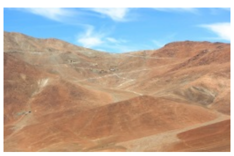
MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A") FOR THE YEAR ENDED DECEMBER 31, 2016
(Expressed in U.S. Dollars)

A CHILE FOCUSED COPPER COMPANY

Marimaca: Maiden Resource Estimate; Berta: Growing Production

Dated: March 28, 2017

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR at www.sedar.com. Information is also available at the Company's website *www.coromining.com*. In addition, reference should be made to the risk factors section of the most recently filed Annual Information Form ("AIF") or the Company's audited and consolidated financial statements for the year ended December 31, 2016.

The following information includes financial information derived from the financial statements of the Company, which have been prepared in accordance with International Financial Reporting Standards (IFRS). All amounts are presented in United States dollars, unless otherwise noted. This MD&A should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2016.

This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Table of Contents:

1 OVERVIEW & OUTLOOK

Profile and Strategy

Coro was founded with the goal of building a mining company focused on medium-sized base and precious metals deposits in Latin America. It intends to achieve this goal through the exploration for, and acquisition of, projects that can be developed and placed into production. The Company's strategy is to become a mid-tier producer and it intends to do this by identifying, securing and developing resources that are located in areas with established infrastructure. To minimize political and execution risks associated with its strategy, Coro intends to focus its efforts in politically stable countries and is currently focusing on near term cash flow opportunities in Chile. The Company has two principal assets; the Marimaca development project (section 2) in which it is earning a 75% interest, and the 65% owned SCM Berta ("SCMB") operation (section 3) which comprises the Berta mine, the Nora SXEW plant and an option to acquire a 100% interest in the El Jote prospect. In 2016, Coro has also entered into an agreement to acquire Minera Rayrock ("Rayrock"), owner of the Ivan SXEW plant which would be used to accelerate production of copper from Marimaca.

Recent Updates & Developments

- Announced $12 million equity financing (March 2017) – *section 4*
- Environmental Baseline Studies conclude that there are no material environmental issues that would impede the development of the Marimaca project (February 2017)
- Pit-constrained Measured & Indicated Resource of 145,500 tonnes (320,776,600 pounds) of Cu & Inferred Resources of 99,300 tonnes (218,919,000 punds) of Cu (January 2017)
- Phase Two Drilling at Marimaca Complete (38 RC holes and 6 DD holes), results include
  - 192m @ 0.83 % CuT, 102m @ 0.79% CuT & 82m @ 0.83% CuT (October 2016)
  - 330m @ 0.80% CuT, 236m @ 0.81% CuT& 188m @1.06%CuT (October 2016)
  - 190m @ 0.80% CuT & 256m @ 0.62% CuT (September 2016)
- CA$5.3 million private placement completed (December 2016) to fund the build out of the leaching and crushing facilities at the Berta mine site and the expansion of the Nora plant with the objective of reaching commercial production. As of March 2017, the build out is nearing completion with the crusher having been commissioned.
- 2016 copper production 1,775 tonnes– *section 3*
- Rayrock letter of Intent (August 2016) – *section 2*
- New discovery at Marimaca and subsequent updates (April / May / August 2016) – *section 2*
- CA$10 million private placement completed (July 2016) – *section 4*
- Convertible debenture conversion (May 2016) – *section 4*

Nature of Operations and Going Concern

The Financial Statements have been prepared using 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, 2016, the Company reported a loss of $3.6 million, and as at that date had an accumulated deficit of $60.7 million, and working capital surplus of $2.2 million.

Operations at SCM Berta have not yet achieved commercial production and therefore have not met anticipated targets due to a combination of factors including maintenance issues at Nora and permitting delays at Berta. The start-up and commercial operation of SCMB, combined with the Company's development of Marimaca will determine the Company's working capital requirements for the next twelve months. As of February 28, 2017 the Company had cash and cash equivalents of $2.0 million. In December 2016, the Company raised gross proceeds of $4.0 million from an equity financing in order to build out the Berta facilities, to conduct further exploration at Marimaca, and for general working capital purposes. On March 22, 2017 the Company announced a $12.0 million equity financing to provide funds to acquire Rayrock, to continue to explore Marimaca and for general working capital purposes. As of the date of these consolidated financial statements, the financing had not closed.

