Coro Mining Corp.

Consolidated Financial Statements

December 31, 2018

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

Coro Mining Corp.

Consolidated Statements of Financial Position

As at December 31, 2018 and 2017

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

	2018 $000's	2017 $000's
Assets		
Current assets		
Cash and cash equivalents	14,496	2,811
Accounts receivable and prepaid expenses (note 5)	431	3,299
Inventories (note 6)	181	1,956
	15,108	8,066
Non-current assets		
Non current portion of accounts receivable	3,138	-
Property, plant and equipment (note 7)	25,286	28,790
Exploration and evaluation assets (note 8)	20,168	5,930
Total assets	**63,700**	**42,786**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	3,811	10,819
Current portion of restoration provision	933	-
Current portion of other debt (note 10)	19,694	3,412
	24,438	14,231
Non-current portion of other debt (note 10)	456	250
Restoration provision	5,809	6,583
Total liabilities	**30,703**	**21,064**
Shareholders' equity		
Common shares (note 12)	129,838	92,635
Contributed surplus	7,935	7,789
Accumulated other comprehensive income ("AOCI")	934	439
Deficit	(105,710)	(74,331)
	32,997	26,532
Non-controlling interest ("NCI")	(0)	(4,810)
Total equity	**32,997**	**21,722**
Total liabilities and equity	**63,700**	**42,786**

Nature of operations and going concern (note 1)
Commitments (note 20)
Subsequent events (note 21)

"Petra Decher"
AC member

"Luis Tondo"
Director

Coro Mining Corp.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2018 and 2017

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

		2018 $000's		2017 $000's
Expenses				
Exploration expenditures (note 15)		1,871		150
Care and maintenance costs		1,680		573
Writedowns and impairments (note 7)		15,470		15,903
Depreciation and amortization		56		25
Legal and filing fees		212		63
Other corporate costs		682		583
Salaries and management fees		1,695		974
Share-based payments expense		147		711
Operating loss		**21,813**		**18,982**
Finance expense (income)		1,872		(10)
Foreign exchange loss		1,123		248
Other expense (income)		8		(8)
Loss for the year		**24,816**		**19,212**
Attibutable to:				
Owners of the parent		24,286		13,623
Non-controlling interests		530		5,589
		24,816		19,212
Other comprehensive income				
Items that may be reclassified subsequently to net income:				
Foreign currency translation adjustment		(495)		132
Comprehensive loss for the year		**24,321**		**19,344**
Attibutable to:				
Owners of the parent		23,791		13,755
Non-controlling interests		530		5,589
Comprehensive loss for the year		24,321		19,344
Basic and diluted loss per share ($ per share)	$	0.03	$	0.02
Weighted average shares outstanding (000's)		882,386		576,563

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

Coro Mining Corp.

Consolidated Statements of Shareholders' Equity

For the years ended December 31, 2018 and 2017

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

	Attributable to owners of the parent							
	Shares							
	Number 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 at January 01, 2017	483,425	74,477	7,155	571	(60,708)	21,495	779	22,274
Shares issued (note 12)	164,242	17,710	-	-	-	17,710	-	17,710
Warrants exercised	2,163	305	(62)	-	-	243	-	243
Options exercised	2,100	143	(49)	-	-	94	-	94
Share-based payments (note 13)	-	-	745	-	-	745	-	745
Comprehensive income (loss)	-	-	-	(132)	(13,623)	(13,755)	(5,589)	(19,343)
Balance at December 31, 2017	**651,930**	**92,635**	**7,789**	**439**	**(74,331)**	**26,532**	**(4,810)**	**21,723**
Balance at January 01, 2018	651,930	92,635	7,789	439	(74,331)	26,532	(4,810)	21,722
Shares issued (note 12)	803,208	37,195	-	-	-	37,195		37,195
Options exercised	250	8	-	-	-	8	-	8
Share-based payments (note 13)	-	-	146	-	-	146	-	146
Comprehensive income (loss)	-	-	-	495	(24,286)	(23,791)	(530)	(24,321)
Acquisition of non-controlling interest	-	-	-	-	(7,093)	(7,093)	5,340	(1,753)
Balance at December 31, 2018	**1,455,388**	**129,838**	**7,935**	**934**	**(105,710)**	**32,997**	**-**	**32,997**

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

Coro Mining Corp.

Consolidated Statements of Cash Flows

For the years ended December 31, 2018 and 2017

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

	2018 $000's	2017 $000's
Cash flows from operating activities		
Loss for the year	(24,816)	(19,212)
Items not affecting cash		
Depreciation and amortization	56	25
Writedown and impairments (note 7)	15,038	15,903
Writedown and impairments in inventory	432	-
Share-based payment expense	147	711
Accretion of long-term debt expense	96	-
Accretion of retirement obligation expense	104	56
Other	3	(8)
	(8,940)	(2,525)
Change in non-cash operating working capital		
Decrease (increase) in receivables and prepaid	157	(209)
Decrease (increase) in inventory	1,344	(378)
Increase (decrease) in accounts payable and accruals	266	(37)
	(7,173)	**(3,149)**
Cash flows from financing activities		
Deferred consideration	-	(563)
Finance lease payments	(30)	(199)
Issuance of common shares	35,906	18,536
Issuance costs	(703)	(378)
Repayment of loans (note 10)	(8,250)	-
Interest of loans	(801)	-
Arrangement fees	(240)	(438)
Other debt (note 10)	24,528	3,750
Transaction cost	574	-
	50,984	**20,708**
Cash flows from investing activities		
Proceeds from investments	21	-
Property, plant and equipment (note 7)	(33,132)	(21,932)
Proceeds from pre-commercial production sales	14,847	14,144
Rayrock acquisition	-	(5,870)
Deferred exploration and evaluation assets (note 8)	(13,857)	(5,215)
Payments to acquire non-controlling interest	(500)	-
	(32,621)	**(18,873)**
Effect of exchange rate changes on cash	495	(132)
Increase (decrease) in cash and cash equivalents	11,685	(1,446)
Cash and cash equivalents: beginning of the year	2,811	4,257
Cash and cash equivalents: end of the year	14,496	2,811

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 Com pany 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 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 year ended December 31, 2018, the Company reported a $24.8 million loss (2017 - $19.2 million) and cash outflows from operating activities of $5.5 million (2017 - $3.1 million). The Company's financial position and operating results include those of Sociedad Contractual Minera Berta ("SCMB" or "SCM Berta"), as at and for the year ended December 31, 2018, which is subject to a convertible loan arrangement. As at December 31, 2018, the Company had a working capital deficit of $9.4 million (2017 - $6.2 million), principally arising from SCMB. Accordingly, these conditions represent a material uncertainly that may cast significant doubt about the Company's ability to continue as a going concern.

