Coro Mining Corp.

Condensed Interim Consolidated Financial Statements

March 31, 2017

(Expressed in U.S. dollars, except where indicated)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Coro Mining Corp.

Condensed Consolidated Statements of Financial Position

As at March 31, 2017 and December 31, 2016

(Expressed in U.S. dollars, except where indicated)

	March 31 2017 $000's	December 31 2016 $000's
Assets		
Current assets		
Cash and cash equivalents	2,469	4,257
Accounts receivable and prepaid expenses (note 3)	1,597	1,296
Inventories (note 4)	1,132	1,578
	5,198	7,131
Property, plant and equipment (note 5)	24,443	20,861
Exploration and evaluation assets (note 6)	1,751	938
Total assets	**31,392**	**28,930**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	4,612	4,073
Current portion of other debt (note 8)	281	563
Finance leases (note 9)	286	308
	5,179	4,944
Non-current portion of other debt (note 8)	250	431
Restoration provision (note 10)	2,108	1,281
Total liabilities	7,537	6,656
Shareholders' equity		
Common shares (note 11)	76,389	74,477
Contributed surplus	7,369	7,155
Accumulated other comprehensive income ("AOCI")	621	571
Deficit	(61,296)	(60,708)
	23,083	21,495
Non-controlling interests ("NCI") (note 13)	772	779
Total equity	**23,855**	**22,274**
Total liabilities and equity	**31,392**	**28,930**

Nature of operations and going concern (note 1)
Commitments (note 18)
Subsequent events (note 11)

Approved by the Board of Directors

"Colin Kinley"
Director

"Gordon J Fretwell"
Director

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

Coro Mining Corp.

Condensed Consolidated Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2017 and 2016

(Expressed in U.S. dollars, except where indicated)

	2017 $000's	2016 $000's
Expenses		
Exploration expenditures (note 14)	18	113
Depreciation and amortization	5	2
Legal and filing fees	25	18
Other corporate costs	156	54
Salaries and management fees	229	106
Share-based payments expense	200	39
Operating loss	633	332
Interest income	(94)	-
Foreign exchange loss (gain)	68	(280)
Unrealized gain on held-for-trading investment	(12)	-
Loss for the period	595	52
Attributable to:		
Owners of the parent	588	53
Non-controlling interests	7	(1)
	595	52
Other comprehensive income		
Items that may be reclassified subsequently to net income:		
Foreign currency translation adjustment	(50)	273
Loss and comprehensive loss for the period	545	325
Attributable to:		
Owners of the parent	538	326
Non-controlling interests	7	(1)
	545	325
Basic and diluted loss per share ($ per share)	$0.00	$0.00
Weighted average shares outstanding (000's)	485,304	239,172

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

Coro Mining Corp.

Condensed Consolidated Statements of Shareholders' Equity

For the three months ended March 31, 2017 and 2016

(Expressed in U.S. dollars, except where indicated)

	Attributable to owners of the parent							
	Common shares							
	No. of shares #000's	Amount $000's	Contributed Surplus $000's	AOCI $000's	Deficit $000's	Total $000's	NCI $000's	Total Equity $000's
Balance – January 1, 2016	159,372	53,172	6,326	765	(57,148)	3,115	805	3,920
Shares issued	79,800	2,195	-	-	-	2,195	-	2,195
Share-based payments	-	-	55	-	-	55	-	55
Comprehensive income (loss)	-	-	-	(6)	(52)	(325)	1	(324)
Balance – March 31, 2016	**239,172**	**55,367**	**6,381**	**492**	**(57,200)**	**5,040**	**806**	**5,846**
Balance - January 1, 2017	483,425	74,477	7,155	571	(60,708)	21,495	779	22,274
Shares issued (note 11)	15,592	1,669	-	-	-	1,669	-	1,669
Warrants exercised (note 11)	2,162	243	-	-	-	243	-	243
Share-based payments (note 12)	-	-	214	-	-	214	-	214
Comprehensive loss	-	-	-	50	(588)	(538)	(7)	(545)
Balance - March 31, 2017	**501,179**	**76,389**	**7,369**	**621**	**(61,296)**	**23,083**	**772**	**23,855**

Coro Mining Corp.

