Coro Mining Corp.

Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2019 and 2018

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

Coro Mining Corp.

Condensed Interim Consolidated Statements of Financial Position

As at March 31, 2019 and December 31, 2018

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

	March 31, 2019 $000's	December 31, 2018 $000's
Assets		
Current assets		
Cash and cash equivalents	15,648	14,496
Accounts receivable and prepaid expenses (note 4)	1,456	431
Inventories	149	181
	17,253	15,108
Non-current assets		
Receivables	3,401	3,138
Property, plant and equipment (note 5)	15,966	25,286
Exploration and evaluation assets (note 6)	23,162	20,168
Total assets	**59,782**	**63,700**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	4,004	3,811
Current portion of restoration provision	933	933
Current portion of other debt (note 8)	20,367	19,694
	25,304	24,438
Non-current portion of other debt (note 8)	492	456
Restoration provision (note 9)	4,677	5,809
Total liabilities	**30,473**	**30,703**
Shareholders' equity		
Common shares (note 10)	129,838	129,838
Contributed surplus	8,081	7,935
Accumulated other comprehensive income ("AOCI")	932	934
Deficit	(109,542)	(105,710)
	29,309	32,997
Total equity	**29,309**	**32,997**
Total liabilities and equity	**59,782**	**63,700**

Nature of operations and going concern (note 1)
Commitments (note 16)
Subsequent events (note 17)

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

Coro Mining Corp.

Condensed Interim Consolidated Statement of Comprehensive Loss (Income)

For the three months ended March 31, 2019 and 2018

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

	Three months March 31, 2019 $000's	Three months March 31, 2018 $000's
Expenses		
Exploration expenditures (note 12)	1,562	420
Care and maintenance costs	1,444	406
Writedowns and impairments	-	1,621
Depreciation and amortization	37	19
Legal and filing fees	39	30
Other corporate costs	118	168
Salaries and management fees	207	444
Share-based payments expense	146	92
Operating loss	**3,553**	**3,200**
Finance expense	645	28
Foreign exchange loss	(366)	25
Other expense	-	3
Loss for the period	**3,832**	**3,256**
Attibutable to:		
Owners of the parent	3,832	2,724
Non-controlling interests	-	532
	3,832	3,256
Other comprehensive income		
Items that may be reclassified subsequently to net income:		
Foreign currency translation adjustment	2	(143)
Comprehensive loss for the period	**3,834**	**3,113**
Attibutable to:		
Owners of the parent	3,834	2,581
Non-controlling interests	-	532
Comprehensive loss for the period	3,834	3,113
Basic and diluted loss per share ($ per share)	$ 0.003	$ 0.004
Weighted average shares outstanding (000's)	1,455,388	651,930

Coro Mining Corp.

Condensed Interim Consolidated Statements of Shareholders' Equity

As at March 31, 2019 and December 31, 2018

(Expressed in U.S. thousands of 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, 2018	651,930	92,635	7,789	439	(74,331)	26,532	(4,810)	21,722
Shares issued (note 10)	803,208	37,195	-	-	-	37,195		37,195
Options exercised	250	8	-	-	-	8	-	8
Share-based payments (note 11)	-	-	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
Share-based payments (note 11)	-	-	146	-	-	146	-	146
Comprehensive income (loss)	-	-	-	(2)	(3,832)	(3,834)	-	(3,834)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-
Balance at March 31, 2019	**1,455,388**	**129,838**	**8,081**	**932**	**(109,542)**	**29,309**	**-**	**29,309**

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

Coro Mining Corp.

Condensed Interim Consolidated Statement of Cash Flow

For the three months ended March 31, 2019 and 2018

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

	Three months March 31, 2019 $000's	Three months March 31, 2018 $000's
Cash flows from operating activities		
Loss for the period	(3,832)	(3,256)
Items not affecting cash		
Depreciation and amortization	37	19
Interest of loan	666	
Writedown and impairments	-	1,621
Share-based payment expense	146	92
Accretion of long-term debt expense	-	-
Accretion of retirement obligation expense	34	26
Other	-	4
	(2,949)	(1,494)
Change in non-cash operating working capital		
Decrease (increase) in receivables and prepaid	(396)	69
Decrease (increase) in inventory	32	(285)
Increase (decrease) in accounts payable and accruals	(22)	209
	(3,335)	**(1,501)**
Cash flows from financing activities		
Finance lease payments	-	(30)
Repayment of loans (note 8)	-	250
Interest of loans	-	-
Arrangement fees	-	(438)
Other debt (note 8)	-	5,000
	-	**4,782**
Cash flows from investing activities		
Proceeds from investments	-	21
Proceeds from sale of Berta	7,650	-
Property, plant and equipment (note 5)	(167)	(7,884)
Proceeds from pre-commercial production sales	-	5,346
Deferred exploration and evaluation assets (note 6)	(2,995)	(1,806)
	4,488	**(4,323)**
Effect of exchange rate changes on cash	(1)	144
Increase (decrease) in cash and cash equivalents	1,152	(898)
Cash and cash equivalents: beginning of the period	14,496	2,811
Cash and cash equivalents: end of the period	15,648	1,913

