Coro Mining Corp.

Consolidated Financial Statements
December 31, 2019 and 2018

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

Independent auditor's report

To the Shareholders of Coro Mining Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Coro Mining Corp. and its subsidiaries (together, the Company) as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2019 and 2018;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of shareholders' equity for the years then ended;
- the consolidated statements of cash flow for the years then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mark Platt.

(signed) PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 30, 2020

Coro Mining Corp.

Consolidated Statement of Loss and Comprehensive Loss

For the years ended December 31, 2019 and 2018

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

		2019		2018
Assets				
Current assets				
Cash and cash equivalents	$	9,865	$	14,496
Amounts receivable and prepaid expenses (note 5)		582		431
Inventories		186		181
		10,633		15,108
Non-current assets				
Amounts receivable (note 5)		2,126		3,138
Property, plant and equipment (note 6)		16,344		25,286
Exploration and evaluation assets (note 7)		28,957		20,168
Total assets	**$**	**58,060**	**$**	**63,700**
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (note 8)	$	1,786	$	3,811
Current portion of restoration provision (note 10)		960		933
Current portion of other debt (note 9)		18,474		19,694
		21,220		24,438
Non-current portion of other debt (note 9)		-		456
Restoration provision (note 10)		5,314		5,809
Total liabilities		**26,534**		**30,703**
Shareholders' equity				
Common shares (note 11)		142,678		129,838
Contributed surplus		8,173		7,935
Accumulated other comprehensive income ("AOCI")		928		934
Deficit		(120,253)		(105,710)
Total equity		**31,526**		**32,997**
Total liabilities and equity	**$**	**58,060**	**$**	**63,700**

Nature of operations and going concern (note 1)
Commitments and option payments (note 18)
Subsequent events (note 19)

"Petra Decher"
Director

"Luis Tondo"
Director & CEO

Coro Mining Corp.

Consolidated Statement of Loss and Comprehensive Loss

For the years ended December 31, 2019 and 2018

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

		2019		2018
Expenses				
Exploration expenditures (note 13)	$	4,252	$	1,871
Care and maintenance costs		3,983		1,680
Writedowns and impairments		-		15,470
Depreciation and amortization		234		56
Legal and filing fees		209		212
Other corporate costs		715		682
Salaries and management fees		869		1,695
Share-based payments expense		343		147
Operating loss		**10,605**		**21,813**
Finance expense		3,165		1,872
Foreign exchange loss (gain)		(190)		1,123
Other expense		963		8
Loss for the year	**$**	**14,543**	**$**	**24,816**
Attributable to:				
Owners of the parent		14,543		24,286
Non-controlling interests		-		530
	$	14,543	$	24,816
Other comprehensive loss				
Items that may be reclassified subsequently to net income:				
Foreign currency translation adjustment		6		(495)
Comprehensive loss for the year	**$**	**14,549**	**$**	**24,321**
Attributable to:				
Owners of the parent		14,549		23,791
Non-controlling interests		-		530
Comprehensive loss for the year	$	14,549	$	24,321
Basic loss per share	$	0.01	$	0.03
Diluted loss per share	$	0.01	$	0.03
Weighted average shares outstanding (000's) Basic		1,499,290		882,386
Weighted average shares outstanding (000's) Diluted		1,507,829		892,138

Coro Mining Corp.

Consolidated Statements of Shareholders' Equity

For the years ended December 31, 2019 and 2018

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

	Attributable to owners of the parent							
	Shares							
	Number of shares #000's	Amount	Contributed Surplus	AOCI	Deficit	Total	NCI	Total Equity
Balance at January 01, 2018	651,930	$ 92,635	$ 7,789	$ 439	$ (74,331)	$ 26,532	$ (4,810)	$ 21,722
Private placement (note 11)	803,208	37,195	-	-	-	37,195	-	37,195
Options exercised (note 12)	250	8	-	-	-	8	-	8
Share-based payments (note 12)	-	-	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**
Balance at January 01, 2019	1,455,388	$ 129,838	$ 7,935	$ 934	$ (105,710)	$ 32,997	$ -	$ 32,997
Private placement (note 11)	145,864	12,536	-	-	-	12,536	-	12,536
Options exercised (note 12)	7,694	101	(101)	-	-	-	-	-
Share-based payments (note 12)	-	-	339	-	-	339	-	339
Comprehensive loss	-	-	-	(6)	(14,543)	(14,549)	-	(14,549)
Balance at December 31, 2019	**1,608,946**	**$ 142,475**	**$ 8,173**	**$ 928**	**$ (120,253)**	**$ 31,323**	**$ -**	**$ 31,323**

Coro Mining Corp.

Consolidated Statement of Cash Flow

For the years ended December 31, 2019 and 2018

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

		2019		2018
Cash flows from operating activities				
Loss for the year	$	(14,543)	$	(24,816)
Items not affecting cash				
Depreciation and amortization		234		56
Writedown of VAT receivable		962		-
Interest and arrangement fees		3,169		-
Writedown and impairments		-		15,470
Share-based payment expense		343		147
Accretion on debt		158		96
Accretion on retirement obligation		148		104
Other		-		3
		(9,529)		(8,940)
Change in non-cash operating working capital				
Decrease (increase) in receivables and prepaid		(101)		157
Decrease (increase) in inventory		(5)		1,344
Increase (decrease) in accounts payable and accruals		(1,018)		266
	$	**(10,653)**	**$**	**(7,173)**
Cash flows from financing activities				
Issuance of common shares (note 11)		12,822		35,906
Share issuance costs (note 11)		(83)		(703)
Repayment of loans (note 9)		(6,000)		(8,280)
Interest and arrangement fees paid		-		(1,041)
Other debt (note 9)		2,000		25,102
	$	**8,739**	**$**	**50,984**
Cash flows from investing activities				
Proceeds from investments		-		21
Proceeds from sale of Berta Mine (note 4)		8,500		-
Property, plant and equipment (note 6)		(31)		(33,132)
Proceeds from pre-commercial production sales		-		14,847
Lease payments		(92)		-
Deferred exploration and evaluation assets (note 7)		(10,082)		(13,857)
Payments to acquire non-controlling interest (note 9)		(1,003)		(500)
	$	**(2,708)**	**$**	**(32,621)**
Effect of exchange rate changes on cash		(9)		495
Increase (decrease) in cash and cash equivalents		(4,631)		11,685
Cash and cash equivalents: beginning of the year		14,496		2,811
Cash and cash equivalents: end of the year	$	9,865	$	14,496

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 metal projects in Chile. The Company was incorporated on September 22, 2004 and commenced activities in 2005. The Company's registered office is Suite 2610, Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, Canada.