Condensed Consolidated Statements of Cash Flows

For the three months ended March 31, 2017 and 2016

(Expressed in U.S. dollars, except where indicated)

	2017 $000's	2016 $000's
Cash flows from operating activities		
Loss for the period	(595)	(52)
Items not affecting cash		
Depreciation and amortization	5	2
Share-based payment expense	200	39
Unrealized foreign exchange (gain) loss	-	(435)
Unrealized gain on held-for-trading investments	(12)	-
	(402)	(445)
Change in non-cash operating working capital		
Decrease (increase) in receivables and prepaid	3	(5)
Decrease in inventories	446	57
Decrease in accounts payable and accrued liabilities	431	51
	478	(342)
Cash flows from financing activities		
Deferred consideration (note 8)	(281)	19
Short-term loan proceeds (note 8)	-	(155)
Finance lease payment (note 9)	(73)	(58)
Issuance of common shares (net of issuance costs) (note 11)	1,912	2,195
	1,558	2,001
Cash flows from investing activities		
Property, plant and equipment	(5,648)	(3,529)
Property, plant and equipment (capitalized revenues)	2,587	1,775
Deferred exploration and evaluation assets	(813)	-
	(3,874)	(1,754)
Effect of exchange rate changes on cash	50	162
Increase in cash and cash equivalents	(1,788)	67
Cash and cash equivalents - beginning of period	4,257	1,070
Cash and cash equivalents - end of period	2,469	452

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

1 Nature of operations and going concern

Coro Mining Corp. (the "Company" or "Coro") and its subsidiaries are engaged in the exploration and development of base and precious 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.

Going concern

These 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 period ended March 31, 2017, the Company reported a loss of $0.6 million, cash outflows from operations of $0.4 million, and as at that date had an accumulated deficit of $61.3 million, and working capital deficit of $0.02 million.

On March 22, 2017 the Company announced a $12.0 million equity financing (note 11) to provide funds to acquire Rayrock (note 6), to continue to explore Marimaca and for general working capital purposes. On March 31, 2017, the Company completed the first tranche of this financing for $1.8 million by issuing 15,591,666 common shares. The remainder of the equity financing closed in April where a further 92,088,334 common shares were issued, raising gross process of approximately $10.2 million.

The Company's ability to continue as a going concern is dependent upon its ability to generate cash flow from operations and, to the extent that this is not sufficient, to obtain additional funding from loans, equity financings or through other arrangements. While the Company has been successful in arranging financing in the past, the success of such initiatives cannot be assured. These conditions cast significant doubt on the validity of the going concern assumption.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

2 Significant accounting policies

a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations. Accordingly, these Financial Statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete annual financial statements, and should be read in conjunction with the Company's consolidated and audited financial statements as at and for the year ended December 31, 2016.

These condensed interim consolidated financial statements were approved for issue on May 11, 2017 by the Audit Committee on behalf of the Board of Directors.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

2 Significant accounting policies (continued)

Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, allocation of financing proceeds, and income and mining taxes. Differences may be material.

b) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Minera Cielo Azul Ltda., Inversiones Cielo Azul Ltda., Minera Coro Chile Ltda., and its 65% interest in Sociedad Contractual Minera Berta ("SCMB"). All intercompany transactions, balances, income and expenses have been eliminated on consolidation.

c) Property, plant and equipment

Property, plant and equipment include plant and equipment, mineral properties and mine development costs, and construction in progress.

Plant and equipment

Plant and equipment are carried at cost, less accumulated amortization and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use along with the future cost of dismantling and removing the asset. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Plant and equipment are amortized over the life of the mine using the units-of-production ("UOP") method based on the recoverable tonnes from the estimated proven and probable reserves. Mobile equipment is depreciated on a straight-line basis for up to five years.

During the commissioning phase of a new plant, pre-production expenditures, net of incidental revenue, are capitalized to property, plant and equipment.

Mineral property and mine development costs

Mineral property costs are carried at cost, less accumulated depletion. Costs of project development including gaining initial access to the ore body are capitalized to mineral properties. Once the mineral property is in production, it will be depleted using the UOP method, based on recoverable tonnes from the estimated proven and probable reserves.

Capitalization of pre-commercial production ceases when the mining property is capable of commencement of mining operations in the manner intended by management. Costs incurred prior to this point, including depreciation of related plant and equipment, are capitalized and proceeds from sales during this period are offset against capitalized costs.