1 Nature of operations and going concern

Coro Mining Corp. (the "Company" or "Coro") and its subsidiaries are engaged in the exploration and development of base and precious metal projects in Chile. The Company was incorporated on September 22, 2004 and commenced activities in 2005. The Company's registered office is Suite 2610, Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, Canada.

The Company's principal asset is the Marimaca project, located in the Antofagasta Region in 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 are currently in progress, this larger area is referred to as "Marimaca".

Following a strategic review in April 2018, the Company determined that, of all its assets, Marimaca has the most potential and hence it was decided to focus on this project. The main objective is to increase ownership of the Marimaca project to 100%. As the scale and geology at Marimaca is understood, the longer-term objective is to develop the optimal plan for realising value at Marimaca for shareholders and stakeholders alike. Management is confident in the geological potential at Marimaca, however, the best plan to achieve the optimum value remains to be determined at this time until a resource is established, and therefore a range of options and scenarios are being analysed on an ongoing basis.

Going concern

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business. For the three months ended March 31, 2019, the Company reported a $3.8 million loss (Q1 2018 - $3.3 million) and cash outflows from operating activities of $3.3 million (Q1 2018 - $1.5 million). As at March 31, 2019, the Company had a working capital deficit of $8.1 million (December 31, 2018 - $9.3 million) and a deficit of $109.5 million (December 31, 2018 - $105.7 million). 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 $12.0 million financing arrangement through one of its subsidiaries, Sociedad Contractual Minera Berta ("SCMB" or "SCM Berta"), which owns the Berta mine, with Coro retaining an interest in the existing SCM Berta mine and the right to participate in the future capital development of the project. Greenstone Resources II ("GSII"), an affiliate of Coro's largest shareholder, Greenstone Resources II LP, invested $12.0 million into SCMB by way of a convertible loan (the "SCMB Facility"). The SCMB Facility is a secured loan, convertible into a 75% interest in Coro's wholly-owned subsidiary Rising Star Copper Limited ("RSC") which holds a 100% interest in Minera Coro Chile SpA, which holds a 100% interest in SCMB. The SCMB Facility is a non-recourse loan limited to RSC and its subsidiaries. As at March 31, 2019, a total of $12.0 million has been drawn under the SCMB Facility (December 31, 2018 - $12.0 million).

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.

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 Significant accounting policies

a) Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements do not contain all the required annual disclosures and should be read in conjunction

2 Significant accounting policies (continued)

with the annual consolidated financial statements of the Company as at and for the year ended December 31, 2018. All amounts are expressed in U.S. dollars (US$), unless otherwise noted. Reference to CA$ are to Canadian dollars.

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on May 15, 2019.

b) Estimates, judgements and assumptions

The preparation of financial statements in conformity with International Financial Reporting Standards ("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.

Actual results could differ from those estimates. Significant accounts that required estimates and judgement as the basis for determining the stated amounts include exploration and evaluation assets, restoration provision and share-based payments. Differences may be material.

c) 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 (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.

d) New accounting pronouncements

Effective January1, 2019, the Company adopted IFRS 16, *Leases,* which addresses the 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. The effects of this new accounting pronouncement has no material impact in the financial statements.

3 Corporate Developments

Berta Mine

On February 2019, Coro agreed to sell the Berta mine to Santiago Metals Proyecto 4 Ltda. ("Santiago Metals"). The total purchase price was $8.5 million payable in cash as follows: (i) $7.65 million upon closing; and (ii) $0.85 million held in escrow until 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.

Option Agreement

On January 16, 2019, Coro announced that had entered into an option agreement to acquire a collection of 2% net smelter royalties ("NSR") on the Sierra Miranda property, thereby further consolidating ownership in the Marimaca region.