The Company's principal asset is the Marimaca project, located in the Antofagasta Region of northern Chile. The Marimaca project comprises a set of "claims", properties over which Coro has the right to explore and exploit the resources. Combined with the adjacent La Atómica and Atahualpa claims, where the most intensive exploration activities have been focused, this larger area is referred to as "Marimaca".

Following a strategic review in April 2018, the Company determined that from all its assets, Marimaca had the most economic potential and subsequently it decided to focus its exploration activities mainly on this project. In 2019, one of the Company's main objectives was to increase its ownership in the Marimaca project to 100%. Subsequent to December 31, 2019, the Company signed a definitive agreement to purchase the remaining 49% interest in the Marimaca 1-23 option agreement for $12.0 million, and upon signing the Company paid the first instalment of $6.0 million (see notes 7 and 19).

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, 2019, the Company reported a net loss of $14.5 million (December 31, 2018 - $24.8 million) and cash outflows from operating activities of $10.7 million (December 31, 2018 - $7.2 million). As at December 31, 2019, the Company had a working capital deficit of $10.6 million (December 31, 2018 – $9.3 million) and an accumulated deficit of $120.3 million (December 31, 2018 - $105.7 million). The Company's mineral property assets are not expected to generate any cash from operations for at least the next twelve months. Accordingly, the Company's financial condition gives rise to a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

In April 2018, Coro entered into a $12.0 million convertible financing arrangement with Greenstone Resources II L.P. ("GSII"), through one of Coro's subsidiaries, Sociedad Contractual Minera Berta ("SCMB" or "SCM Berta"), which would convert into a 75% interest in Coro's wholly-owned subsidiary Rising Star Copper Limited ("RSC"). As at December 31, 2019, the Company retains a 100% ownership in RSC and owes $12.0 million (December 31, 2018 - $12.0 million) under the convertible loan, plus accrued interest of $3.0 million (December 31, 2018 - $0.9 million) (See note 9). Subsequent to December 31, 2019, the Company signed an extension to the conversion and maturity dates of the loan until August 17, 2020 (See note 19).

On September 12, 2018, SCMB entered into a credit agreement with GSII for a $10.0 million secured loan facility ("working capital loan") for SCM Berta. As at December 31, 2019, the Company owes $2.0 million in principal and $0.8 million in accrued interest and arrangement fees in respect of the working capital loan (See note 9). The original maturity date of the working capital loan was August 12, 2019 and subsequent to December 31, 2019, the parties agreed to an extension of the maturity date to August 12, 2020 (See note 19).

Further funds may be drawn under the working capital loan to cover interim care and maintenance expenditures and for assessing a potential long-term development plan for the Nora processing facilities. The working capital loan facility is a non-recourse secured loan, which is secured by the properties associated with RSC only.

On September 23, 2019, the Company completed a non-brokered private placement for a total of 145,863,926 common shares of the Company at a price of C$0.115 cents per share, for total proceeds of C$16.8 million ($12.6 million) (See note 11). Proceeds are being used to make the initial $6.0 million payment under the definite agreement to purchase the remaining 49% interest in the Marimaca 1-23 claims (See note 19) and to advance Marimaca's mineral resource estimate, through a preliminary economic assessment, to make land option payments and for general working capital purposes.

1 Nature of operations and going concern (continued)

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 exploration expenditures on the Marimaca project and meet its obligations as they fall due is dependent on management's ability to secure additional financing. There can be no assurance that management will be successful in raising additional financing.

The Company typically finances its activities with equity issuance and loans. Of the Company's $21.2 million in current liabilities, $18.0 million is payable to GSII, who own approximately 29.4% of the Company's issued and outstanding shares. The Company expects that cash on hand and funds that are available under its working capital loan ($8.0 million) and working capital facility ($6.0 million) will allow the Company to continue its normal operations and fulfil its short and medium term financial liabilities.

Subsequent to December 31, 2019, the Company entered into a credit agreement ("working capital facility") with GSII and Tembo Capital Mining Fund II ("Tembo II") for a twelve-month $6.0 million loan to cover working capital and general operating costs (See note 19).

These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and settle its liabilities and commitments in 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 IFRS as issued by the International Accounting Standards Board ("IASB") 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. All amounts are expressed in U.S. dollars ($), unless otherwise noted. Reference to C$ are to Canadian dollars.

These consolidated financial statements were authorized for issue by the Board of Directors on March 30, 2020.

Estimates, judgements and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, 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. 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 exploration activities 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 for impairment indicators on the Company's exploration and evaluation assets and has concluded that no impairment indicators exist as of December 31, 2019.

2 Basis of preparation (continued)

b) Impairment of property, plant and equipment

Each reporting period, property, plant and equipment assets 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 commodity 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 (See note 6).

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 had reached commercial production, management 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 the SCM Berta operation and Nora Processing Plant on care and maintenance. Since 2016, the Company worked towards reaching commercial production and capitalized all development costs, net of sales proceeds received. As a result of going into care and maintenance mode, management determined that commercial production will not be obtainable in the foreseeable future and ceased capitalization of development costs at the end of 2018.