The Company applies judgment in its assessment of when a mine is capable of operating in the manner intended by management, which takes account of the design of the mine and the nature of the initial commissioning phase of the operation.

Construction in progress

Costs recorded for assets under construction are capitalized as construction in progress. On completion, the cost of construction is transferred to the appropriate category of property, plant and equipment. No amortization is recorded until the assets are substantially complete and available for their intended use.

2 Significant accounting policies (continued)

Deferred stripping
Stripping costs incurred during the production phase of a mine are considered production costs and are included in the cost of inventory produced during the period in which stripping costs are incurred, unless the stripping activity can be shown to be a betterment of the mineral property. Betterment occurs when stripping activity increases future output of the mine by providing access to additional reserves. Stripping costs incurred to prepare the ore body for extraction are capitalized as mine development costs and are amortized on a UOP basis over the reserves to which they relate.

Borrowing costs
Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to prepare for its intended use are capitalized as part of the cost of the asset. Capitalization of borrowing costs begins when there are borrowings and activities commence to prepare an asset for its intended use. Capitalization of borrowing costs ends when substantially all activity necessary to prepare a qualifying asset for its intended use is complete. When proceeds of project specific borrowings are invested on a temporary basis, borrowing costs are capitalized net of any investment income.

d) Exploration and evaluation assets

Exploration and evaluation assets
In applying its accounting policy for costs incurred during the exploration phase the Company must determine whether the criteria for capitalization have been met. The most difficult and subjective estimate is whether a project will generate probable future economic benefits. Management considers all appropriate facts and circumstance in making this assessment including historical experience, expected market demand, costs and future economic conditions. The Company also considers the aforementioned factors when performing impairment tests.

e) New accounting pronouncements
The following revised standards and amendments are effective in future accounting periods with earlier application permitted, except where indicated.

(i) IFRS 9, *Financial Instruments*, addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39*, Financial Instruments: Recognition and Measurement,* that relate to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements.

The main change for liabilities is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income (loss) rather than in net earnings. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of IFRS 9.

(ii) IFRS 15, *Revenue from Contracts with Customers,* establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the effect of this standard.

2 Significant accounting policies (continued)

(iii) IFRS 16, *Leases,* addresses accounting for leases and lease obligations. It replaces the existing leasing guidance in IAS 17, *Leases*. The objective of the new standard is to report all leases on the statement of financial position and to define how leases and lease liabilities are measured. IFRS 16 is effective January 1, 2019 with early adoption permitted for companies that also apply IFRS 15. The Company is currently assessing the impact of IFRS 16.

3 Accounts receivable and prepaid expenses

$000's	**March 31, 2017**	**December 31, 2016**
Trade receivables	138	147
Value added taxes	977	757
Prepaid expenses and other receivables	483	392
	1,597	**1,296**

4 Inventories

$000's	**March 31, 2017**	**December 31, 2016**
Consumable parts and supplies	114	118
Ore stockpiles	54	204
Copper in circuit	880	1,000
Finished goods	84	256
	1,132	**1,578**

5 Property, plant and equipment

$000's	Mineral property and mine development	Nora plant	Other	Construction in progress[(1)]	Total
Cost					
January 1, 2016	6,833	8,091	127	28	15,079
Disposals	-	-	(86)	-	(86)
Additions	1,067	4,506	24	308	5,905
December 31, 2016	**7,900**	**12,597**	**65**	**336**	**20,898**
Disposals	-	(270)	-	-	(270)
Additions	56	840	4	2,957	3,857
March 31, 2017	**7,956**	**13,167**	**69**	**3,293**	**24,485**
Accumulated depreciation					
January 1, 2016	-	-	(111)	-	(111)
Disposals	-	-	86	-	86
Depreciation expense	-	-	(12)	-	(12)
December 31, 2016	-	-	**(37)**	-	**(37)**
Disposals	-	-	-	-	-
Depreciation expense	-	-	(5)	-	(5)
March 31, 2017	-	-	**(42)**	-	**(42)**
Net book value					
January 1, 2016	6,833	8,091	16	28	14,968
December 31, 2016	7,900	12,597	28	336	20,861
March 31, 2017	**7,956**	**13,167**	**27**	**3,293**	**24,443**

(1) Includes the build out of the Berta facilities that commenced in December 2016.