The purchase price of the option was $2.2 million is payable in 4 tranches over 36 months as follows:

- $0.2 million upon closing;
- $0.2 million on the 12-month anniversary of closing;
- $0.2 million on the 24-month anniversary of closing; and
- $1.6 million on the 36-month anniversary of closing.

4 Accounts receivable and prepaid expenses

$000's	March 31, 2019	December 31, 2018
Prepaid expenses and other receivables	1,123	104
Environmental bond	333	327
	1,456	**431**

Prepaid expenses include $0.85 million related to the escrowed funds from the Berta mine sale. These funds are expected to be released from escrow in November 2019.

Until October 1, 2015, the Company had been fully providing for Chilean value added taxes ("VAT"). As a result of the acquisition of the Nora Plant, since early 2016, SCMB has been able to recover VAT receivables by offsetting against VAT payable on sales of copper cathode. As discussed in note 3 above, in February 2019 the Berta Mine was sold. As a result, the future recoverability of VAT receivables is uncertain.

The recoverability of VAT 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 VAT during 2019. Accordingly, VAT has been presented as a long term asset by $3.4 million.

5 Property, plant and equipment

$000's	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	-	188	18	11,600
December 31, 2018	**9,450**	**4,600**	**10,693**	**379**	**282**	**25,404**
Additions	-	-	-	167	-	167
Sale of Berta Asset	(9,450)	-	-	-	-	(9,450)
March 31, 2019	**-**	**4,600**	**10,693**	**546**	**282**	**16,121**
Accumulated depreciation						
January 1, 2018	-	-	-	(62)	-	(62)
Depreciation	-	-	-	(56)	-	(56)
December 31, 2018	-	-	-	(118)	-	(118)
Depreciation	-	-	-	(37)	-	(37)
March 31, 2019	**-**	**-**	**-**	**(155)**	**-**	**(155)**
Net book value						
January 1, 2018	7,900	4,000	-	129	264	12,293
December 31, 2018	9,450	4,600	10,693	261	282	25,286
March 31, 2019	-	**4,600**	**10,693**	**391**	**282**	**15,966**

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

5 Property, plant and equipment (continued)

Berta Asset

None of the SCM Berta operational assets, including the Nora 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.

On February 8 2019, the Company sold the Berta mineral property and facilities to Santiago Metals. The cash proceeds of the transaction was $8.5 million (paid $7.65 million in cash on closing 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 were written down to its fair value of $8.3 million (net of restoration provision of $1.1 million and legal costs $0.2million) and impairment losses totaling $4.2 were recognized. As a result, no gain or loss was recognized upon the sale of the Berta mine in the statements of loss for the three months ended March 31, 2019.

Nora Plant

As at December 31, 2018, the Company concluded that an impairment indicator existed in respect of Nora Plant. 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. The performance of the combined assets are currently under economic evaluation.

In respect of the impairment of Nora Plant, the Company recognized an impairment of $10.8 million as at December 2018, 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 is not currently in use and is recorded at its fair value of $10.7 million.

The Ivan Plant was purchased in June 2017, with the intention 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 2019, the Company expensed a total of $0.3 million for care maintenance cost associated with the Ivan Plant.

6 Exploration and evaluation assets

	Marimaca Properties				Others			
$000's	**MC**	**LA**	**ATA**	**O&C**	**Prat**	**Ivan**	**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	223	817	1,217	30	-	8	-	2,295
Property acquisition costs	-	-	400	299	-	-	-	699
Balance at March 31, 2019	**7,659**	**4,993**	**9,309**	**547**	**-**	**8**	**646**	**23,162**

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

6 Exploration and evaluation assets (continued)

a) Marimaca property, Chile

Marimaca Claims ("MC")
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 $0.185 million ($0.06 million paid); and $0.125 million 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 a 51% interest in the claims. 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.

Atahualpa ("ATA")
Under the terms of a January 2018 letter of intent ("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 Of this amount, $5.8 million was paid in the year ending December 31, 2018 and the balance of $0.2 million was paid in first quarter of 2019.

Olimpo y Cedro ("O&C")
Under the terms of the January 2018 option agreement, the Company may acquire 100% of the Olimpo and Cedro properties, formerly named as Naguayan, for a total of $6.5 million; $0.2 million (paid in 2018); $0.3 million (paid in January 2019) on the 12-month anniversary date; $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 royalty is payable, with the Company retaining an option to purchase 0.5% of the 1.5% for $2.0 million within the first 12 months following the start of commercial production on the property. As these claims are not located adjacent to the known mineralization, only acquisition costs are capitalized at this time.