On February 8, 2019, the Company completed the sale of the Berta Mine (See note 4).

d) VAT collectability

The Company accumulates the Valued-Added Tax ("VAT") paid on the transfer of goods and provision of services in Chile. The VAT works on a debit-credit system provided that the Company was entitled to the tax credit. Since SCMB doesn't generate VAT payable to offset the credits from purchases, the Company has reclassified the VAT receivable from SCM Berta to non-current assets as the time for its collectability is unknown under the existing business conditions. The Company is currently evaluating different scenarios that could potentially restart operations at the Nora Plant. The recoverability of the VAT receivable will depend on future plans to process ore from projects in the vicinity of the plant which are currently under assessment by the Company. As at December 31, 2019, the Company reduced the VAT receivable by $1.0 million to reflect the uncertainty relating to the timing and eventual recoverability of the VAT associated with SCMB.

e) Decommissioning and restoration provisions

Each reporting period, the Company updates the carrying value of its restoration provisions by estimating the future costs of remediating environmental disturbances after an asset is decommissioned or retired. Management updates the provision using future inflation rates and interest rates for the periods in order to get a present value. Although management has made its best estimate of these factors, there are uncertainties related to asset retirement obligations and the impact on the financial statements could be material as the eventual timing and expected costs to settle these obligations could differ from our estimates. The main factors that could cause expected cash flows to differ are changes to laws, local regulations, increase in expected costs, inflation rates and timing of cash flows.

2 Basis of preparation (continued)

f) Share-based compensation for performance

The Company applies the fair value method of accounting using the Black-Scholes model to determine the fair value of stock-options granted to employees, consultants and directors. The model includes significant assumptions as to the estimated life of the stock options, the forfeiture rate and the volatility of the stock. The Company uses historical data to estimate the expected future volatility of the stock, the estimated lives of the stock options and the forfeiture rate.

Stock options granted might include performance conditions related to the achievement of specified performance targets or a milestone and might pertain either to the performance of the Company as a whole or to some part of the enterprise, such as a subsidiary. The measurement of compensation costs for a stock-based award with a performance condition that will determine the number of options or shares to which all employees receiving the award will be entitled, is based on the best estimate of the outcome of the performance condition. The Company estimates forfeitures awards by individual employees and recognizes them as they occur. Management assesses all the factors and uses its judgment to calculate these estimates.

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., RSC, Minera Coro Chile Ltda., and SCMB. All intercompany transactions, balances, income and expenses have been eliminated on consolidation.

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

b) Foreign currency translation

The functional currency of the parent company, Coro Mining Corp. is the Canadian dollar. 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; revenue 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 of such monetary assets and liabilities into the functional currency of an entity are recognized in the statement of loss.

c) Cash and cash equivalents

Cash and cash equivalents include 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 as financial assets 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.

3 Significant accounting policies (continued)

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 is used. Debt classified as fair value through profit or loss is measured at fair value on each financial reporting 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 comprise 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 the lesser of the 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.

3 Significant accounting policies (continued)

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 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 established 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.

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.

3 Significant accounting policies (continued)

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.

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) Income (loss) per share

Income (loss) per share is calculated dividing shareholders' net income (loss) by the weighted average number of shares outstanding during the period. Diluted income (loss) 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 the event of a share consolidation or share split, the calculation of basic and diluted income (loss) will be adjusted retrospectively for past periods presented.

n) 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 determined using tax rates that have been enacted or substantively enacted at the statement of financial position date.

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

3 Significant accounting policies (continued)

o) 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.

p) 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.

q) Financial instruments

Financial instruments addresses the classification, measurement and recognition of non-derivative financial assets and financial liabilities and requires financial assets to be classified into three measurement categories: those measured at fair value through profit and loss ("FVPL"), at fair value through other comprehensive income ("FVOCI"), 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. Non-derivative financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs (see note 17).

r) New accounting pronouncements

<u>Leases</u>

Effective January 1, 2019, the Company adopted IFRS 16 Leases using the modified retrospective approach. The comparatives and disclosures for the 2018 reporting period have not been restated and have been accounted for under IAS 17 Leases, as permitted under the specific transitional provisions in the IFRS 16 standard.

The transitional adjustments arising from the adoption were made as of the initial application date (January 1, 2019).

<u>Impact of adopting the new accounting policy IFRS 16 Leases - transition</u>

At the date of the adoption and transition (January 1, 2019), the Company assessed the total amount of operating contracts that could meet the definition of a lease and for practical expedient excluded the contracts under 12-months period and low-value contracts.

After the assessment, the Company concluded that the only qualified lease was the office lease. Due to the low impact in the adoption, the Company decided to discount the remaining lease payments in UFs (Chilean pesos inflation rate) and allocate them to the right to use asset and lease liability accounts; therefore no adjustment was made to retained earnings on the transition date.

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

3 Significant accounting policies (continued)

The following table summarizes the difference between operating lease commitments disclosed at December 31, 2018 and the date of initial application of IFRS 16 at January 1, 2019.

	Total
Operating lease commitments disclosed -December 31, 2018	**158**
Recognition exemption -January 1, 2019	
Short-term leases- less than 12 months remaining	(1.4)
Discount using the incremental borrowing rate (3.27%)	(4.9)
Adjustments to foreign exchange rates and number of payments	5.7
	(0.7)
Total lease liability recognized under IFRS 16 -January 1, 2019	**157**
Current portion	87
Non-current portion	70

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.

4 Sale of Berta Mine

On October 16, 2018, the Company announced a financing and a care and maintenance program for its SCM Berta operations. At the same time, the Company placed the Berta Mine and the Nora Processing Plant on care and maintenance while actively looking for long-term solutions to maximize value for its shareholders.