In April 2018, Coro entered into a $12 million financing arrangement for its subsidiary, SCMB, with Coro retaining an interest in the existing SCM Berta operation and the right to participate in the future capital development of the project. Coro agreed to a binding term sheet with Greenstone Resources II ("GSII"), an affiliate of Coro's largest shareholder, Greenstone, whereby GSII invested $12 million directly in SCMB by way of a convertible loan (the "SCMB Facility"). The SCMB Facility is structured as a secured loan, convertible into a 75% interest in Coro's newly-formed and wholly-owned subsidiary Rising Star Copper Limited ("RSC") which holds a 100% interest in Minera Coro Chile SpA ("MCC") (formally Minera Coro Chile Limitada). As at December 31, 2018, MCC held a 100% interest in SCM Berta. As of December 31, 2018, a total of $12 million has been advanced under the GSII convertible loan. (See note 9).

In September 2018, the Company completed a non-brokered private placement for $10 million and a rights offering for $26 million.

On October 16, 2018, the Company announced a financing and care and maintenance program for its SCM Berta operations. In order to fund the re-engineering and new resource drilling, GSII has agreed to provide an eleven-month $10 million secured loan facility to SCM Berta. As of December 31, 2018, $6 million had been advanced for the care and maintenance program.

Subsequent to year end, SCM Berta agreed to sell the Berta mine for $8.5 million (payable as follows: $7.65 million in cash upon closing; and $0.85 million in cash 9 months following closing). Under the terms of the sale agreement, the proceeds will be used to repay the $6 million, plus related interest of $0.2 million, outstanding loan under the secured loan and to repay certain payables in SCMB (see subsequent events note 21)

The Company anticipates that the $12 million GSII convertible loan will be fully converted before the end of April 2019. Interest payable on the loan totalled $0.8 million at December 31, 2018. Once this takes place, the Company will no longer consolidate the financial position and results and cash flows of SCMB as a result of its ownership interest in SCMB falling to 25%, see note 18, Segmented Information. There can be no assurance that the conversion of the loan will take place in this timeline, or at all.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the 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 mining interest expenditures and meet its obligations as they fall due is dependent on management's ability to secure additional financing. These financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

2 Basis of Preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and include all adjustments, of a normal recurring nature, considered necessary by management to fairly present the financial position, results of operations and cash flows of the Company. These consolidated financial statements were authorized for issue by the Board of Directors on March 28, 2019.

Estimates and use of judgement

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the financial statements that could result in a material effect in the next financial year on the carrying amounts of assets and liabilities:

a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for impairment of exploration and evaluation assets requires judgement to determine whether indicators of impairment exist, including factors such as: the period for which the Company has the right to explore has expired or will expire in the future, and is not expected to be renewed; substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted or planned; exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources; and sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. Management has assessed impairment indicators on the Company's exploration and evaluation assets and has concluded that no impairment indicators exist as of December 31, 2018.

b) Impairment of property, plant and equipment

Each reporting period, cash generating units are evaluated to determine whether there are any indications of impairment. If any such indication exists, an impairment test is performed and if indicated, an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating unit is measured at the higher of the fair value less costs to sell and the value in use. The recoverable amount of the relevant cash generating units is calculated based on cash flow projections using assumptions and estimates that represent management's best estimate of the range of economic conditions that will exist over the remaining useful lives of the assets, and through a review of sales of comparative assets. These calculations include key estimates such as future copper prices, recoverable resources and reserves, operating and capital costs, inflation rate, discount rate and exchange rates. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flows to be generated from its projects. Refer to note 7 for further information.

c) Achievement of commercial production

Once a mine is ready for its intended use, depletion of capitalized mineral property costs begins. Significant judgment is required to determine when a project is ready to be operated in the manner intended by management. In assessing whether the Berta project has reached commercial production, management has considered several factors including:

- Whether all major capital expenditures necessary to bring the mine to the condition where it is capable of operating in the manner intended by management have been completed;
- Whether a reasonable period of testing and commissioning has taken place;
- The ability to produce saleable product (e.g., the ability to produce copper cathode within specifications);
- Whether the mine or plant has reached a pre-determined percentage of design capacity;
- Whether mineral recoveries are at or near the expected production level; and
- Whether the mine has the ability to sustain ongoing production of ore.

In October 2018 the Company placed its SCM Berta operation, and its Nora SXEW Plant, on care and maintenance. Since 2016, the Company had been working towards reaching commercial production, and has capitalized all development costs, net of sales proceeds received. As a result of going into care and maintenance mode, management has determined that commercial production will not be obtainable in the foreseeable future, and has ceased capitalization of development costs.

2 Basis of Preparation (continued)

d) VAT Collectability

SCM Berta's VAT receivable is considered to be a non-current asset as the timing for collectability is unknown under existing business conditions. The Company is analyzing different scenarios on how to restart operations at Nora Plant. The recoverability of the VAT receivable will depend on future plans to process ore from projects in the vicinity of the Nora Plant which are currently under assessment by the Company.

3 Significant accounting policies

The following accounting policies have been applied to the financial information presented.

a) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Minera Cielo Azul Ltda., Minera Rayrock Ltda., Inversiones Cielo Azul Ltda., Rising Star Copper Ltd (Uk and local agency), Minera Coro Chile Ltda., and SCMB. All intercompany transactions, balances, income and expenses have been eliminated on consolidation.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

b) Foreign currency translation

The functional currency of the parent company, Coro Mining Corp., is the Canadian dollar (CA$). The functional currency of the Company's Chilean subsidiaries is the U.S. dollar ($). The presentation currency of the Company is the U.S. dollar. The financial statements of the parent company are translated into U.S. dollars for presentation purposes as follows: monetary assets and liabilities are translated at the closing rate at the date of the consolidated statement of financial position; non-monetary items are translated at historic exchange rates at each transaction date; pre-commercial production sales and expenses are translated at the average exchange rate of the period (as this is considered a reasonable approximation to the actual rates). Gains and losses on translation are recognized in the statement of loss and comprehensive loss as cumulative translation adjustments.