Nora plant

In Q1 2017, additions at Nora included the capitalization of pre-commercial production expenditures of $0.5 million; and capitalization of financing and interest costs of $0.3 million. In 2016, additions at Nora included the capitalization of pre-commercial production expenditures of $2.6 million; capitalization of financing and interest costs of $1.1 million, and other additions of $0.4 million.

At March 31, 2017, the Nora plant remained in the commissioning phase and is unlikely to reach commercial production until the build out of the Berta facilities are complete, which is expected in the second quarter of 2017.

Construction in Progress – Berta Facilities

In December 2016, commenced building the Berta facilities, which included a crushing and agglomeration circuit and leach pads to produce Pregnant Leach Solution ("PLS") that will be transported to the Nora Plant.

6 Exploration and evaluation assets

$000's	Marimaca	Rayrock	El Joté	Prat	Total
Balance – January 1, 2016	**-**	**-**	**-**	**152**	**152**
Miscellaneous development costs	-	-	-	68	68
Property acquisition costs (1)	-	583	135	-	718
Balance – December 31, 2016	**-**	**583**	**135**	**220**	**938**
Miscellaneous development costs	82	17	-	-	99
Geology and engineering	714	-	-	-	714
Balance – March 31, 2017	**796**	**600**	**135**	**220**	**1,751**

(1) Property acquisition costs for Rayrock include due diligence and evaluation costs

Marimaca, Chile

In August 2014, the Company entered into an agreement to acquire up to a 75% interest in the Marimaca copper oxide prospect for $185,000 ($60,000 paid); $125,000 on completion of an NI 43-101 compliant resource estimate and engineering study that demonstrates the technical and economic feasibility of producing a minimum of 1,500tpy of copper cathode by August 2018 to earn 51% interest. Coro may acquire a further 24% interest by obtaining project construction finance. In April 2017, this agreement was amended to enable Coro to contribute the Ivan plant (from the Rayrock acquisition (refer below)) to earn its additional 24% rather than obtaining project construction finance. The owner of the property will maintain a 25% interest with a 15% interest free carried to commercial production and a 10% participating interest that is subject to dilution.

Commencing January 1, 2017, the costs associated with Marimaca were classified as Mineral property and Mine development costs and capitalized, as management believes that these costs can now be recovered, which is supported by the release of the NI 43-101resource statement in January 2017.

Rayrock, Chile

In August 2016, Coro signed a non-binding Letter of Intent to acquire Minera Rayrock Ltda ("Rayrock") (the "Rayrock LOI"), a Chilean subsidiary of Compañía Minera Milpo S.A.A ("Milpo") a Peruvian mining company. Rayrock is the owner of the Ivan SXEW plant located some 18km south of the Company's Marimaca project.

The signing and initial payment of $0.25 million (paid) provided Coro with an initial exclusivity period of 60 days (subsequently extended by 30 days) to conduct its due diligence. The parties to the Rayrock LOI will then have 30 days to negotiate and execute a definitive agreement upon which Coro will pay a further $6.25 million, bringing the total acquisition cost of Rayrock to $6.5 million.

Milpo also retains a 2% NSR on all production from the Rayrock mineral properties. Coro may acquire half the NSR for $2 million at any time and will have a right of first refusal over the NSR.

The potential acquisition also includes 23,748 hectares of mining claims (the "Ivan Claims") extending between Marimaca and Ivan and a further 14,505 hectares of mining claims located some 42km north east from Ivan and 30km east from Marimaca.

El Joté, Chile

In May 2016, SCMB optioned the El Joté (formerly called "Salvadora") copper project, located ~ 30km NW of the Nora plant and 58km NE of the port of Chañaral in the III Region of Chile. SCMB may acquire a 100%

6 Exploration and evaluation assets (continued)

interest in the property by completing the following option payment schedule totalling $3,005,000; $165,000 (paid). On or before: May 2017; $180,000, May 2018; $250,000 and May 2019; $2,440,000. The final payment can be made in 8 equal instalments of $305,000 plus interest at LIBOR, and SCMB can start production with the first instalment payment. A 1.5% NSR is payable which can be purchased for $1,500,000 at any time.