On February 8, 2019, the Company completed the sale of the Berta Mine to Santiago Metals Proyecto 4 Ltda. Under the terms of the sale agreement, the total purchase price was $8.5 million, split between $7.6 million on signing (received) and the balance of $0.9 million held in escrow was received in November 2019. 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. Closing costs were $0.2 million. The buyer also acquired the retirement obligation liability valued at $1.2 million.

At the end of fiscal 2018, the Company reduced the carrying value of the Berta Mine from $13.7 million to $9.5 million and recorded a $4.2 million impairment adjustment as a result of considering the expected recoverable amount of the Berta Mine as an indication of its fair market value (See note 6). On closing of the transaction, no loss or gain was recorded because the consideration received was equal to the net assets disposed of.

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

4 Sale of Berta Mine (continued)

Gain (loss) calculation

	February 8, 2019
Proceeds:	
Cash	8,500
Retirement obligation (note 10)	1,165
Less:	
Carrying value for Berta asset (note 6)	(9,450)
Closing costs	(215)
Loss on sale of Berta asset	**-**

5 Amounts receivable and prepaid expenses

	December 31, 2019	December 31, 2018
Prepaid expenses and other receivables	2,400	3,242
Environmental bond	308	327
Total amounts receivable and prepaid expenses	**2,708**	**3,569**
Non-current portion	(2,126)	(3,138)
Current portion	**582**	**431**

Until October 1, 2015, the Company had been fully providing for Chilean VAT. As a result of the acquisition of the Nora Plant, since early 2016, SCMB was able to recover VAT receivables by offsetting against VAT payable on sales of copper cathode. On February 8, 2019, the Berta Mine was sold (See note 4) and as a result, the future recoverability of VAT receivables will depend upon the Company's ability to produce copper from the Nora Plant. Currently, management is considering the viability of alternative sources of supply for the Nora Plant, but these solutions are not expected to result in a VAT recovery until 2021. Consequently, the Company has recorded a write down of $1.0 million to reflect the uncertainty relating to the timing and recoverability of the VAT as at December 31, 2019. The carrying value of the VAT receivable as at December 31, 2019 is $2.1 million (December 31, 2018 - $3.1 million).

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

6 Property, plant and equipment

	Berta asset *	Nora plant	Ivan plant	Other	Construction in progress	Total
Cost						
January 1, 2018	13,702	4,000	10,693	191	264	28,850
Disposals	(8)	-	-	-	-	(8)
Impairments	(4,244)	(10,794)	-	-	-	(15,038)
Additions	-	11,394	-	187	18	11,599
December 31, 2018	**9,450**	**4,600**	**10,693**	**378**	**282**	**25,403**
Disposals (note 4)	(9,450)	-	-	-	-	(9,450)
Revaluation of restoration provision (note 10)	-	26	524	-	-	550
Transfers	-	-	-	282	(282)	-
Additions	-	-	-	193	-	193
December 31, 2019	**-**	**4,626**	**11,217**	**853**	**-**	**16,696**
Accumulated depreciation						
January 1, 2018	-	-	-	(62)	-	(62)
Depreciation	-	-	-	(56)	-	(56)
December 31, 2018	-	-	-	(118)	-	(118)
Depreciation	-	-	-	(234)	-	(234)
December 31, 2019	**-**	**-**	**-**	**(352)**	**-**	**(352)**
Net book value						
December 31, 2018	9,450	4,600	10,693	260	282	25,286
December 31, 2019	**-**	**4,626**	**11,217**	**501**	**-**	**16,344**

* Berta asset includes Berta mineral property, Mine development and facilities

Berta asset

None of the SCM Berta operational assets, including the Nora Processing Plant, have been depreciated as the Company has yet to achieve commercial production. On October 16, 2018, the Company announced that the Berta Mine would be placed on care and maintenance and on February 8, 2019, the Company sold the Berta mineral property and facilities (See note 4).

Nora processing plant

In December 2018, the Company concluded that an impairment indicator existed in respect of Nora Plant. The key assumption was that it would be used to process ore from deposits in close proximity to the plant, such as the Company's El Jote project. As at December 31, 2018, the Company recognized an impairment charge of $10.8 million, reducing the carrying value of the Nora Plant to $4.6 million. In determining the fair value, the Company considered the original acquisition cost, future uses and the current operating conditions of the plant. In 2019, the Company placed the plant on care and maintenance and expensed a total of $2.4 million in costs.

In June 2019, the Company submitted an Environmental Impact Declaration ("DIA") to obtain approval from the Chilean authorities for the extension of the operational life of the Nora Plant. The Company has provided all the responses to queries from the Chilean authorities and is now awaiting the final DIA approval. Once the DIA is approved, the Company will have to submit the corresponding sectorial permits to support the future operation of the Nora Plant and also update the closure plan for the Nora Plant.

The Company is currently evaluating the future potential of the Nora Plant, which may involve either operating or disposing of the plant.

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

6 Property, plant and equipment (continued)

Ivan processing plant

The Ivan Plant was purchased in June 2017 with the intention to process ore from the Marimaca property. Currently, the plant is not operative and will be kept on care and maintenance until it is necessary to start commissioning and testing. In 2019, the Company expensed a total of $1.6 million in care maintenance cost for the plant and has a carrying value of $11.2 million at the end of 2019.

7 Exploration and evaluation assets

	Marimaca Properties					Others	
	MC	LA	ATA	O&C	LI&M	El Jote	Total
Balance- January 1, 2018	**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**
Exploration and evaluation costs	1,074	1,858	4,487	-	-	-	7,419
Property acquisition costs	-	500	400	300	55	115	1,370
Balance at December 31, 2019	**8,510**	**6,534**	**12,579**	**518**	**55**	**761**	**28,957**

a) Marimaca property, Chile

Marimaca claims ("Marimaca 1-23 Claims")

In August 2014, subsequently amended in April 2017 and September 2019, the Company entered into an agreement to acquire up to a 75% interest in the Marimaca copper oxide prospect (the "Marimaca 1-23 Claims"). By paying $0.185 million ($0.06 million paid); and $0.125 million upon 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 a 51% interest in the Marimaca 1-23 Claims.