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

Outlook

Subject to financing, Coro intends to complete the acquisition of Rayrock and advance the Marimaca project to completion of a feasibility study during 2017. The maiden resource has been published, metallurgical column test work is in progress and the environmental baseline study has been completed, with no impediments to development identified.

Continued delays in obtaining the final Berta site operating permits have impacted the SCMB's ability to achieve commercial production but these permits are expected to be received shortly. Completion of the mine site leaching facilities and expansion of the Nora plant capacity to 400t per month will enable SCMB to become cash flow positive and permit the evaluation of El Jote as a source of additional significant copper production.

2 MARIMACA DEVELOPMENT PROJECT

In April 2016, Coro announced the first drill results, which confirmed a new discovery and the potential for a sizeable leachable copper deposit in an area of established infrastructure (*section 2.1*). In August 2016, Coro signed a non-binding Letter of Intent to acquire the Ivan plant which would be used to process pregnant leach solution ("PLS") from Marimaca (*section 2.3 – Rayrock Acquisition*). In January 2017, it announced the maiden resource estimate.

2.1 Marimaca Development

Marimaca is a copper oxide development project located in northern Chile some 60km north of the city of Antofagasta in the II Region of northern Chile. Being 14km from the highway and powerline, 22km from the port of Mejillones and 1 hour's drive from Antofagasta, Marimaca is well located from a development perspective. Assuming the Company completes the Rayrock acquisition, Coro's intention will be to feed the Ivan plant with material from Marimaca. The acquisition of the existing plant will significantly reduce the capital costs of developing Marimaca while reducing the permitting time frames and therefore fast tracking production from Marimaca.

The Company has already completed the Environmental Baseline Study (February 2017). The work was carried out by an independent consultant, between November 2016 and January 2017. The study found that there were no material environmental issues that would impede the development of the Marimaca project, and the information gathered will form part of the feasibility study for the project that is in progress. It will also form the basis for the environmental permit applications for Marimaca, which will be submitted in due course.

2.2 Marimaca from Drill Hole *(April 2016)* to Resource *(January 2017)*

Coro is earning a 75% interest in Marimaca by completing a resource estimate, feasibility study and obtaining project financing (*section 4.6*). The property had never been drilled.

In April and May 2016, the Company announced the results from 16-hole, 2,680m reverse circulation ("RC") drilling program which intersected substantial copper mineralization in all holes. The Company released the results from the first 8 holes on April 28, 2016 which included MAR-04 that intersected 200m of 0.71% CuT. The results from the second 8 holes were released on May 6, 2016 and included 150m @ 1.13% CuT in MAR-10.

In September and October 2016, the Company announced the results from a 44-hole (38 RC and 6 diamond drill ("DD")), 11,060m drilling program which confirmed the extent and continuity of the deposit as step out drilling was carried out further from the original drilled area. Only 5 holes out of the entire resource definition drill program did not intersect mineralization and 2 of them define the SW margin of the body, which remains open in other directions. The results were released in three batches on September 6, 2016, October 4, 2016 and October 18, 2016 with the following highlighted intercepts:

- 190m @ 0.80% CuT & 256m @ 0.62% CuT;
- 330m @ 0.80% CuT, 236m @ 0.81% CuT & 188m @1.06% CuT; and
- 192m @ 0.83 % CuT, 102m @ 0.79% CuT & 82m @ 0.83% CuT

The costs of the Marimaca exploration program to date are presented in section 5.1

In January 2017, the Company announced the results of a maiden resource estimate at Marimaca. This was undertaken with the objective of defining sufficient resources to confirm the merits of completing the Rayrock acquisition. The resource estimate was completed at a variety of cut off grades, the and details of which are presented in the following table, where CuT means total copper and CuS means acid soluble copper:

	Measured			Indicated			Meas + Ind			Inferred		
Cut Off	**kt**	**%CuT**	**%CuS**	**kt**	**%CuT**	**%CuS**	**kt**	**%CuT**	**%CuS**	**kt**	**%CuT**	**%CuS**
>1.0	1,177	1.36	1.06	2,355	1.24	0.90	3,532	1.28	0.95	1,320	1.19	0.75
0.9	1,482	1.28	1.00	3,284	1.16	0.84	4,766	1.20	0.89	2,027	1.11	0.72
0.8	1,878	1.19	0.93	4,508	1.08	0.79	6,385	1.11	0.83	3,085	1.02	0.69
0.7	**2,359**	**1.10**	**0.86**	**6,137**	**0.99**	**0.73**	**8,496**	**1.02**	**0.76**	**4,615**	**0.93**	**0.64**
0.6	2,950	1.01	0.79	7,928	0.91	0.67	10,878	0.94	0.70	6,920	0.83	0.59
0.5	3,661	0.92	0.72	10,190	0.83	0.62	13,851	0.85	0.65	10,728	0.73	0.53
0.4	4,365	0.84	0.66	12,738	0.75	0.56	17,103	0.78	0.59	15,251	0.65	0.47
0.3	4,986	0.78	0.61	15,192	0.69	0.52	20,178	0.71	0.54	20,753	0.57	0.41
0.2	**5,453**	**0.74**	**0.58**	**16,833**	**0.65**	**0.48**	**22,286**	**0.67**	**0.51**	**26,979**	**0.49**	**0.35**
0.1	5,689	0.71	0.56	17,551	0.63	0.47	23,241	0.65	0.49	31,844	0.44	0.31
>0	5,761	0.70	0.56	18,052	0.61	0.46	23,814	0.63	0.48	39,456	0.36	0.33

An additional ~20mt of potential mineralization was identified during the modelling, which could not be classified as a resource based on the currently available drill hole information. For full details of the resource reference should be made to the Company's news release dated January 12, 2017.

At a $3.20/lb long term copper price, the following in-pit resource, all of which is heap leach material, was estimated;

Category	**t x 1000**	**%Cut**	**%CuS**	**t Cut**	**tCuS**
Measured	5,301	0.74	0.59	39,400	31,000
Indicated	16,198	0.66	0.49	106,100	79,400
Measured & Indicated	**21,499**	**0.68**	**0.51**	**145,500**	**110,400**
Inferred	**18,769**	**0.53**	**0.39**	**99,300**	**72,800**
Waste	54,436		Strip	1.31:1	

The costs of the Marimaca exploration program to date are presented in section 5.1

2.3 Rayrock Acquisition

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

The signing and initial payment of $250,000 provided Coro with an initial exclusivity period of 60 days (subsequently extended by 30 days) to conduct its due diligence which is now complete. Execution of a definitive sale and purchase agreement would require Coro to pay a further $6.25 million, bringing the total cash acquisition cost of Rayrock to $6.5 million.

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

The Ivan plant has an installed capacity of 10,000 tonnes per year of copper cathode and operated from 1995 until 2012, when it was placed on care and maintenance. It has associated water rights and environmental and operating permits, some of which require updating.

YE 2016 MD&A (expressed in U.S. Dollars) CORO MINING TSX Symbol: COP Page| 4

In addition, the potential acquisition of Rayrock significantly extends the Company's land package in the region, with Rayrock owning 23,748 hectares of mining claims (the "Ivan Claims") extending between Marimaca and Ivan. Rayrock also owns 14,505 hectares of mining claims ("Sierra Medina claims") located some 42km north east from Ivan and 30km east from Marimaca.

3 SCMB OPERATIONAL UPDATE

Coro holds a 65% interest in SCMB, which owns the Nora plant and the Berta deposit ("Berta"). The primary feed for Nora will be from the Berta deposit which is located ~20km west of the village of Inca de Oro and 62 road kilometres south of Nora, in the III region of Chile.

The Berta property was optioned in 2011 and was subsequently acquired August 2015. During this time, Coro identified the existing Nora plant located 62km north of Berta and purchased it out of Administration in August 2015. From a financial perspective, the acquisition of Nora was supported by the Updated Preliminary Economic Assessment ("PEA") that demonstrated that material from Berta could economically be recovered through processing at Nora.