Planta Prat, Chile
In August 2014, the Company signed an agreement to acquire an interest in a SXEW agitation leach plant in the II Region of Chile. Coro may earn a 51% interest by paying total consideration of $160,000 ($60,000 paid; and $100,000 on completing a plant expansion). In addition to the cash payments to earn it's 51% interest, Coro must expand the plant to 1,200 tonnes per year ("tpy") capacity (by August 2017); Coro may earn an additional 14% interest (for a total interest of 65%) upon commencement of commercial production which is defined as 80% of 1,200 tpy copper annual production rate for 60 consecutive days.

7 Accounts payable and accrued liabilities

$000's	March 31, 2017	December 31, 2016
Accounts payable	3,157	3,292
Accrued liabilities	1,455	781
	4,612	**4,073**

8 Other debt

$000's	March 31, 2017	December 31,2016
Finance lease (note 9)	286	489
Berta deferred consideration (a)	281	563
ProPipe shareholder loan (b)	250	250
Total other debt	**817**	**1,302**
Current portion	567	871
Non-current portion	**250**	**431**

a) Berta deferred consideration

Under the amended Berta option agreement (April 2013), SCMB paid $1.75 million in options payments prior to exercising its option and agreeing to pay $2.25 million in deferred consideration in eight quarterly instalments commencing in August 2015 plus interest at the rate of LIBOR on the outstanding balance. In addition to the deferred consideration, a 1.5% NSR is payable on all copper production and by product metal production from the Berta property. As of March 31, 2017, the Company has paid $1.97 million with only the final installment due in May 2017.

b) ProPipe shareholder loan

The current outstanding balance shall be paid to ProPipe on a preferential basis out of the free cash flow from SCMB.

9 Finance leases

Included in property, plant and equipment are generators and crushing equipment acquired pursuant to lease agreements. The original lease agreement on the generators was entered into in September 2015 (subsequently amended in April and October 2016). The generators are the security for the indebtedness, and required an initial deposit of $77,141. The October 2016 amendment requires fifteen monthly payments of $19,679, and included a buyout amount of $121,896 at the end of the agreement. Under the revised terms, payments are due within 60 days of invoicing.

In April 2016, SCMB entered into a twenty-four month lease on a semi-mobile crusher, which required an initial deposit of $40,500 and twenty-four monthly payments of $10,682. In March 2017, the lease was cancelled.

$000's	**March 31, 2017**	**December 31, 2016**
Remaining lease payment (within twelve months)	319	364
Remaining lease payment (thereafter)	-	184
Total lease payments	319	548
Less: interest portion	33	59
Present value of capital lease obligations	**286**	**489**

The cost of the generators held under the finance lease is equal to the lower of the net present value of the minimum lease payments or the fair value of the leased property at the inception of the lease and is amortized over the term of the lease, except when there is a reasonable certainty that the leased assets will be purchased at the end of the lease, in which case they are amortized over the expected continued useful life of the assets.

10 Restoration provision

Nora Plant

The Nora's restoration provision consists primarily of costs associated with reclamation and closure activities for the Nora plant. Due to the minimal site disturbance at Berta no restoration provision has been made as at March 31, 2017. These activities include costs for disposition of chemical materials, earthworks, and the dismantling and demolition of structures. In calculating the present value of the restoration provisions as at March 31, 2017, management used a risk-free rate of 2.35% and an inflation rate of 2.0%. The undiscounted cash flows, before inflation adjustments, estimated to settle the restoration provisions approximate the discounted cash flows. Due to the nature of closure plans, cash expenditures are expected to occur over a significant period of time with the majority of the expenditures expected to occur in seven to eight years.

Berta facilities

In March 2017, SCMB recorded $0.8 million for restoration provision for the Berta facilities consisted primarily of the costs associated with the auxiliary installations of the Mine plant and the crushing and agglomeration facilities.

10 Restoration provision (continued)

Details of the restoration provision are as follows:

$000's	**March 31, 2017**			**December 31, 2016**
	Nora	**Berta**	**Total**	**Nora & Total**
Balance, beginning of period	1,281	-	1,281	1,291
Initial provision	-	819	819	-
Reclamation revaluation	-	-	-	(25)
Accretion expense	8	-	8	15
Balance, end of period	**1,289**	**819**	**2,108**	**1,281**

11 Common shares

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

Issued
In January 2017, 2,162,500 warrants at CA$0.15 were exercised for gross proceed of CA$0.3 million.