Under the agreement, Coro could 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.

In September 2019, the Company entered into an agreement to acquire the remaining 49% interest in the Marimaca 1-23 Claims (the "Transaction"). The Marimaca 1-23 Claims comprise the central area of the concession package that makes up the greater Marimaca Project. Under the terms of the Transaction, the Company will acquire the remaining 49% interest for a total cash consideration of $12.0 million, payable as follows: (i) $6.0 million upon signing of the definitive agreement (paid) (See note 19); (ii) $3.0 million on the first anniversary of the definitive agreement; and (iii) $3.0 million on the second anniversary of the definitive agreement. In addition, the Company will grant a 1.5% net smelter return royalty ("NSR") to the seller and will transfer certain non-core mineral claims. Coro will retain an option to buy-back 1% of the NSR for $4.0 million at any time up to 24 months following the commencement of commercial production from the Marimaca 1-23 Claims and retains a right of first refusal over the NSR.

La Atomica claims ("LA")

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

7 Exploration and evaluation assets (continued)

On November 14, 2019, the Company modified the La Atomica Option Agreement to split into two tranches the $1.0 million payment due on the 24-month anniversary payable as follows: (i) $0.5 million upon signing of the new agreement (paid); (ii) $0.5 million on March 14, 2020 (paid) (See note 19). The second payment of $0.5 million will include interest of 0.75% per month from the date of the new agreement to March 14, 2020, which was also paid on March 16, 2020.

Atahualpa claims ("ATA") - Formerly known as Sierra Miranda claims
Under the terms of a January 2018 LOI, the Company acquired 100% of the claims of Atahualpa, Tarso, Sierra and Sorpresa immediately adjoining its Marimaca property for a total cash consideration of $6.0 million; $5.8 million was paid in 2018 and the balance of $0.2 million was paid in Q1 2019. A 2% NSR was payable on the claims under the original option agreement.

On February 1, 2019, the Company entered into an option agreement to purchase the outstanding 2% NSR for $2.2 million. The amount is payable in four tranches over 36 months as follows: $0.2 million upon closing (paid); $0.2 million on the 12-month anniversary of closing (paid) (See note 19); $0.2 million on the 24-month anniversary of closing; and $1.6 million on the 36-month anniversary of closing.

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

On November 28, 2019 the Company modified the option agreement to split in two tranches the $0.7 million payment due on the 24-month anniversary payable as follows: (i) $0.4 million on January 3, 2020 (paid) (See note 19); (ii) $0.3 million on April 13, 2020. The second payment of $0.3 million will include an interest of 0.03% a day from the date of the new agreement to April 13, 2020.

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

b) Other properties, Chile

El Jote
In May 2016**,** SCMB optioned the El Jote a copper project, located approximately ~ 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 totalling $3.0 million; $0.57 million (paid) and $2.43 million to be paid starting in May 2019. The final payment of $2.43 million may be made in eight equal instalments of $0.3 million plus interest at LIBOR, and SCMB may start production with first instalment payment. A 1.5% NSR royalty is payable, which can be purchased for $1.5 million at any time.

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

7 Exploration and evaluation assets (continued)

On July 19, 2019, the Company renegotiated the terms of the remaining instalments in the option agreement. Whereby the final total payment will be $3.26 million. Under the terms of the amended agreement, SCMB may acquire a 100% interest in the property by completing the following option payments; $0.57 million (paid) and $2.69 million to be paid in eleven installments as follows: $0.12 million on the signing of amended agreement (paid); $0.12 million on the 7-month anniversary (paid) (See note 19); $0.12 million on the 10-month anniversary; $0.18 million on the 14-month anniversary, $0.18 million on the 18-month anniversary; $0.18 million on the 22-month anniversary; $0.18 million on the 26-month anniversary; $0.18 million on the 30-month anniversary; $0.18 million on the 34-month anniversary; $0.18 million on the 38-month anniversary; $1.10 million on the 42-month anniversary.

8 Accounts payable and accrued liabilities

	December 31, 2019	December 31, 2018
Accounts payable	1,073	2,891
Accrued liabilities	713	920
	1,786	**3,811**

9 Other debt

	December 31, 2019	December 31, 2018
Greenstone shareholder loans (a)	17,996	18,801
ProPipe loan (b)	478	1,349
Total other debt	**18,474**	**20,150**
Current portion	(18,474)	(19,694)
Non-current portion	**-**	**456**

a) Greenstone shareholder loans

SCMB Facility
In April 2018, Coro entered into a $12.0 million financing arrangement through one of its subsidiaries, SCMB, whereby GSII, an affiliate of Coro's largest shareholder Greenstone Resources L.P., invested $12.0 million into SCMB by way of a convertible loan. The SCMB Facility is a secured loan, convertible into a 75% interest in Coro's wholly-owned subsidiary RSC which holds a 100% interest in Minera Coro Chile SpA. The conversion feature of the SCMB Facility represents an embedded derivative, as the conversion option is at the discretion of the lender.

The Company determined that the derivative had a nominal value as at December 31, 2018 and December 31, 2019. The loan had a 60-day free interest period, followed by a 15% annual interest rate compounded monthly. The SCMB Facility is a non-recourse loan limited to RSC and its subsidiaries. As at December 31, 2019, the Company has a 100% ownership in RSC and owed $12.0 million (December 31, 2018 - $12.0 million) plus accrued interest of $3.0 million (December 31, 2018 - $0.9 million) in respect of the SCMB Facility. The current annual interest rate for this loan is 15%.