Transactions in currencies other than the functional currency of an entity are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Foreign currency translation differences arising on translation into the functional currency of an entity are recognized in the statement of loss.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash on hand and other short-term investments with initial maturities of less than three months. Cash and cash equivalents are classified and measured at amortized cost.

d) Accounts receivable

Accounts receivable are classified as financial assets. Accounts receivable are initially measured at fair value, subsequently recorded at amortized cost which approximates fair value due to the short term to maturity. Where necessary, accounts receivable are net of expected credit losses.

e) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are classified as financial liabilities and are measured at amortized cost using the effective interest rate method.

f) Debt – Convertible Loan

The Company recognizes all financial liabilities initially at fair value and classifies them as either fair value through profit or loss or amortized cost, as appropriate. For debt subsequently measured at amortized cost, the effective interest rate method

3 Significant accounting policies (continued)

is used. Debt classified as fair value through profit or loss is measured at fair value on each financial period-end date with gains and losses flowing through the statement of loss and comprehensive loss.

g) Derivative instruments

Derivative instruments, including embedded derivatives, are recorded at fair value through profit or loss and accordingly recorded on the statement of financial position date at fair value. Fair values for derivative instruments are determined using valuation techniques, using assumptions based on market conditions existing at the statement of financial position date.

h) Inventories

Finished goods (copper cathodes), in-process and stockpile inventories are recorded at the lower of average cost and net realizable value. Ore stockpiles include materials extracted from the mine and stockpiled before and after the crushing process. Finished goods, in-process and ore stockpiles costs include all direct costs incurred in production including direct labour and materials, freight, depreciation and amortization, and directly attributable overhead costs.

When inventories have been written down to net realizable value, a new assessment of net realizable value is made in each subsequent period. Should the circumstances that caused the write down no longer exist, the amount of the write down is reversed.

Consumable parts and supplies are valued at the lower of average cost and net realizable value. Cost includes acquisition, freight and other directly attributable costs.

i) Property, plant and equipment

Property, plant and equipment include mineral properties and mine development costs, plant and equipment, and capital work 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 lesser of expected useful life and 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 pre-commercial production sales proceeds, 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 costs incurred in the pre-commercial production phase ceases when the mining property is capable of commencing 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.

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

3 Significant accounting policies (continued)

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.

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.

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.

j) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the all the costs of acquiring licenses and costs associated with exploration and evaluation activity. Mineral property acquisition costs are capitalized. Exploration and evaluation costs relating to non-specific projects or properties or costs incurred before the Company has obtained legal rights to explore an area are expensed in the period incurred.

Exploration and evaluation costs are recognized as mineral property interests when management has establish that a resource exists and that the costs can be economically recovered. Once the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a particular mineral property have been determined, expenditures are reclassified to mineral property development costs within mineral properties, plant and equipment and are carried at cost until the properties to which the expenditures relate are sold, abandoned or determined by management to be impaired in value.

The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, such as but not limited to:

- The extent to which mineral reserves or resources have been identified through an economic study;
- The status of environmental permits; and
- The status of mining leases or permits.

Exploration and evaluation assets are tested for impairment immediately prior to reclassification to mineral property development costs within property, plant and equipment. Proceeds from the sale of exploration and evaluation properties or cash proceeds received from option payments are recorded as a reduction of the related mineral property interest.

k) Impairment of non-financial assets

The carrying amounts of assets included in mineral properties, plant and equipment are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash generating unit to which the asset belongs is determined. The recoverable amount of an asset or cash generating unit is determined as the higher of its fair value less costs of disposal and its value in use. An impairment loss exists if the asset’s carrying amount exceeds the recoverable amount, and the excess is recorded as an expense immediately.

Value in use is determined as the present value of the future pre-tax cash flows expected to be derived from continuing use of an asset or cash generating unit in its present form. These estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit for which estimates of future cash flows have not been adjusted.

3 Significant accounting policies (continued)

Fair value is the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. Costs of disposal are incremental costs directly attributable to the disposal of an asset. Estimated future cash flows are calculated using estimated future prices, mineral reserves and resources and operating and capital costs. All inputs used are those that an independent market participant would consider appropriate.

Tangible assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount, but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized into profit or loss immediately.

l) Decommissioning and restoration provision

An obligation to incur decommissioning and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property. Such costs are estimated and discounted to their net present value and capitalized to the carrying amount of the related asset along with the recording of a corresponding liability, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect risks specific to the liability are used to calculate the net present value. The liability is adjusted each year for the unwinding of the discount rate, changes to the current market-based discount rate, and for the amount or timing of the underlying cash flows needed to settle the obligation.

m) Leases

Assets financed by leasing agreements that give rights approximating ownership (finance leases) are capitalized at fair value. The capital elements of future obligations under finance leases are included as liabilities in the statement of financial position and the interest element is charged to the statement of loss. Annual payments under other lease arrangements, known as operating leases, are charged to the statement of loss on a straight-line basis.

n) Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated using the treasury stock method whereby all in the money options and warrants are assumed to have been exercised at the beginning of the year and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period. In periods of loss, basic and diluted loss per share are the same, as the effect of the exercise of outstanding options and warrants is anti-dilutive.

o) Income taxes

Deferred income tax is recognized using the liability method on temporary differences arising between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred income tax assets are recognized only to the extent that it is probable that future profit will be available against which such assets can be utilized.

p) Share-based payments

The Company applies the fair value method of accounting for stock options granted to employees and others providing similar services. The fair value of options is determined using a Black-Scholes option pricing model that takes into account, as of the grant date, the exercise price, the expected life of the option, the current price of the underlying stock and its expected volatility, expected dividends on the stock, and the risk-free interest rate over the expected life of the option. The Company expenses the fair value of stock options granted over the vesting period with the corresponding credit to contributed surplus.