NI 43-101 Cautionary Language- *The acquisition of the Nora plant shortened the development timeline and significantly reduced the execution risk associated with building a plant. However, as a result, the normal progression from PEA to PFS to Feasibility Study has not been followed in respect of making a production decision. Therefore, investors are cautioned that no mineral reserves have been declared and the level of confidence in the resources, metallurgy, engineering and cost estimation is not at a level normally associated with a project reaching a production decision. This may result anticipated production rates, copper recoveries and operating costs not being realized.*

The assessments in the PEA are preliminary in nature, mineral resources are not mineral reserves and do not have demonstrated economic viability, and there is no assurance the preliminary assessments will be realized. The outcome of the PEA may be materially affected by the closing of the financing, copper pricing, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that enable them to be categorized as mineral reserves.

The PEA had envisioned a phased development with the trucking of high grade material and the later development of crushing and leaching facilities at Berta (the "Berta facilities"). In February 2016, the Company announced that SCMB had successfully completed commissioning Nora and in 2016 commenced trucking high grade material to Nora. In December 2016, the Company elected to accelerate the development of the Berta facilities and these are expected to be operational in Q2 2017. In conjunction, with the build out of the Berta facilities the Company will expand the existing Nora plant to capacity of 400 tonnes of copper per month.

The following table shows the copper production and sales from SCMB in 2016 and for the life of the plant to date ("LTD"), which was generated either from high grade material from Berta or from other dump material.

Table 1:- SCMB KPIs	Q116	Q216	Q316	Q416	Annual	LTD
Cathode Produced	343	434	490	508	**1,775**	**1,857**
Cathode Sold	393	425	458	528	**1,804**	**1,804**

No unit cost information has been provided as SCMB has not yet reached commercial production but it is expected to be able achieve this once the Berta facilities have been fully commissioned. SCMB continues to wait for its final operating permits for the Berta Site from the authorities.

Commercial production at SCMB is dependent upon being able to mine at a steady state from Berta in order to provide consistent feed for Nora.

YE 2016 MD&A (expressed in U.S. Dollars) CORO MINING TSX Symbol: COP Page| 5

The acquisition of Nora in August 2015 involved the purchase of a 750,000 tonne per year crushing circuit and a 3,000 tonne per year (6,613,870 lbs) copper Solvent Extraction & Electrowinning ("SXEW") plant with associated heap leach pads, spent ore stockpiles ("ripios"), piping, and PLS ponds, etc, which had been issued with a stop work resolution. The stop work order was formally lifted in March 2016 although certain commissioning activities had been permitted by Sernageomin during this time.

SCMB intends to complete and commission an expansion of the Nora EW circuit from the existing 3,000 tonnes per year (6,613,870 lbs) copper to 4,800 tonnes per year (10,579,200 pounds) copper capacity and this is anticipated to coincide with the commencement of steady state production from Berta.

Development and Capitalised Operational Expenditure Analysis

As of October 1, 2015 the costs of developing SCMB are recognized under Mine Development in Property, Plant and equipment. Evaluation costs of SCMB were expensed prior to January 1, 2013, and subsequently capitalized thereafter. With the acquisition of Nora, the development costs (presented below) now include the acquisition, refurbishment, remediation and start-up (commissioning costs) of Nora.

Table 2:- ($000's) - SCMB Expenditure Summary	**2013 to 2014**	**2015**	**2016**	**LTD**
Nora plant	-	8,091	4,506	12,597
Mine development (incl. exploration & evaluation)	3,006	3,827	1,067	7,900
Capitalized development costs	**3,006**	**11,918**	**5,573**	**20,497**
Expensed evaluation costs	-	-	-	**4,428**
Total Expenditure	**3,006**	**11,918**	**5,573**	**24,925**

In 2016, the Company produced 1,775 tonnes (3,913,205 lbs) of copper. The current capacity of the plant is ~250 tonnes per month (551,155 lbs). The plant has only been operating at ~39% capacity throughout the year to date due principally to start up and commissioning activities in Q1 2016, less than expected production from dump material in Q2 2016 and poor availability in Q3 & Q4 2016. This has meant that SCMB not yet been able to meet break-even thresholds. The installation of the Berta facilities in Q2 2017 should enable commercial production to be achieved.