Subsequent to December 31, 2019, the Company signed an extension letter to extend the conversion notice to August 12, 2020 and to change the maturity and conversion date to August 17, 2020 (See note 19).

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

9 Other debt (continued)

Working capital loan

On September 12, 2018, SCMB entered into a credit agreement with GSII for an eleven-month $10.0 million secured loan facility to SCM Berta. At the end of fiscal 2018, $6.0 million had been advanced under the working capital loan. In Q2 2019, the Company repaid the $6.0 million with funds received from the sale of its Berta Mine and at the same time, the Company drew an additional $2.0 million under the working capital loan. The eleven-month working capital loan had an initial annual interest rate of 12% for the first 90 days, followed by a 15% annual interest rate for the remaining period, compounded monthly. As of December 31, 2019, the current annual interest rate for this loan is 17% and the Company owed $2.0 million in principal, $0.8 million in accrued interest and $0.2 million in arrangement fees. The maturity date of the working capital loan was originally August 12, 2019 and subsequent to December 31, 2019, the Company extended the maturity date with GSII until August 12, 2020 (See note 19). The working capital loan is a non-recourse loan which is limited to RSC and its subsidiaries.

If necessary, further funds may be drawn under the facility to cover costs related to care and maintenance expenditures and to assess a potential long-term development plan for the Nora processing facilities.

Subsequent to December 31, 2019, the Company signed a twelve-month loan agreement with GSII and Tembo II to provide an additional $6.0 million working capital loan (See note 19).

b) ProPipe loan

The SCMB Facility was conditional on Coro acquiring the 35% minority interest in the Berta Mine for an initial upfront payment of $0.5 million (paid May 2018), with three future instalments of $0.5 million falling 12, 18 and 24 months after the initial payment. The Company also agreed to pay an outstanding loan balance of $0.25 million to ProPipe (paid in April 2018). In 2019, the Company paid the first two of the three outstanding instalments for total payments of $1.0 million. As of December 31, 2019, the amortized loan balance is $0.5 million.

10 Restoration provision

			December 31, 2019		December 31, 2018
	Nora	**Ivan**	**Berta**	**Total**	**Nora & Total**
Balance, beginning of year	1,356	4,221	1,165	6,742	6,583
Accretion expense	34	114	-	148	159
Reclamation revaluation	25	524	-	549	-
Disposal (note 4)	-	-	(1,165)	(1,165)	-
Less curent portion	**-**	**(960)**	**-**	**(960)**	**(933)**
Balance, end of year	**1,415**	**3,899**	**-**	**5,314**	**5,809**

In calculating the present value of the restoration provisions as at December 31, 2019, management used risk-free rates between 1.6%-1.95% and an inflation rate of 2.02%-2.12%. The undiscounted cash flows, before inflation adjustments, estimated to settle the restoration provisions are approximately equal to the discounted cash flows. 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 Plant within 5 years and Ivan Plant in 1 to 22 years.

10 Restoration provision (continued)

Nora
As at December 31, 2019, Nora's restoration provision of $1.4 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.

The Company is currently in the process of completing the approval of an Environmental Impact Declaration ("DIA"), to enable the Company to extend of the operational life of Nora Plant (See note 6) and negotiating reclamation bonding requirements with respect to the Nora Plant with the relevant authorities.

Ivan
As at December 31, 2019, Ivan's undiscounted restoration provision totalled $4.9 million which consists of costs associated with reclamation and closure activities for the Ivan Plant and mine site. These activities include costs for disposition of chemical materials, earthworks, and the dismantling and demolition of structures.

11 Common shares

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

Issued
As of December 31, 2019, the Company had 1,608,946,194 common shares issued and outstanding (December 31, 2018: 1,455,388,294 common shares)

a) Year ended 2019

- The Company completed a non-brokered private placement issuing a total of 145,863,926 common shares at a price of C$0.115 per share, for total proceeds of C$16.8 million ($12.6 million). Issuance costs were C$109.1 ($82.7). From the total shares issued, 113,382,205 common shares were subscribed by Coro's major shareholder Greenstone Resources L.P. and its associated entities GSII and Greenstone Co-Investment No.1 (Coro) L.P. The remaining 32,481,721 common shares were subscribed by Coro's second largest shareholder Ndovu Capital XIV B.V ("Tembo Capital").

- During the year ended December 31, 2019, the Company issued 7,693,975 common shares upon the exercise of stock options for total cash proceeds of C$271.5 ($203.5). The Company reclassified a total of C$133.3 ($100.8) from contributed surplus to capital stock in connection with these exercises.

b) Year ended 2018

- The Company issued 109,733,334 shares at a price of C$0.12 per common share in connection with a non-brokered private placement by an entity of the Tembo Capital private equity group for total proceeds of C$13.2 million ($10.1 million).

- The Company issued 21,883,492 common shares in connection with an outstanding convertible loan of C$2.6 million ($2.0 million) with Greenstone at a conversion price of C$0.12 per common share.

- The Company issued 250,000 common shares at a price of C$0.04 per common share for total proceeds of C$10.0 ($7.7) in connection with an option agreement.

- The Company issued 671,59,957 shares at a price of C$0.05 per common share in connection with a rights offering circular issued in August 2018 for total proceeds of C$33.6 million ($25.8 million). Issuance costs for the transaction totaled C$0.7 million ($0.6 million). From the total shares issued, 658,092,091common shares were subscribed from Coro's shareholders (284,415,044 shares issued to existing shareholders and the remaining 373,677,049 shares issued to Greenstone entities) and 13,499,866 common shares Tembo Capital, pursuant to a Standby Commitment Agreement dated August 3, 2018 between Tembo Capital and the Company.