Cash consideration received from employees on exercise of options is credited to common shares along with the original grant date fair value of the options exercised.

3 Significant accounting policies (continued)

q) Pre-commercial production sales

Pre-commercial production sales are recognized when it is probable that the economic benefits will flow to the Company, delivery has occurred, the sale price is reasonably determinable, and collectability is reasonably assured. These criteria are generally met at the time the product is shipped and delivered to the customer and, depending on the delivery conditions, title and risk have passed to the customer and acceptance of the product, when contractually required, has been obtained.

Pre-commercial production sales are recognized on a provisional pricing basis when title transfers and the rights and obligations of ownership pass to the customer, which occurs at mine gate. Final pricing is not determined at that time as it is contractually linked to market prices at a subsequent date. These arrangements have the characteristics of a derivative instrument as the value of the accounts receivable will vary as prices for the underlying commodities vary in the metal markets.

r) New accounting pronouncements

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

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. Based on current analysis, IFRS 16 is not expected to have a financial statement impact on the Company's consolidated balance sheet at transition on Jan 1, 2019, with no material impact on 2019 net income.

There are no other IFRS's or IFRIC interpretations that are not yet effective that are expected to have a material impact on the Company.

New Accounting Pronouncements

The Company adopted the following IFRS standard effective January 1, 2018:

IFRS 9 – Financial Instruments IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at fair value through profit and loss, at fair value through other comprehensive income, and at amortized cost. The determination is made at initial recognition. The 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 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 rather than in net earnings. The requirements in IAS 39 for classification and measurement were carried forward to IFRS 9. There was no quantitative impacts from adoption or any significant disclosure impacts.

4 Reorganization of SCMB

In April 2018, Coro entered into the SCMB Financing, whereby GSII agreed to invest up to $12 million directly into SCM Berta. The SCMB Financing is in the form of secured convertible loan, convertible into common shares of RSC, bears interest at a rate of 15% per annum, commencing upon the completion of the SCMB reorganisation and due to mature 125 days from the initial drawdown date. One of the conditions of the SCMB Financing was the consolidation of the ownership of SCM Berta to be held 100% by MCC.

Should GSII convert its loan, GSII would hold a 75% interest in RSC (Rising Star Copper) and Coro would retain a 25% interest. Coro retain an option to fund an additional $4 million into RSC which would increase its interest in RSC to 50%. The Coro option matured 125 days from the initial drawdown date of April 19, 2018. On September 28, 2018, GSII and Coro agreed on an extension to the conversion date set for December 21, 2018. Greenstone is expected to convert the convertible loan by the end of the first quarter 2019 when the final legal conditions to the conversion have been satisfied (See subsequent events note 21).

4 Reorganization of SCMB (continued)

An initial $9 million was advanced in April 2018 and the remaining $3 million in August 2018. As of December 31, 2018, the Company owes $12 million to GSII in connection with the SCMB Financing. Total interest accrued on this loan for the year was $0.9 million of which $0.5 was capitalized.

On October 16, 2018, the Company announced a financing and a care and maintenance program for its SCM Berta operations. In order to fund a program of re-engineering and new resource drilling, GSII has agreed to provide an eleven-month $10-million-secured-loan facility to SCM Berta. As of December 31, 2018, $6 million has been already advanced for the care and maintenance program and the remaining balance of $4 million will be available for further drilling and engineering expenditures, related to Nora Plant plan. (See note 17).

On February 8, 2019, the Company has completed the sale of the Berta Mine to Santiago Metals (See subsequent events note 21).

5 Accounts receivable and prepaid expenses

$000's	December 31, 2018	December 31, 2017
Trade receivable	-	143
Value added taxes	-	2,442
Prepaid expenses and other receivables	104	714
Environmental bond	327	-
	431	**3,299**

Until October 1, 2015, the Company had been fully providing for Chilean value added taxes (“IVA”). As a result of the acquisition of the Nora Plant, since early 2016, SCMB has been able to recover IVA receivables by offsetting against IVA payable on sales of copper cathode. As discussed in note 4 above, in Febrary 2019 the Berta mine was sold. The recoverability of IVA will depend upon the Company’s ability to produce copper from the Nora Plant. Management is considering the viability of alternative sources of supply for the Nora plant, but these are not expected to result in the recovery of IVA during 2019. Accordingly, the IVA has been presented as a long term asset. Should no suitable supply of ore be identified, the recoverability of the VAT receivable would be called into question. The environmental bond has been paid by SCMB to Chilean State.

6 Inventories

$000's	December 31, 2018	December 31, 2017
Consumable parts and supplies	181	160
Ore stockpiles *	-	258
Copper in circuit *	-	1,083
Finished goods	-	455
	181	**1,956**

* The following inventory items are carried at Net Realizable Value (NRV)

7 Property, plant and equipment

$000's	Berta Asset *	Nora plant	Ivan plant	Other	Construction in progress	Total
Cost						
January 1, 2017	7,900	12,597	-	65	336	20,898
Disposals	-	(270)	-	-	-	(270)
Acquisition	-	-	10,786	-	-	10,786
Equipment transfers	37	132	(169)			0
Impairments		(15,683)				(15,683)
Additions	5,765	7,224	76	126	(72)	13,119
December 31, 2017	**13,702**	**4,000**	**10,693**	**191**	**264**	**28,850**
Impairments	(4,244)	(10,794)	-	-	-	(15,038)
Additions (net of sales proceeds)	(8)	11,394	-	186	18	11,591
December 31, 2018	**9,450**	**4,600**	**10,693**	**377**	**282**	**25,403**
Accumulated depreciation						
January 1, 2017	-	-	-	(37)	-	(37)
Depreciation	-	-	-	(25)	-	(25)
December 31, 2017	-	-	-	(62)	-	(62)
Depreciation	-	-	-	(56)	-	(56)
December 31, 2018	**-**	**-**	**-**	**(118)**	**-**	**(118)**
Net book value						
January 1, 2017	7,900	12,597	-	28	336	20,861
December 31, 2017	13,702	4,000	10,693	129	264	28,788
December 31, 2018	**9,450**	**4,600**	**10,693**	**259**	**282**	**25,286**

* Berta Asset includes Berta Mineral property, Mine development and Facilities

None of the SCM Berta operational assets, including the Nora plant, have been depreciated as the Company worked towards the achievement of commercial production. The Company announced on October 16, 2018 the assets would be placed on care and maintenance. The Ivan Plant is not currently in use.