On March 31, 2017 the Company completed a partial closing of the first tranche of the non-brokered private placement for $12.0 million (107,680,000 common shares at CA$0.15 per common share) and issued 15,591,666 common shares, at a price of CA$0.15 per common share, raising gross proceeds of CA$2.3 million.

In April 4, 2017 the Company completed the remaining tranches by issuing a total of 92,088,334 common shares at a price of CA$0.15, raising gross process of approximately CA$13.8 million.

As of April 30, 2017, the Company had 593,267,539 (March 31, 2017: 501,179,205) common shares issued and outstanding. The proceeds of the Private Placement will be used to fund the acquisition of Rayrock, continue to explore Marimaca and for general working capital purposes. Following completion of the financing, Greenstone holds approximately 61% of the Company's issued and outstanding shares.

Capital risk management
The Company considers its components of shareholders' equity as capital. As the Company is in the development stage, its principal source of funds is from the issuance of common shares. It is the Company's objective to safeguard its ability to continue as a going concern, so that it can continue to explore and develop its projects for the benefit of its stakeholders.

12 Share stock options and warrants

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.

(Expressed in U.S. dollars, except where indicated)

12 Share stock options and warrants (continued)

	March 31, 2017		December 31, 2016	
	Number of shares	Weighted average exercise price CA$	Number of shares	Weighted average exercise price CA$
Outstanding – January 1	34,290,000	0.16	8,590,000	0.25
Expired	-	-	(500,000)	0.04
Expired	-	-	(550,000)	0.39
Expired	(3,740,000)	0.41	-	-
Granted	1,000,000	0.16	26,750,000	0.13
Outstanding – March 31	**31,550,000**	**0.13**	**34,290,000**	**0.16**

At March 31, 2017, the following stock options were outstanding:

	Number of options outstanding	Number of options vested and exercisable	Exercise price CA$	Expiry Date
	3,800,000	3,800,000	0.10	2019
	11,750,000	11,750,000	0.04	2021
	14,500,000	500,000	0.20	2021
	500,000	500,000	0.14	2021
	1,000,000	-	0.16	2021
Total	**31,550,000**	**16,550,000**		

During the three months ended March 31, 2017, the Company granted 1,000,000 (2016: 11,750,000) options at CA$0.16 (2016: CA$0.04).

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	March 31, 2017	March 31, 2016
Risk-free interest rate	76%	49%
Expected life	4 years	3 years
Expected volatility	122%	122%
Expected dividend	0%	0%

For the three months ended March 31, 2017, total share-based compensation expense was $212,551 (2016: $54,044) of which $11,963 (2016: $14,699) was capitalized.

12 Share stock options and warrants (continued)

Warrants

	March 31, 2017		December 31, 2016	
	Number of shares	**Weighted average exercise price CA$**	**Number of shares**	**Weighted average exercise price CA$**
Outstanding – beginning of period	**5,102,500**	**0.15**	10,539,123	0.15
Exercised	(2,162,500)	0.15	-	-
Expired	(2,940,000)	0.15	(5,436,623)	-
Outstanding – end of period	**-**	**-**	**5,102,500**	**0.15**

In January 2017, 2,162,500 warrants were exercised (note 11) and 2,940,000 warrants expired unexercised.

13 Non-controlling interest

Under the SCMB Amended Shareholders Agreement, ProPipe S.A. ("ProPipe") have a 35% interest (2016: 35%) in SCMB. ProPipe earned its interest by completing various milestones in the development of the Berta Project.

The following table summarizes select SCMB financial information for the period ended March 31, 2017 and the year ended December 31, 2016:

$000's	March 31, 2017	December 31, 2016
Current Assets	3,165	2,814
Non-current assets	27,777	24,128
Current liabilities	13,672	10,252
Non-current liabilities	10,256	9,656
Loss	(21)	(74)
Total comprehensive loss	(21)	(74)

In 2015 the proceeds from a Convertible Debenture were loaned to SCMB to complete the acquisition of the Nora plant and provide working capital to complete its refurbishment and commissioning. SCMB were not in a position to repay this amount and Coro agreed to re-finance the total amount of $8.125 million which bears interest at Libor plus 7% and is repayable in 16 quarterly instalments commencing in August 2017.

During 2016, Coro provided a further $3.4 million amount in funding which is repayable on demand and also bears interest at the aforementioned rate. In addition, Coro has agreed to provide the initial financing for the build out of the Berta facilities that commenced in December 2016. As of March 31, 2017, $2.4 million amount had been advanced for the Berta facilities.

14 Exploration expenditures

	For the three months ended March 31, 2017			
$000's	**Marimaca**	**Celeste**	**General**	**Total**
General & admin	-	-	15	15
Property investigation	-	-	3	3
Total exploration expenditure	**-**	**-**	**18**	**18**

	For the three months ended March 31, 2016			
$000's	**Marimaca**	**Celeste**	**General**	**Total**
Consulting, labour & professional fees	8	-	-	8
Drilling & trenching	18	-	-	18
General & admin	-	-	86	86
Property investigation	-	-	1	1
Total exploration expenditure	**26**	**-**	**87**	**113**

Marimaca, Chile
Starting January 2017, the costs associated with Marimaca were classified as Mineral property and Mine development costs (note 6).

Celeste, Chile
The 100% owned Celeste property includes the Celeste Sur iron ore project located in the III Region of Chile.

General, Chile
General exploration activity in Chile includes other property evaluation and exploration costs. It also includes costs associated with the wholly owned Llancahue property.

15 Related party transactions

The Company considers the Executive Directors and Officers of the Company to be key management personnel.

$000's	**Three months ended March 31, 2017**	**Three months ended March 31, 2016**
Short-term employee benefits	505	190
Share-based payments	188	44
Total key management personnel	**693**	**234**

16 Geographic information

The Company operates in a single operating segment, mineral exploration and development. The following table provides geographic information about the Company's assets and operations:

$000's	Canada	Chile	Total
March 31, 2017			
Non-current assets	534	25,660	26,194
Total assets	1,972	29,420	31,392
Total liabilities	511	7,026	7,537
December 31, 2016			
Non-current assets	233	21,567	21,800
Total assets	3,353	25,577	28,930
Total liabilities	121	6,535	6,656

17 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 March 31, 2017, the Company's carrying values of cash and cash equivalents, accounts receivable, and convertible debenture approximate their fair values due to their short term to maturity.

The fair value of the Company's accounts payable and accrued liabilities may be significantly lower than the carrying value given the Company's going concern uncertainty and the fair value is not readily determinable. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

At March 31, 2017, the Company's financial instruments measured at fair value on a recurring basis were the held-for-trading investment in Bearing Resources Ltd. shares (classified as "Level 1").

Credit risk
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
The Company is subject to currency risk on financial instruments which are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses would impact profit or loss.

The Company's significant subsidiaries are located in Chile and the parent company is in Canada. As a result a portion of the Company's accounts receivable, accounts payable and accruals are denominated in the Chilean

17 Financial instruments (continued)

Peso and Canadian Dollars and are therefore subject to fluctuation in exchange rates. As the Company's parent company functional currency is the Canadian dollar, a 100 basis point (one per cent) increase-strengthening (decrease-weakening) in the U.S. dollar at period end would have resulted in the net loss being $1,682 higher (a greater loss) ($1,682 lower).

Interest rate risk
The Company was exposed to interest rate risk on cash and cash equivalents held as at March 31, 2017. A 100 basis point (1%) increase or decrease in the interest rate would not result in a significant change in the Company's reported loss for the period ended March 31, 2017 based on average cash holdings during the period. The Company is also subject to interest rate risk with respect to the deferred consideration on Berta. A 100 basis point (1%) increase or decrease in the interest rate would not result in a significant change to the Company's reported loss for the period ended March 31, 2017.

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 as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash equivalents to capital and operating needs. For further information related to liquidity refer to note 1.

18 Commitments and option payments

The following table sets out the commitments and option payments of the Company as of March 31, 2017.

$000's	2017 nine months	2018	2019	Thereafter	Total
Property option payments					
Marimaca	-	125	-	-	125
Planta Prat	100	-	-	-	100
El Jote	180	250	2,440	-	2,870
Total property option payments	**280**	**375**	**2,440**	**-**	**3,095**
Operating leases	65	-	-	-	65
Total	**345**	**375**	**2,440**	**-**	**3,160**