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

12 Stock options

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

	December 31, 2019		December 31, 2018	
	Number of options	Weighted average exercise price CA$	Number of options	Weighted average exercise price CA$
Outstanding - December 31	51,365,410	0.11	33,450,000	0.13
Granted	9,000,000	0.06	4,400,000	0.09
Granted	2,000,000	0.10	500,000	0.09
Granted	200,000	0.11	3,120,936	0.06
Granted	-	-	1,300,390	0.05
Granted	-	-	11,444,864	0.09
Exercised	(6,827,048)	0.03	(250,000)	0.04
Exercised	(866,927)	0.07	-	-
Expired	(4,161,249)	0.08	(2,600,780)	0.15
Expired	(1,300,390)	0.12	-	-
Expired	(7,152,145)	0.15	-	-
Forfeited	(1,863,892)	0.07	-	-
Outstanding - December 31	**40,393,759**	**0.10**	**51,365,410**	**0.11**

At December 31, 2019, 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
6,176,853	6,176,853	0.03	1.13
9,000,000	5,000,000	0.06	2.61
6,762,029	2,470,741	0.07	3.52
1,300,390	433,463	0.08	3.93
6,501,951	6,501,951	0.09	2.45
2,000,000	-	0.10	4.26
200,000	66,667	0.11	4.32
8,452,536	3,381,014	0.15	1.61
40,393,759	**24,030,689**		

In 2019, the Company granted a total of 11.2 million stock options (2018 – 20.8 million stock options) to certain directors, officers and a consultant with a weighted average exercise price of C$0.07 (2018 – C$0.09) and expiry date of 5 years. The fair value of the 2019 stock options granted was C$0.6 million (US$0.4 million) and C$0.9 million (US$0.7 million) for the 2018 grant.

In 2019, a total of 7.7 million options were exercised (2018 – 0.25 million options) with a weighted average market price of C$0.09 (2018 - C$0.07)

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

12 Stock options (continued)

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:

	December 31, 2019	December 31, 2018
Risk-free interest rate	1.5%	1.5% to 2.0%
Expected life	5 years	5 years
Expected volatility	109% to 111%	110% to 121%
Expected dividend	0%	0%

During the year ended December 31, 2019, total share-based compensation expense was $0.3 million (2018- $0.1 million).

13 Exploration expenditures

			2019
	Marimaca District	General	Total
Drilling & trenching costs	2,715	-	2,715
General & administration costs	737	856	1,593
Property investigations	-	(56)	(56)
Total	**3,452**	**800**	**4,252**

			2018
	Marimaca District	General	Total
Drilling & trenching costs	66	95	161
General & administration costs	113	1,615	1,728
Property investigations	-	(18)	(18)
Total	**179**	**1,692**	**1,871**

a) Marimaca District, Chile

The Marimaca District is a large exploration area of interest that could potentially be part of the Marimaca project, located 25 kms east of the port of Mejillones in the II Region of Chile. Exploration activity in the Marimaca District includes property exploration expenditures and costs associated with the Marimaca project and other wholly-owned projects that are not adjacent to the Marimaca project but can be potentially added to the mineral reserve in the future. As the Company has completed exploration activities on the adjacent properties to the Marimaca project and continues its drilling activities in the larger Marimaca District, the final potential of the overall Marimaca District will be further defined after the completion of all the exploration programs in the area.

For the year ended December 31, 2019, certain exploration related expenses were capitalized and included under exploration and evaluation assets (See note 7) and district exploration expenses were expensed and included in exploration expenditures in the statement of loss and comprehensive loss. The Company recorded $2.7 million in drilling expenditures related to Cedro, Olimpo, Sierra and Sorpresa projects. At this time, only acquisition costs of these properties are being capitalized (See note 7).

b) General, Chile

General exploration includes the allocation of project administration costs like office salaries.

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

14 Income tax

Major items causing the Company's income tax rate to differ from the Canadian statutory rate of 27% (2018 – 27%) were as follows:

	2019	2018
Loss before tax	(14,543)	(24,816)
Income tax (recovery) expense at statutory rates	(3,926)	(6,700)
Difference in foreign tax rates	(1,023)	(1,739)
Non-deductible expenses	93	40
Mineral property write down	-	4,185
Unrecognized (recognized) tax losses	4,857	4,215
Deferred income tax (recovery) expense	-	-

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

	2019	2018
Operating losses carried forward	21,473	15,836
Mineral property interests	2,925	4,098
Share issuance costs	272	217
Restoration provision	2,196	2,360
Unrecognized deferred tax assets	**26,866**	**22,511**

As at December 31, 2019, Company's has non-capital losses carried forward of $63.8 million (2018 - $47.2 million) which are available to offset future years' taxable income. These following losses will expire as follows:

	Canada	Chile	2019
2028-2032	2,301	-	2,301
2033-2037	4,818	-	4,818
2038-2039	3,719	-	3,719
Indefinite	-	52,991	52,991
	10,838	**52,991**	**63,829**

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

15 Related party transactions

Key management personnel

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

	December 31, 2019	December 31, 2018
Paid to related parties		
Short-term employee benefits	1,199	2,082
Share-based payments	574	136
Severance costs	67	-
Total	**1,840**	**2,218**

During the year ended December 31, 2019, the Company repaid $6.0 million in loans to its major shareholder and as at December 31, 2019, included in current portion of other debt, was an amount of $18.0 million due the same shareholder (See note 9). Subsequent to December 31, 2019, the Company signed a twelve-month loan for $6.0 million with two shareholders (See note 19).

As at December 31, 2019, there was a $45.5 (2018 - $Nil) payable to a former officer related to severance costs which was included in accounts payable and accrued liabilities.