Impairment assessments for the Mineral property & Mine development and Berta Facilities

On February 8, 2019, the Company signed an Asset Purchase Agreement for the sale of the Berta mineral property and facilities to Santiago Metals Proyecto 4 Ltda. The proceeds of the transaction is $8.5 million (paid $7.65 million in cash with $0.85 million held in escrow for 9 months). Transaction costs including legal fees are estimated to be approximately $0.2 million.

The Company determined that the net proceeds indicated the expected recoverable amount of the Berta mine assets at December 31, 2018. As a result, the Berta mineral property and facilities have been written down to its fair value of $8.3 million (net of restoration provision) and impairment losses totaling $4.2 were recognized in the net loss during the year.

Impairment assessments for the Nora Plant

As of December 31, 2018, the Company concluded that an impairment indicator existed in respect of Nora Plant. The Company concluded that Nora Plant would be treated as an individual cash-generating unit ("CGU").

The key assumption for the Nora Plant is that it will be used to process ore from deposits in a closer proximity to the plant, such as the Company's El Jote project. This is because without the pipeline to link the Berta Facilities to the Nora Plant, the performance of the combined assets has not proven economic to date.

7 Property, plant and equipment (continued)

In respect of the Nora Plant, the Company recognized an impairment of $10.7 million reducing the carrying value of the Nora Plant to $4.6 million. In determining the fair value, the Company considered the future uses of the plant, the original acquisition cost and the current operating condition of the Nora Plant.

Ivan Plant

The Ivan Plant was purchased in June 2017, with the intention that it be used to process ore from the Marimaca property. The Ivan Plant is not currently operative and will be kept in care and maintenance until it is necessary to start commissioning and testing. In 2018, the Company expensed a total of $1.3 million for care maintenance cost associated with the Ivan Plant.

8 Exploration and evaluation assets

	Marimaca Properties				Others			
$000's	**MC**	**LA**	**SM**	**NAG**	**Prat**	**Ivan**	**El Jote**	**Total**
Balance- January 1, 2017	-	-	-	-	220	583	135	938
Exploration and evaluation costs	5,100	415	-	-	-	56	-	5,571
Property acquisition costs	-	100	-	-	-	-	180	280
Writedown of exploration and evaluation assets	-	-	-	-	(220)	-	-	(220)
Reclassified to property, plant, equipment	-	-	-	-	-	(639)	-	(639)
Balance at December 31, 2017	**5,100**	**515**	**-**	**-**	**-**	**-**	**315**	**5,930**
Exploration and evaluation costs	2,206	3,161	1,893	18	-	-	81	7,359
Property acquisition costs	130	500	5,799	200	-	-	250	6,879
Balance at December 31, 2018	**7,436**	**4,176**	**7,692**	**218**	**-**	**-**	**646**	**20,168**

(1) Property acquisition costs for Rayrock/Ivan Plant include due diligence and evaluation costs.

a) Marimaca property, Chile

Marimaca claims

In August 2014, subsequently amended in April 2017, the Company entered into an agreement to acquire up to a 75% interest in the Marimaca copper oxide prospect. By paying $185,000 ($60,000 paid); and $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. In June 2018 Coro published the Marimaca definitive feasibility study under NI 43-101 and consequently earned 51% interest. Under the agreement, Coro can acquire a further 24% interest by obtaining project construction finance, or contributing the Ivan Plant. 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.

La Atomica claims ("LA")

Under the terms of the August 2017 La Atomica Letter of Intent ("LOI") (Option Agreement signed October 2017), the Company may acquire 100% of the La Atomica property by paying a total of $6.0 million as follows: $0.6 million (paid); $1.0 million on the 24-month anniversary date; and $4.4 million on the 36-month anniversary date. A 1.5% NSR royalty is payable on the claims, with the Company retaining an option to purchase 0.5% out of the 1.5% for $2.0 million at any time.

Sierra Miranda claims

Under the terms of a January 2018 letter of intent ("LOI") relating to the purchase of Sierra Miranda claims, the Company may acquire 100% of Sierra Miranda mining claims (the "SM Claims") immediately adjoining its Marimaca property for a total cash consideration of $6.0 million Of this total $5.8 million was paid in the year ending December 31, 2018 and the balance of $0.2 million is to be paid on completion of due diligence and certain other transfers of title (Rodeada), expected to happen in Q1 2019. The claims are subject to a 2% NSR (Net Smelter Return) royalty.

Naguayan claims ("NAG")

Under the terms of the October 2017 Naguayan LOI (Option Agreement signed January 2018), the Company may acquire 100% of the Naguayan property for a total of $6.5 million; $200,000 (paid in 2018); $300,000 (paid in January 2019) on the 12-month anniversary date; $700,000 on the 24-month anniversary date; $1.75 million on the 36 month anniversary date; and

8 Exploration and evaluation assets (continued)

$3.55 million on the 48-month anniversary date. A 1.5% NSR royalty is payable, with the Company retaining an option to purchase 0.5% out of the 1.5% for $2 million within the first 12 months following the start of commercial production on the property. As the Naguayan claims are not located adjacent to the known mineralization, only acquisition costs are capitalized at this time.

Other properties, Chile

El Joté
In May 2016**,** SCMB optioned the El Joté (formerly called "Salvadora") a copper project, located ~ 30km NW of the Nora Plant and 58km NE of the port of Chañaral in the III Region of Chile. Under the terms of the agreement, SCMB may acquire a 100% interest in the property by completing the following option payment schedule totalling $3.0 million; $0.57 million (paid) and $2.43 million to be paid on May 2019; the final payment may be made in eight equal instalments of $0.3 million plus interest at LIBOR, and SCMB may start production with the first instalment payment. A 1.5% NSR royalty is payable, which can be purchased for $1.5 million at any time.

9 Accounts payable and accrued liabilities

$000's	December 31, 2018	December 31, 2017
Accounts payable	4.364	6.450
Accrued liabilities	920	4.368
	5.284	**10.818**

10 Other debt

$000's	December 31, 2018	December 31, 2017
Greenstone shareholder loans (a)	18,801	2,940
Greenstone shareholder convertible loan (a)	-	-
Finance leases	-	160
ProPipe loan (b)	1,349	250
Deferred revenue	-	312
Total other debt	**20,151**	**3,662**
Current portion	(19,694)	(3,412)
Non-current portion	**456**	**250**

a) Greenstone shareholder loans
Loan 1 (paid)
In December 2017, Coro entered into a credit agreement with its major shareholder Greenstone, pursuant to which Greenstone advanced $3 million to the Company. Under the terms of the credit agreement, the loan has an eleven-month term and bears interest at 12% per annum until March 31, 2018, after which the interest has increased to 15%. Greenstone will receive a 3% arrangement fee payable at the end of the loan term under the credit agreement.

On September 26, 2018, the Company repaid the $3 million loan plus $0.1 million arrangement fee and $0.3 million in accrued interest.

Loan 2 (paid)
In February 2018, Coro entered into a further credit agreement with Greenstone pursuant to which Greenstone advanced $5 million to Coro. Under the terms of the credit agreement, the loan has an eleven-month term and bore interest at 12% per annum until June 30, 2018, after which the interest rate increased to 15%. Greenstone will receive a 3% arrangement fee payable at the end of the loan term under the credit agreement.

10 Other debt (continued)

On September 26, 2018, the Company repaid the $5 million loan plus $0.2 million arrangement fee and $0.4 million in accrued interest.

Loan 3 (converted)

In April 2018, Coro signed a convertible loan agreement with Greenstone for a $2 million convertible loan to fund ongoing working capital requirements including Marimaca project costs and associated corporate costs. The convertible loan had a maturity date of the earlier of an equity raising by Coro of not less than $5 million and January 30, 2019. The $2 million is convertible into common shares of Coro at a price equal to the greater of: CA$0.09 and the Coro common share price of any equity raising by Coro. The convertible loan will attract interest of 12% for the first 6 months and 15% interest thereafter.

On August 9, 2018, the Company converted the $2 million loan (CA$2.6 million) into 21,883,492 common shares at a conversion price of CA$0.12 per common share. The Company also paid $0.1 million in accrued interest.

Loan 4

In April 2018, Coro entered into a $12 million SCMB Financing for the SCMB operation with Coro retaining an interest in the existing SCMB operation and the right to participate in the future capital development of the project. Coro agreed to a binding term sheet with GSII, whereby GSII would invest up to $12 million directly in SCMB. The SCMB Financing was structured as a secured loan (annual interest rate of 15%), convertible into shares of Coro's newly formed wholly owned subsidiary RSC which has a 100% interest in MCC. MCC is a wholly-owned subsidiary that has a 100% interest in SCM Berta.

The conversion feature represented embedded derivative, and the conversion option is at the discretion of the lender. These derivatives are of nominal value. As of December 31, 2018 the Company owes $12 million in principal and $0.9 million in accrued interest. The original conversion date was extended to December 28, 2018. Greenstone will convert the Convertible Loan by the end of the first quarter 2019 when the final legal conditions to the conversion have been satisfied (See subsequent events note 21). Following the conversion, Coro's ownership in SCM Berta will fall to 25% with Greenstone owning the majority 75%.

Loan 5

On September 12, 2018, SCMB entered into a credit agreement with GSII for an eleven-month $10-million secured loan facility to SCM Berta. As at December 31, 2018, $6 million had been advanced under the agreement. Accrued interest as at December 2018 totalled $0.2 million.

The Loan Facility is secured by properties associated with SCM Berta. The Marimaca Project is not encumbered by the Loan Facility. Interest on the loan will accrue monthly at 12% for the first 3 months, and 15% thereafter.

b) ProPipe shareholder loan

The SCMB Financing was conditional on Coro acquiring the remaining 35% minority interest for an initial upfront payment of $0.50 million, with three future instalments of $0.5 million falling 12, 18 and 24 months after the initial payment. The Company also agreed to pay its outstanding $0.25 million loan to ProPipe.

As of December 31, 2018, the Company repaid the $0.25 million loan to ProPipe and advanced $0.5 million towards the acquisition of the 35% minority interest in SCMB and recorded $1.3 million as the fair value of the future payments.

11 Restoration provision

$000's			December 31, 2018		December 31, 2017
	Nora	**Ivan**	**Berta**	**Total**	**Total**
Balance, beginning of year	1,325	4,117	1,141	6,583	1,281
Initial provision	-	-	-	-	4,804
Reclamation revaluation	-	-	-	-	393
Accretion expense	31	104	24	159	105
Less curent portion	-	(933)	-	(933)	-
Balance, end of year	**1,356**	**3,288**	**1,165**	**5,809**	**6,583**

11 Restoration provision (continued)

In calculating the present value of the restoration provisions as at December 31, 2018, management used a risk-free rate between 1.89% and 2.66% and inflation rate between 2.10% and 2.30%. The undiscounted cash flows, before inflation adjustments, estimated to settle the restoration provisions are approximately equal to 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 as follows: Nora and Berta in 7 to 8 years and Ivan Plant in 2 to 24 years.

Nora Plant

Nora's restoration provision of $1.3 million consists primarily of costs associated with reclamation and closure activities for the Nora Plant. These activities include costs for disposition of chemical materials, earthworks, and the dismantling and demolition of structures.

Berta Facilities

During the year ended December 31, 2018 SCMB recorded $1.2 million for restoration provision for the Berta Facilities which consists primarily of the costs associated with the auxiliary installations of the mine plant and the crushing and agglomeration facilities. Due to the Asset Purchase Agreement signed on February of 2019, this liability will be disposed in the first quarter of 2019.

Ivan Plant

As at December 31, 2018, Ivan's undiscounted restoration provision totalled $4.2 million which consists of costs associated with reclamation and closure activities for the Ivan Plant and mine site. These activities include costs for disposition of chemical materials, earthworks, and the dismantling and demolition of structures.

12 Common shares

Authorized

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

Issued

As of December 31, 2018, the Company had 1,455,388,294 common shares issued and outstanding (2017: 651,929,511)

a) Year ended 2018

On August 3, 2018, the Company issued 109,733,334 shares at CA$0.12 in connection with a non-brokered private placement fully subscribed by an entity of the Tembo Capital private equity group with total proceeds of CA$13.2 million ($10.1 million).

On August 9, 2018, the Company issued 21,883,492 common shares in connection with an outstanding convertible loan of CA$2.6 million ($2 million) with Greenstone at a conversion price of CA$0.12 per common share.

On August 23, 2018, Company issued 250,000 common shares at CA$0.04 for total proceeds of CA$10,000 ($7,683) in connection with an option agreement.

On September 26, 2018, the Company issued 671,591,957 shares at CA$0.05 in connection with a rights offering circular issued in August 2018 with total proceeds of CA$33.6 million ($25.8 million). Issuance costs for the transaction totaled CA$0.7 million ($0.6 million). From the total shares issued, 658,092,091 shares were subscribed by Coro shareholders (284,415,044 shares issued were subscribed to by existing shareholders and the remaining 373,677,049 shares were subscribed to by Greenstone) and 13,499,866 additional shares by Ndovu Capital XIV BV ("Tembo Capital"), pursuant to a Standby Commitment Agreement dated August 03, 2018 with the Company.

b) Year ended 2017

In January 2017, a total of 2,162,500 warrants at CA$0.15 were exercised for gross proceeds of $0.24 million.

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

12 Common shares (continued)

In April 2017 the Company completed a non-brokered private placement of 107,680,000 common shares at CA$0.15 per share for a total gross proceeds of CA$16.2 million ($12.0 million) in multiple tranches. Issuance costs associated with the private placement were $0.3 million.

In October 2017, the Company completed a non-brokered private placement of 56,561,973 common shares at CA$0.13 per share for a total gross proceeds of CA$7.4M ($6.0 million) in tranches. Issuance costs associated with the private placement were $0.04 million.

In November 2017, a total of 1,500,000 options were exercised at a price of CA$0.04 for total proceeds of CA$60,000 ($47,000) and in December 2017, a total of 600,000 options were exercised at a price of CA$0.10 for total proceeds of CA$60,000 ($47,026).

Capital management

The Company´s objectives when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders.

The Company includes equity, comprised of issued capital stock, warrants reserve, share-based payments reserve and deficit, in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its mineral exploration and evaluation activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2018.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is a sufficient geologic or economic potential if has adequate financial resources to do so.

13 Share stock options and warrants

a) 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.

	December 31, 2018		December 31, 2017	
	Number of shares	Weighted average exercise price CA$	Number of shares	Weighted average exercise price CA$
Outstanding - January 1	33.450.000	0,13	34.290.000	0,16
Granted	4.400.000	0,09	1.000.000	0,16
Granted	500.000	0,09	5.000.000	0,11
Granted	3.120.936	0,06	-	-
Granted	1.300.390	0,05	-	-
Granted	11.444.864	0,09	-	-
Exercised	-	-	(600.000)	0,10
Exercised	(250.000)	0,04	(1.500.000)	0,04
Expired	-	-	(3.740.000)	0,41
Expired	-	-	(500.000)	0,20
Expired	(2.600.780)	0,15	(500.000)	0,14
Outstanding - December 31	**51.365.410**	**0,11**	**33.450.000**	**0,13**

13 Share stock options and warrants (continued)

At December 31, 2018, the following stock options were outstanding:

Number of options outstanding	Number of options vested and exercisable	Exercise price CA$	Weighted Average Remaining Life in Years
13,003,901	13,003,901	0.03	1.39
9,492,848	216,732	0.07	3.80
5,461,638	4,161,248	0.08	1.24
6,501,951	4,334,634	0.09	3.45
1,300,390	1,300,390	0.12	0.24
15,604,682	6,241,872	0.15	1.67
51,365,410	**29,258,778**		

In connection with the rights offering, the Company granted a total of 11,444,863 additional stock options at an average amended exercise price of CA$0.09.

The Company also granted a total of 9,321,326 options to officers and directors during the year at an average exercise price of CA$0.07 (post the rights offering amendment).

A total of 8,821,000 options will vest one-third on the 12-month anniversary from the date of the grant, one-third on the 24-month anniversary from the date of the grant and one-third on the 36-month anniversary from the date of the grant. The remaining 500,000 will vest one-third vested immediately at the time of the grant, one-third on the 12-moth anniversary from the grant and one-third on the 24-month anniversary from the date of the 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:

$000's	December 31, 2018	December 31, 2017
Risk-free interest rate	1.5% to 2.0%	0.76% to 1.05%
Expected life	5 years	2.5 to 3.5 years
Expected volatility	110% to 121%	122%
Expected dividend	0%	0%

During the year ended December 31, 2018, total share-based compensation expense was $146,920 (2017: $711,119). During the year of 2018, the company revalued the options granted, due to rights offering conditions, impacting the price of existing options and shares. The Company also reversed previously charged stock based compensation relating to 4,300,000 performance options granted in prior years resulting in a decrease of stock base compensation expense of $438,293 for the year, as it was determined in the year that the performance vesting term would not be achieved.

13 Share stock options and warrants (continued)

b) Warrants

	December 31, 2018		December 31, 2017	
Warrants	**Number of shares**	**Weighted average exercise price CA$**	**Number of shares**	**Weighted average exercise price CA$**
Outstanding - January 1	-	-	5,102,500	0.15
Exercised	-	-	(2,162,500)	0.15
Expired	-	-	(2,940,000)	0.15
Outstanding at December 31, 2018	**-**	**-**	**-**	**-**

14 Non-controlling interest

Under the SCM Berta Amended Shareholders Agreement, ProPipe S.A. ("ProPipe") held a 35% interest in SCM Berta. In April 2018, the Company acquired ProPipe's 35% interest in SCM Berta for a purchase price of $2.0 million, payable as follows: (i) $0.5 million upon execution of sale agreement which was May 2018; (ii) $0.5 million payable 12 months following the initial payment; (iii) $0.5 million payable 18 months following the initial payment; and (iv) $0.5 million payable 24 months following the initial payment (25th May 2018).

The following table summarizes select SCMB financial information for the years ended December 31, 2018 and 2017:

$000's	**Dec 31, 2018**	**December 31, 2017**
Current Assets	**-**	**5,056**
Non-current assets	**-**	**22,546**
Current Liabilities	**-**	**29,116**
External	-	10,123
Intercompany	-	18,993
Non-current liabilities	**-**	**7,420**
External	-	2,716
Intercompany	-	4,704
		-
Loss and comprehensive loss (includes impairment)	**(1,516)**	**(15,969)**

15 Exploration expenditures

			2018
$000's	**Marimaca District**	**General**	**Total**
Consulting, labour & professional fees	-	-	-
Drilling & trenching costs	66	95	161
General & administration costs	113	1,615	1,728
Property investigations	-	(18)	(18)
Total	**179**	**1692**	**1,871**

15 Exploration expenditures (continued)

			2017
$000's	**Marimaca District**	**General**	**Total**
Drilling & trenching costs	80	-	80
General & administration costs	1	43	44
Property investigations	-	26	26
Total	**81**	**69**	**150**

a) Marimaca District, Chile
The Marimaca District is a new exploration area for the Company located northeast of the Marimaca project, which is located 22 kms east of the Port of Mejillones in the II Region of Chile. Exploration activity in Marimaca District, Chile includes other property exploration expenditures and costs associated with the wholly owned Naguayan property.

b) General, Chile
General exploration includes the costs associated with the Celeste, Llancahue, Gloria, Sorpresa, Ivan, and Sierra Medina claims.

16 Income taxes

Major items causing the Company's income tax rate to differ from the Canadian statutory rate of 26.5% (2017 – 26.5%) were as follows:

Concept (000's)		**2018 %**		**2017 %**
Loss before tax	(24.816)	100	(3.585)	100
Income tax (recovery) expense at statutory rates	(6.700)	(27)	(932)	(26)
Difference in foreign tax rates	(1.739)	(8)	(190)	(5)
Non-deductible expenses	40	1	205	6
Mineral property write down	4.185	21		
Unrecognized (recognized) tax losses	4.215	13	917	25
Deferred income tax (recovery) expense	-	-	-	-

Deferred tax assets have not been recognized in respect of the following items:

$(000's)	**2018**	**2017**
Operating losses carried forward	15,836	9,662
Mineral property interests	4,098	1,832
Share issuance costs	217	180
Restoration provision	2,360	2,304
Financing transactions	6,724	1,194
Unrecognized deferred tax assets	**29,235**	**15,173**

16 Income tax (continued)

The Company has non-capital losses that may be carried forward and used to reduce taxable income of future years in the countries indicated. The Company has tax losses of $7.1 million and $20.6 million, respectively, in Canada and Chile that expire after 2027.

17 Related party transactions

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

$000's	December 31, 2018	December 31, 2017
Paid to related parties		
Short-term employee benefits	2,082	1,356
Share-based payments	136	672
Total	**2,218**	**2,028**

As at December 31, 2018, amounts payable to a shareholder were $19.1 million. This amount was included under current portion of other debt (note 10).

18 Segmented information

The Company's reportable segments include its Marimaca exploration project, its SCM Berta operation and its corporate operations. The Company's segments are summarized in the following table:

	Chile		Canada	
$000's	**Marimaca**	**SCM Berta**	**Corporate**	**Total**
December 31, 2018				
Current assets	13,138	1,721	249	15,108
Non-current assets	33,536	14,511	545	48,592
Total assets	46,674	16,231	794	63,700
Current liabilities	1,736	22,495	207	24,437
Total liabilities	5,956	24,539	207	30,702
Net loss	3,127	18,608	3,081	24,816
December 31, 2017				
Current assets	1,109	5,058	1,899	8,066
Non-current assets	19,254	15,452	14	34,720
Total assets	20,363	20,510	1,913	42,786
Current liabilities	975	9,966	3,290	14,232
Total liabilities	5,092	12,682	3,290	21,064
Net loss	132	17,078	2,002	19,212

19 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 December 31, 2018, the Company's carrying values of cash and cash equivalents, accounts receivable, accounts payable, and convertible loan approximate their fair values due to their short term to maturity.

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.

19 Financial instruments (continued)

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 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 $275,714 higher (a greater loss) or $275,714 lower.

Interest rate risk

The Company was exposed to interest rate risk on cash and cash equivalents held as at December 31, 2018. A 100 basis point (1%) increase or decrease in the interest rate would resulted in approximately $86,532 change in the Company's reported loss for the period ended December 31, 2018 based on average cash holdings during the period.

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 and going concern (note 1).

20 Commitments and option payments

The following table sets out the commitments and option payments of the Company as of December 31, 2018.

$000's	2019	2020	Thereafter	Total
Property option payments (note 6)				
El Jote	2,440	-	-	2,440
La Atomica	1,000	4,400	-	5,400
Marimaca	-	-	-	-
Naguayan	300	700	5,300	6,300
Rodeada	200	-	-	200
Total property payments	**3,940**	**5,100**	**5,300**	**14,340**
Operating leases	91	67	-	158
Total	**4,031**	**5,167**	**5,300**	**14,498**

21 Subsequent events

Sale of the Berta Mine

In October last year Coro announced that it was placing the Berta Mine and Nora Processing Plant on care and maintenance while looking for longer-term solutions. On February 8, 2019 the sale of the Berta Mine to Santiago Metals was completed. The total purchase price paid by Santiago Metals for the Berta Mine is $8.5 million, split between $7.65 million on signing and the balance of $0.85 million held in escrow for nine months. In addition to the Berta Mine, some equipment, permits and all the remaining mining concessions adjacent to the Berta Mine were included in the sale. The company has received the initial proceeds of $7.65 million from this sale on March 20, 2019.

Option Agreement

On January 16, 2019 - Coro announced that has entered into an option agreement to acquire a collection of 2% net smelter royalties at the Sierra Miranda property, thereby further consolidating ownership in the Marimaca complex.
The total option value of $2.2m is payable in 4 tranches over 36 months as follows:

- $0.2 million on signature (paid)
- $0.2 million on 12 month anniversary
- $0.2 million on 24 month anniversary
- $1.6 million on 36 month anniversary.

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