Llanos and Mercedes
The company enter into an option agreement to acquire the Llanos and Mercedes claims in May 2019. The option is for a total consideration of $2 million, with $50,000 (fifty thousand U.S. Dollars) paid upfront and the balance spread over 48 months. In addition, a 1% net smelter royalty over the property was agreed, with a buyback option of $0.5 million exercisable for up to 24 months from the start of commercial production.

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. The Company is attempting to renegotiate the terms of this agreement.

7 Accounts payable and accrued liabilities

$000's	March 31, 2019	December 31, 2018
Accounts payable	2,631	2,892
Accrued liabilities	1,373	920
	4,004	**3,812**

8 Other debt

$000’s	March 31, 2019	December 31, 2018
Greenstone shareholder loans (a)	19,474	18,801
ProPipe loan (b)	1,385	1,349
Total other debt	**20,859**	**20,150**
Current portion	(20,367)	(19,694)
Non-current portion	**492**	**456**

a) Greenstone shareholder loans

SCMB Facility
In April 2018, Coro entered into the SCMB Facility *(See Note 1 - Nature of operations and going concern)*. The conversion feature of the SCMB Facility represents an embedded derivative, as the conversion option is at the discretion of the lender. The Company has determined that the derivative has a nominal value. As at March 31, 2019 the Company owes $12.0 million in principal and $1.4 million in accrued interest under the SCMB Facility. The SCMB Facility is a non-recourse loan which is limited to RSC and its subsidiaries.

Working Capital Loan
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 March 31, 2019, $6.0 million had been advanced under the agreement. Accrued interest as at March 2019 totalled $0.4 million. The loan is secured by properties associated with SCM Berta. Interest on the loan will accrue monthly at 12% for the first 3 months, and 15% thereafter.

The working capital loan is a non-recourse loan which is limited to SCMB.

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 (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 (April 2018). As of March 31, 2019, the Company recorded $1.4 million as the fair value of the future payments.

9 Restoration provision

$000’s			March 31, 2019		December 31, 2018
	Nora	Ivan	Berta	Total	Nora & Total
Balance, beginning of period	1,355	4,221	1,165	6,741	6,583
Accretion expense	8	26	-	34	159
Disposal	-	-	(1,165)	(1,165)	-
Less curent portion	-	(933)	-	(933)	(933)
Balance, end of period	**1,363**	**3,314**	-	**4,677**	**5,809**

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

9 Restoration provision (continued)

In calculating the present value of the restoration provisions as at March 31, 2019, management used risk-free rates between 1.38%-2.75% and inflation rates between 2.10%-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

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.

Ivan

As at March 31, 2019, 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.

Berta

With the sale of the Berta mine *(See Note 3 – Corporate Developments)*, the provision associated with this asset has been reversed.

10 Common shares

Authorized

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

Issued

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

11 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.

	March 31, 2019		December 31, 2018	
	Number of shares	Weighted average exercise price CA$	Number of shares	Weighted average exercise price CA$
Outstanding - December 31	51,365,410	0.11	33,450,000	0.13
Granted	3,000,000	0.06	4,400,000	0.09
Granted	-	-	500,000	0.09
Granted	-	-	3,120,936	0.06
Granted	-	-	1,300,390	0.05
Granted	-	-	11,444,864	0.09
Exercised	-	-	(250,000)	0.04
Expired	(3,381,014)	0.08	-	-
Expired	(1,300,390)	0.12	(2,600,780)	0.15
Expired	(130,039)	0.07	-	-
Outstanding - March 31	**49,553,967**	**0.11**	**51,365,410**	**0.11**

11 Share stock options and warrants (continued)

At March 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
13,003,901	13,003,901	0.03	1.14
3,000,000	0	0.06	4.76
9,362,809	216,732	0.07	4.21
2,080,624	780,234	0.08	3.50
6,501,951	4,334,634	0.09	3.20
15,604,682	6,241,872	0.15	1.43
49,553,967	**24,577,373**		

Tarso

The Company granted a total of 3,000,000 options to officers during the period at an average exercise price of CA$0.06.

During the first quarter of 2019, a total of 4,811,443 options expired at a price between CA$0.07 to CA$0.12.