16 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	
	Marimaca	SCM Berta	Corporate	Total
December 31, 2019				
Current assets	9,116	1,451	66	10,633
Non-current assets	40,442	6,700	285	47,427
Total assets	49,558	8,151	351	58,060
Current liabilities	1,436	19,384	400	21,220
Total liabilities	5,335	20,799	400	26,534
Net loss	5,922	6,867	1,754	14,543

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

16 Segmented information (continued)

	Chile		Canada	
	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	16,232	794	63,700
Current liabilities	1,736	22,495	207	24,438
Total liabilities	5,956	24,539	207	30,703
Net loss	3,127	18,609	3,080	24,816

17 Financial instruments

At December 31, 2019, total liabilities associated with SCM Berta include $18.0 million due to GSII which are non-recourse loans limited to RSC and its subsidiaries.

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, 2019, the Company's carrying values of cash and cash equivalents, amounts receivable, accounts payable, accrued liabilities approximate their fair values due to their short term to maturity.

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

Currency risk
Currency risk is the risk that the fair values or future cash flows of the Company’s financial instruments will fluctuate because of changes in foreign currency rates in the market. The Company’s financial instruments are exposed to currency risk where those instruments are denominated in currencies that are not the same as the functional currency of the entity that holds them; foreign exchange gains and losses in these situations impact earnings.

The Company’s significant subsidiaries are located in Chile and although their functional and reporting currency is the US dollar, they are subject to currency risk because they maintain cash, amounts receivable and prepaid and accounts payables and accrued liabilities in Chilean pesos. The parent company is in Canada and its functional currency is the Canadian dollar and also maintains cash and accounts payables and accrued liabilities in US dollars.

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

17 Financial instruments (continued)

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

	Canadian $	Equivalence in US $	Chilean $	Equivalence in US $
December 31, 2018				
Cash	72	53	9,448,393	13,581
VAT receivable	-	-	2,196,325	3,157
Amounts receivable and prepaids	-	-	450,317	647
Accounts payable and accrued liabilities	(77)	(59)	(2,704,603)	(3,888)
Total	**(5)**	**(6)**	**9,390,433**	**13,498**

Based on the net exposures as of December 31, 2019, and assuming that all other variables remain constant, an up or down 10% fluctuation on the Canadian dollar and Chilean peso against the US dollar would result in the Company's net loss of approximately $0.2 million gain or loss (2018 - $1.3 million). The Company manages and monitors the currency risk on a regular basis by keeping certain accounts to minimum when the currency has a devaluation effect or vice versa. As at December 31, 2019 the company held $9.3 million in US dollars and $0.6 million in Chilean pesos.

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

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

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

17 Financial instruments (continued)

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
December 31, 2019					
Accounts payable and accrued liabilities	1,786	-	-	-	1,786
SCMB facility including interest	14,982	-	-	-	14,982
Working capital loan including interest and fees	3,014	-	-	-	3,014
Propipe loan	478	-	-	-	478
Reclamation provision	960	-	-	5,313	6,273
Total	**21,220**	**-**	**-**	**5,313**	**26,533**

	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
December 31, 2018					
Accounts payable and accrued liabilities	3,811	-	-	-	3,811
SCMB facility including interest	12,884	-	-	-	12,884
Working capital loan including interest and fees	5,918	-	-	-	5,918
Propipe loan	893	456	-	-	1,349
Reclamation provision	933	-	-	5,809	6,742
Total	**24,439**	**456**	**-**	**5,809**	**30,704**

18 Commitments and option payments

The following table sets out the total commitments and option payments of the Company as of December 31, 2019.

	2020	2021	2022-2023	Total
Property option payments (note 7)				
El Jote *	415	529	1,630	2,574
La Atomica *	4,900	-	-	4,900
Marimaca *	6,000	3,000	3,000	12,000
Atahualpa *	200	200	1,600	2,000
Olimpo y Cedro *	700	1,750	3,550	6,000
Llanos y Mercedes	50	225	1,675	1,950
Total	**12,265**	**5,704**	**11,455**	**29,424**

* See note 19 for subsequent payment details.

19 Subsequent events

a) Definitive agreement signed to purchase remaining 49% interest in Marimaca 1-23 claims
Further to the agreement entered in September 2019 (See note 7), the Company signed a definitive agreement on February 13, 2020 to acquire the remaining 49% interest in the Marimaca 1-23 claims option agreement for $12.0 million payable in three installments. Upon signing of the definitive agreement, the Company advanced the first payment of $6.0 million and the two remaining payments will be due on the first and second anniversary of closing each for $3.0 million, respectively.

b) Working capital loan extension
On March 3, 2020, the Company signed an extension letter for the $10.0 million working capital loan with GSII, thereby extending the maturity date from August 12, 2019 to August 12, 2020.

c**) SCMB facility extensions**
On March 3, 2020, the Company signed an extension letter for the $12.0 million SCMB facility loan with GSII, whereby it was agreed to extend the conversion notice to August 12, 2020 and to change the maturity and conversion date to August 17, 2020.

d) Working capital facility agreement
On March 5, 2020, the Company signed a working capital facility with GSII and Tembo II for a twelve-month $6.0 million loan to cover working capital and general operating costs. The working capital facility has a fixed annual interest rate of 12% with quarterly compound interest and a 3% arrangement fee of the aggregate of the principal amounts drawn under the working capital facility, payable at maturity. The working capital facility is a non-revolving-unsecured loan.

e) Option agreement payments
Subsequent to December 31, 2019, the Company made the following option agreement payments:
On January 3, 2020, the Company paid $0.4 million towards the Olimpo y Cedro option agreement.
On February 3, 2020, the Company paid $0.2 million towards the Atahualpa option agreement.
On March 5, 2020, the Company paid $0.1 million towards the El Jote option agreement.
On March 16, 2020, the Company paid $0.5 million towards La Atomica option agreement

f) COVID-19
Subsequent to year-end significant declines in the spot price for copper and other metals and significant declines in the stock market have occurred for various reasons linked to the COVID-19 pandemic and other conditions impacting worldwide metal prices. The impacts to the Company are not determinable at this date, however this could have a material impact on the Company's forecasted exploration work and the Company's financial position, results of operation and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted.