for La Atomica; and (iv) $0.2 million associated with exploration activities on these properties.

Total assets as at June 30, 2020 were $55.2 million (December 31, 2019: $58.1 million).

Liabilities

($ 000's)	RAYROCK (Chile) June 30, 2020	MARIMACA (Chile) June 30, 2020	CORPORATE (Canada) June 30, 2020	TOTAL CONSOLIDATED June 30, 2020	CONSOLIDATE December 31, 2019
Current					
Accounts payable and accrued liabilities	51	1,366	291	1,708	1,716
Greenstone and other shareholder loans	-	-	4,186	4,186	17,996
Propipe Instalment	-	-	-	-	478
1-23 Claims acquisition	-	2,799	-	2,799	-
Lease	-	26	-	26	70
Restoration provisions	967	-	-	967	960
Total current liabilities	**1,018**	**4,191**	**4,477**	**9,686**	**21,220**
Non-current					
1-23 Claims acquisition	-	2,505	-	2,505	-
Restoration provisions	3,936	-	-	3,936	5,314
Total non-current liabilities	**3,936**	**2,505**	**-**	**6,441**	**5,314**
Total liabilities	**4,954**	**6,696**	**4,477**	**16,127**	**26,534**

Table 7: Liabilities

Current liabilities decreased by $11.5 million from $21.2 million to $9.7 million mainly due to a combination of an increase of $4.0 million in drawdowns under the Marimaca Copper WC Facility *(See the Shareholder Loans and Other Debt Section below)*, the recognition of the fair value of the second instalment payment associated with the 49%

acquisition of the 1-23 Claims of $2.7 million and $1.8 million in interest, arrangement fees and accretion of debt, followed by a decrease in the account of $12.0 million in regard to the conversion of the total outstanding principal of the SCM Berta Facility into 75% of the Company's common shares of RSC and the deconsolidation of $7.9 million in debt from RSC and $0.1 million in other payments.

Non-current liabilities increased by $1.1 million from $5.3 million at December 31, 2019 to $6.4 million at June 30, 2020 and the change is related to the combination of an increase of $2.5 million for the non-current portion of the unpaid acquisition costs for the 1-23 Claims mentioned above and a decrease related to the deconsolidation of Nora Plant's retirement obligation provision of $1.4 million.

Total liabilities as at June 30, 2020 were $16.1 million (December 31, 2019: $26.5 million).

Marimaca Shareholder Loans and Other Debts

Loans are an important part in the capital structure of the business, and they are a critical financial tool to provide certainty to the business. The following are the existing shareholder loans and other debt outstanding as at June 30, 2020:

Marimaca Copper WC Facility

On March 5, 2020, the Company signed a non-revolving unsecured 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"). The Marimaca WC Facility has a fixed annual interest rate of 12% compounded quarterly and a 3% arrangement fee on the aggregate of principal amounts drawn, both of which are payable at maturity. The maturity date is March 25, 2021.

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.

Marimaca 1 -23 Claims 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. 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 liability.

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.

SCM Berta Facility

As of June 30, 2020, upon GSII converting its outstanding principal of $12.0 million under the Convertible Facility Agreement into 75% of the common shares in RSC, with the Company retaining the remaining 25% interest. The Company deconsolidated the associated accrued interest of $4.2 million on the conversion of the loan.

SCM Berta WC Loan

As of June 30, 2020, upon the GSII conversion, the Company deconsolidated the total debt and accrued interest from its $10.0 million secured loan facility of which $2.0 million in capital plus $1.3 million in accrued interests were outstanding as of 30 June 2020.

ProPipe instalment

This relates to the buyout of the minority shareholders of SCM Berta in 2018. As of June 30, 2020, the amortized loan balance of $0.4 million including interest of $0.1 million were deconsolidated from the Company's consolidated financial statements.

Restoration Provision

The Company's restoration provision is associated with its Nora and Ivan Plants, both of which were on care and maintenance until June 30, 2020. As of June 30, 2020, $1.4 million related to the Nora Plant was deconsolidated with the remaining restoration provision of $4.9 million related to the Ivan Plant.

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 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 COVID-19, 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.

Liquidity and Going Concern

The 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 net income of $7.4 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.

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.

As of June 30, 2020, the Company has not identified any impairment indicators for any of its remaining long-lived assets.

The Company expects that cash on hand and funds that are available under its loan arrangements will allow the Company to continue its normal operations and fulfil its short and medium-term financial liabilities.

Shareholders' Equity

(	June 30, 2020	December 31, 2019
Common shares outstanding *(000's)*	64,357,847	64,357,847
Options outstanding *(000's)*	2,011,471	1,615,750
Weighted average exercise price	CA$1.91	CA$2.73
Market capitalization *(in millions)*	C$115.2	CA$112.6
Closing share price	C$1.79	CA$1.75

Table 8: Equity

On May 27, 2020, the Company changed its name from Coro Mining Corp. to Marimaca Copper Corp. and completed a share consolidation on the basis of one (1) post-consolidated share for every twenty-five (25) pre-consolidation common shares held. All references to the number of shares, options and per share amounts presented have been retroactively restated to reflect the Consolidation (post-consolidation basis).

The Company's common shares are traded on the TSX under the symbol 'MARI".

Commitments and Option Payments

The following table shows the contractual obligations of the Company including property options payments as at June 30, 2020.

Property Option Payments *(in millions)*	2020	2021	2022-2023	Total
La Atómica	1.0	3.7	-	4.7
Atahualpa	0.2	0.2	1.6	2.0
Olimpo & Cedro (ExNaguayan)	-	1.8	3.6	5.4
Llanos And Mercedes		0.2	1.7	1.9
Total property option payments ($m)	**1.2**	**5.9**	**6.9**	**14.0**

Table 9: Contractual Obligations and Option Payments

Option Agreements

Marimaca 1-23 Claims

As previously mentioned above, the Company committed to pay $6.0 million in future instalments as part of the acquisition of the remaining 49% interest in the 1-23 Claims, resulting in the Company having a 100% ownership interest. Payments of $3.0 million each are due on the 20-month and 24-month anniversary of the closing of the transaction.

La Atómica Claims

Under the terms of the August 2017 La Atómica Letter of Intent ("LOI") (Option Agreement signed October 2017), the Company may acquire 100% of the La Atómica property by paying a total of $6.0 million as follows: $0.6 million (paid);

$1.0 million (paid) 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 Atómica 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 June 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

Under the terms of a January 2018 LOI, the Company acquired 100% of the claims of Atahualpa, Tarso and Sorpresa immediately adjoining its Marimaca property for a total cash consideration of $6.0 million (paid). A 2% NSR was 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 and Cedro (Formerly called Naguayan)

Under the terms of a January 2018 option agreement, the Company may acquire 100% of the Olimpo & 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 at this time.

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).

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, and (iii) $1.1 million on the 44-month anniversary.

Llanos and Mercedes

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 (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. These claims are subject to a 1% NSR with a buyback option for the NSR for $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 at this time.

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.

6 Expenditure Review

Expenditures Summary ($000's)	Three months ended June 30, 2020	2019	Six months ended June 30, 2020	2019
Expenses				
Exploration expenditures	453	1,071	1,095	2,632
Care and maintenance costs	314	1,079	1,150	2,523
Depreciation and amortization	42	37	84	73
Legal and filing fees	34	58	111	98
Other corporate costs	196	176	336	295
Salaries and management fees	216	262	329	469
Share-based payment 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	(12,688)	-	(12,688)	-
Other expense (recovery)	52	-	(79)	-
Net Loss (gain) for the period	**(10,437)**	**4,011**	**(7,459)**	**7,843**
Other comprehensive loss				
Items that may be subsequently reclassified to net income:				
Foreign currency translation adjustment	92	1	85	3
Loss (gain) and comprehensive loss (gain) for the period	**(10,345)**	**4,012**	**(7,374)**	**7,846**

Table 10: Expenditures Summary

Six months ended June 30, 2020 compared to the six months ended June 30, 2019

For the six months ended June 30, 2020, the Company's net loss decreased by $15.3 million from a net loss of $7.8 million in 2019 to net income of $7.5 million in 2020, the decrease is mainly driven by the recognition of a gain on asset disposal of $12.7 million, the reduction of $1.5 million in exploration expenditures and $1.4 million in care and maintenance expenses compared to the six months ended June 30, 2019.