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	March 31, 2019	December 31, 2018
Risk-free interest rate	1.50%	1.5% to 2.0%
Expected life	5 years	5 years
Expected volatility	111%	110% to 121%
Expected dividend	0%	0%

During the three months ended March 31, 2019, total share-based compensation expense was $0.146 million (Q1 2018 - $0.92 million).

b) Warrants

During the three months ended March 31, 2019, no warrants were issued (Q1 2018 – nil).

12 Exploration expenditures

	Three months ended March 31, 2019		
$000's	Marimaca District	General	Total
Drilling & trenching costs	3	987	990
General & Administration costs	103	482	585
Property investigations	-	(13)	(13)
Total	**106**	**1,455**	**1,562**

12 Exploration expenditures (continued)

	Three months ended March 31, 2018		
$000's	**Marimaca District**	**General**	**Total**
Drilling & trenching costs	61	-	61
General & Administration costs	18	319	337
Property investigations	-	22	22
Total	**79**	**341**	**420**

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 property as described on note 6 – *Exploration and evaluation assets.*

b) General, Chile
General exploration includes the costs associated with the Celeste, Llancahue, Gloria, Sorpresa, Ivan, Tarso, Olimpo and Cedro, from which only acquisition costs are capitalized at this time.

13 Related party transactions

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

$000's	**March 31, 2019**	**March 31, 2018**
Paid to related parties		
Short-term employee benefits	321	552
Share-based payments	155	188
Total	**476**	**740**

As at March 31, 2019, included in other debt was an amount of $19.5 million due to a shareholder of the Company *(See Note 8 – Other debt)*.

14 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**
March 31, 2019				
Current assets	8,538	8,581	134	17,253
Non-current assets	32,306	9,679	545	42,530
Total assets	40,843	18,261	679	59,783
Current liabilities	2,060	23,059	185	25,304
Total liabilities	6,526	23,762	185	30,473
Net loss	3,238	163	431	3,832

14 Segmented Information (continued)

	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	46,675	16,231	794	63,700
Current liabilities	1,735	22,495	207	24,438
Total liabilities	5,956	24,539	207	30,703
Net loss	3,127	18,608	3,081	24,816

Total liabilities associated with SCM Berta include $19.5 million due to a GSII which are non-recourse loans limited to RSC and its subsidiaries.

15 Financial instruments

Financial instruments include cash and any contracts that give rise to a financial asset to one party and a financial liability or equity instrument to another party. As at March 31, 2019, 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.

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 functional currency is the Canadian dollar, a 100-basis point change in the U.S. dollar at period end would have resulted in the net loss being $0.3 million higher or $0.3 million lower.

Interest rate risk
The Company was exposed to interest rate risk on cash and cash equivalents held as at March 31, 2019. A 100-basis point (1%) increase or decrease in the interest rate would have resulted in approximately a $0.2 million change in the Company's reported loss for the period ended March 31, 2019 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

15 Financial instruments (continued)

operating needs. For further information related to liquidity and going concern *(See Note 1 – Nature of operations and going concern)*.

16 Commitments and option payments

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

$000's	2019	2020	2021-2022	Total
Property option payments (note 6)				
El Jote	2,430	-	-	2,430
La Atomica	1,000	4,400	-	5,400
Sierra Miranda	-	200	1,800	2,000
Naguayan	-	700	5,300	6,000
Total property payments	**3,430**	**5,300**	**7,100**	**15,830**
Operating leases	67	67	-	134
Total	**3,497**	**5,367**	**7,100**	**15,964**

17 Subsequent events

On April 1, 2019, the Company repaid the $6 million working capital loan to GSII *(See Note 8 - Other debt)* from proceeds of the sale of the Berta mine. Accrued interest of $0.4 million has not yet been paid. On April 1st, SCMB drew $2.0 million under the working capital loan.

On May 13th 2019, the company announced the acquisition of the Llanos and Mercedes Claims to expand the Marimaca project area. The option agreement covers 100% of the Llanos and Mercedes claims, which include ground located adjacent and to the east and west of the Olimpo and Cedro areas. Covering a total 6.7km^2 area, the addition of these claims increases the present Marimaca Project area by 34%. The option is for a total consideration of $2.0 million with the following payment schedule:

- $0.05 million on signing the option agreement (May 13th, 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% net smelter royalty ("NSR"). The option agreement includes a buyback option for the NSR for $0.5 million exercisable up to 24 months from the start of commercial production.