The improved results arise from a combination of the gain on the disposition of the Company's 75% interest in RSC upon the conversion of the outstanding principal balance of $12.0 million under the SCM Berta Facility and the reduction in exploration expenses. In 2019, the Company had a major drilling program in the Marimaca District area and in 2020 the Company reduced all its on-ground exploration activities due to COVID-19. Care and maintenance expenses in 2020 are related to Nora and Ivan plant, $0.4 million and $0.8 million, respectively. In 2019, the Company had expenses related to Nora and the Berta Mine closure with the majority related to workforce severance payments and dismantling costs.

In 2020, finance fees of $1.9 million are mainly related to interest, arrangement fees and accretion of the Company's loan facilities. As of June 30, 2020, the Company deconsolidated $7.9 million in loans related to RSC liabilities.

Three months ended June 30, 2020 compared to the three months ended June 30, 2019

For the three months ended June 30, 2020, the Company net loss decreased by $14.4 million from a net loss of $4.0 million in Q2 2019 to net income of $10.4 million in Q2 2020, the decrease in loss is mainly driven by the recognition of a gain on asset disposal of $12.7 million and the reduction of $0.6 million in exploration expenditures and $0.8 million in care and maintenance expenses compared to the three months ended June 30, 2019.

The improved results are due to the gain recognized on the disposition of the Company's 75% interest in RSC related to the conversion of the outstanding principal balance of $12.0 million under the SCM Berta Facility and the reduction in explorations expenses. In 2019, the Company had a major general drilling program in the Marimaca District area and in 2020 the Company reduced all its on-ground exploration activities due to COVID-19. Care and maintenance expenses in 2020 are related to Nora and Ivan plant, $0.2 million and $0.2 million, respectively. In 2019, the Company had expenses related to Nora and the Berta Mine closure with the majority related to workforce severance payments and dismantling costs.

$ 000's	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Cash and cash equivalents	21,803	14,496	15,648	4,827	12,865	9,865	2,169	2,077
Other debt	14,515	19,694	20,367	17,563	18,264	18,474	26,447	9,516
Impairments	2,961	7,014	-	-	-	-	-	-
Write down inventories	800	432	-	-	-	-	-	-
Gain on asset disposal	-	-	-	-	-	-	-	(12,688)
Foreign exchange loss (gain)	(31)	667	(366)	(84)	62	198	363	(254)
Loss (gain) for the period	**6,380**	**10,580**	**3,832**	**4,011**	**3,261**	**3,439**	**3,440**	**(10,437)**
Loss (gain) for the period- basic per share	$0.21	$0.18	$0.07	$0.07	$0.06	$0.05	$0.05	($0.12)
Loss (gain) for the period diluted per share	$0.21	$0.18	$0.07	$0.07	$0.05	$0.05	$0.05	($0.12)

Table 11: Quarterly Results

The main differences between the quarterly numbers in the table above relate to periodic impairment charges taken at SCM Berta. In the quarters related to 2018, the Company recorded total impairment charges of $10.0 million on the Nora Plant as the asset was not capable of generating positive returns. No further impairment charges were booked in 2019 as SCM Berta ceased operating and was placed on care and maintenance at the end of 2018.

During the third quarter of 2018, the Company recognized a write down in the value of inventories of $0.8 million and in the fourth quarter of 2018, a write down due to the sale of the Berta mining operations, which included Berta mine inventories of $0.4 million.

The variances in foreign exchange show the fluctuation of the US dollars vs the Chilean peso. In the first six months of 2020, the US dollar had appreciated 16% against the Chilean peso.

The main variances in cash and equivalents are due to the rights offering and private placement in Q3 2018 which strengthened the financial and cash position of the Company at the end of 2018. In Q1 2019, the Company sold the Berta mine and received $7.7 million and in Q3 2019 the remaining $0.8 million, the cash increase is mainly due to a $12.6 million private placement closed in September 2019.

In Q2 2020, the Company recognized $12.7 million associated with a gain on the disposal of a 75% interest in RSC's to GSII upon the conversion of the outstanding principal of $12.0 million under the SCM Berta Facility. The remaining 25% interest held by the Company was valued at nil using the equity method of accounting.

Related Party Disclosure

Key Management Personnel

The Company considers all key management personnel having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity as related parties.

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

Table 12: Related Party Costs

Marimaca Loans and Interest Paid to Related Parties

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

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. As at June 30, 2020, included in the 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 of June 30, 2020, a total of $0.13 million (June 30, 2019 - $nil) remains payable to the Company's directors related to directors' fees and it is included in accounts payable and accrued liabilities.

7 Other Assets

Ivan Plant

Purchased in June 2017, the Ivan plant is not currently operational and is being kept on care and maintenance. In March 2020, the Company submitted an Environmental Impact Declaration ("DIA") to renew its environmental and operating permits.

Sierra Medina

Sierra Medina comprises a 14,505-hectare claim located approximately 30 kilometres east of Marimaca, in the former Sierra Valenzuela copper district. Between 2011 and 2013, Minera Rayrock explored and discovered a volcanic-hosted manto-type copper deposit. The deposit is blind with mineralization starting at 50 m to 100 m below surface. Copper mineralization, grading close to 1% Cu, consists of both copper oxide and sulphides. The deposit is still open at depth and there are other copper prospects identified but not yet explored within the claim area. As part of the transaction to acquire the remaining 49% interest in the 1-23 Claims, the Company agreed to sell 144 hectares from the Sierra Medina claims that contained drilling information from the work that had been previously done by Minera Rayrock.

8 Outstanding Share Data Authorized and Issued

As at August 12, 2020, the number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

Common Shares	Number
Outstanding	64,357,847
Stock Options[1]	2,011,471
Total	**66,369,318**

[1]These stock options have a weighted average price of $1.91 per stock options and weighted average remaining life in years between 2.7 years.

On May 27, 2020, the Company completed a share consolidation of its common shares (the "Shares") on the basis of one (1) post-consolidated Share for every twenty-five (25) pre-consolidation Shares held (the "Consolidation").

Options

On April 21, 2020, the Company granted a total of 440,000 (2019 - 448,000) stock options 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 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. The options were valued based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted: stock price $1.25, exercise price $1.25, 5 years expected term, 99% volatility, and a 1% risk free interest.

9 Risks, Disclosure & Policies

For a full version of the critical accounting estimates and policies reference should be made to the Company's audited financial statements for the year ended December 31, 2019, which are available on the Company's website at www.marimaca.com. In addition, reference should be made to the most recently filed Annual Information Form available on SEDAR at www.sedar.com.

Internal Control over Financial Reporting and Disclosure Controls

Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in the Company's disclosure controls and procedures during the quarter ended June 30, 2020.

Internal controls over financial reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's internal controls over financial reporting include policies and procedures that: pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

There have been no changes in our internal controls over financial reporting during the quarter ended June 30, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Forward Looking Statements

Certain of the statements made and information contained or incorporated by reference herein is "forward-looking information" within the meaning of applicable Canadian securities laws. All statements other than statements of historical facts in this document constitute forward-looking information based on current expectations, estimates, forecasts and projections as well as beliefs and assumptions made by the Company's management. Such forward-looking statements include but are not limited to those regarding the Company's outlook and guidance on estimated metal production (or production profile), costs and capital expenditures, exploration and Mineral Reserve and Mineral Resource estimates. Words such as "aim", "anticipate", "assumption", "belief", "believe" "estimate", "expected", "exploration", "exposure", "focus", "forecast", "future", "growth", "guidance", "intends", "opportunities", "outlook", "path", "phase", "plan", "possible", "potential", "program", "progress", "project", "risk", "sensitivity", "schedule", "stage", "strategic", "target" or "trend", or variations of or similar such terms, or statements that certain actions, events or results could, may, might or will be taken or occur or be achieved, identify forward-looking information. Although the Company believes that the expectations reflected in the forward-looking information herein are reasonable, these statements by their nature involve risks and uncertainties and are not guarantees of future performance. These estimates, expectations and other forward-looking statements are based on a number of assumptions and are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements. Such risks and uncertainties include, without limitation, risks and uncertainties inherent in and relating to estimates of future production and operations, cash and all-in sustaining costs; metal and commodity price fluctuations; foreign currency fluctuations; mining operations including but not limited to environmental hazards, industrial accidents, ground control problems and flooding; geology including, but not limited to, unusual or unexpected geological formations and events (including but not limited to rock slides and falls of ground), estimation and modelling of grade, tonnes, metallurgy continuity of mineral deposits, dilution, and Mineral Resources and Mineral Reserves, and actual ore mined or metal recoveries varying from such estimates; mine life and life-of-mine plans and estimates; the possibility that future exploration, development or mining results will not be consistent with expectations; the potential for and effects of labour actions, disputes or shortages, community or other civil protests or demonstrations or other unanticipated difficulties with or interruptions to operations; potential for unexpected costs and expenses including, without limitation, for mine closure and reclamation at current and historical operations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain and maintain necessary governmental approvals and permits; regulatory investigations, enforcement, sanctions or related or other litigation; and other risks and uncertainties, including but not limited to those described in the "Risks Factors" section of the Company's most recently filed Annual information Form. Also, in addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management; assumed prices of copper, that the Company can access financing, appropriate equipment and sufficient labour; and that the political environment where the Company operates will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, there can be no assurance that forward-looking information will prove to be accurate, and readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise forward-looking statements or to explain any material difference between such and subsequent actual events, except as require by applicable law.

NI 43-101 Compliance Requirements

Under National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), if an issuer disclosures in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure the name and the relationship to the issuer of the qualified person who: (a) prepared or supervised the preparation of the information that forms the basis for the written disclosure or (b) approved the written disclosure. For the purposes of this MD&A, Luis Albano Tondo, President and CEO of the Company, a mining engineer with more than 30 years of experience is the Qualified Person for the purposes of NI 43-101 has approved the written disclosure in this MD&A. This MD&A references a number of previous news releases in respect of disclosure of technical matters relating to mineral properties and reference should be made to these news releases to fully understand these references.

Government Laws, Regulation & Permitting

Mining and exploration activities of the Company are subject to both domestic and foreign laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Other Risks

Reference should be made to the Company's risk and critical accounting policies and practices section of the December 31, 2019, Management Discussion and Analysis for a complete discussion of the risk factors associated with Nature of Operations; NI 43-101 Compliance Requirements, Government Laws, Regulation & Permitting, Key Management and Competition; Title to Properties; Commodity Prices; Credit Risk, Interest Rate Risk, Liquidity Risk, Foreign Currency Risk; amongst other things.

Critical Accounting Policies

Reference should be made to the Company's risks and critical accounting policies and practices section of the December 31, 2019. Management Discussion and Analysis for a complete discussion on the critical accounting policies associated with estimates and use of judgement, New Accounting Pronouncements; amongst other things.

Other Information

Additional information regarding the Company is included in the Company's Annual Information Form ("AIF") which is filed with the Canadian securities regulators. A copy of the Company's AIF can be obtained on SEDAR. (www.sedar.com) or on the Company's website (www.marimaca.com).

Contact Information

For further information, please visit www.marimaca.com or contact:
Hayden Locke, President
Cell +44 (0)7771 450 679 | Email: hayden.locke@marimaca.com

marimaca

COPPER CORP.