In 2016, additions of $4.5 million at the Nora Plant included the capitalization of operating losses $2.7 million (net of revenues of $8.4 million) (2015: nil); capitalization of financing and interest costs $1.4 million (2015: $0.60m) and other additions of $0.4 million (2015: $1.0m). Interest & finance fees principally arose from the convertible debentures which were settled in May 2016.

2015 Nora plant costs of $8.1 million included acquisition costs ($3.3 million-August 2015); restoration obligation assumption ($1.3 million); capitalized refurbishment, remediation & start-up costs ($1.85 million); interest and finance fees ($0.6 million) and other additions of $1.0 million.

The following table shows the mine development costs (including exploration and evaluation expenses for Berta from January 1, 2015 to September 30, 2015) by quarter:

Table 3: - ($000's)			**Quarterly**						**Annual**			
Mine development	**Q115**	**Q215**	**Q315**	**Q415**	**Q116**	**Q216**	**Q316**	**Q416**	**2014**	**2015**	**2016**	**LTD**
Total	292	280	2,625	630	378	232	315	140	3,006	3,827	1,067	**7,900**
	Exploration and Evaluation Expenditure			**Mine Development**								

Q3 2015 includes the assumption of the SCMB deferred consideration (*section 4.3*) and the cost of a 6 hole (552m) diamond and 15 hole (1,240m) reverse circulation drill program that provided enhanced High Grade ("HG") mineralization definition; metallurgical column test work samples; and pit slope design geotechnical data.

Q1 2016 includes the cost associated with completing 38 shallow grade control drill holes (1,084m). Q3 2016 costs include ongoing permitting work and preparation and evaluation work for building out the Berta facilities. Q4 2016 includes geological services, metallurgical assays and environmental permitting expenditures.

Acquisition of Nora SX/EW Plant

From a financial perspective the acquisition of Nora was supported by an Updated Preliminary Economic Assessment ("PEA") that demonstrated that material from Berta could economically be recovered through processing at Nora.

NI 43-101 Cautionary Language- *The acquisition of the Nora plant shortened the development timeline and significantly reduced the execution risk associated with building a plant. However, as a result, the normal progression from PEA to PFS to Feasibility Study has not been followed in respect of making a production decision. Therefore, investors are cautioned that no mineral reserves have been declared and the level of confidence in the resources, metallurgy, engineering and cost estimation is not at a level normally associated with a project reaching a production decision. This may result anticipated production rates, copper recoveries and operating costs not being realized.*

The assessments in the PEA are preliminary in nature, mineral resources are not mineral reserves and do not have demonstrated economic viability, and there is no assurance the preliminary assessments will be realized. The outcome of the PEA may be materially affected by the closing of the financing, copper pricing, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that enable them to be categorized as mineral reserves.

Berta Mine Development
The final development (Phase 2) of Berta Facilities is nearing completion with the implementation of crushing and leaching facilities at the mine site with final production of copper cathode from Nora.

El Joté Copper Project– A potential additional source of future feed for Nora
In May 2016**,** SCMB optioned the El Joté (formerly "Salvadora") copper project, located ~ 30km NW of the Nora plant and 58km NE of the port of Chañaral in the III Region of Chile. Refer to section 4.6 for acquisition terms.

SCMB actively intends to access as many satellite deposits as possible in its area of operation, through property acquisitions and production leases. The Nora plant provides a competitive advantage as most of these deposits are not viable as stand-alone operations. SCMB intends to truck material from the higher grade ones and install leach facilities at the larger, lower grade deposits.

ProPipe – Minority Partner
ProPipe S.A. ("ProPipe") a Chilean supplier of consultancy, engineering and project management services related to mining process, infrastructure and environment matters holds a 35% interest in SCMB. To earn its interest, ProPipe had to complete a number of milestones for the project.

4 FINANCIAL POSITION REVIEW

4.1 Cash and Working Capital

Table 4: - Cash and Working Capital ($000's)	**December 31, 2015**	**December 31, 2016**
Cash and cash equivalents	1,070	4,257
Accounts Receivable and prepaid	422	1,296
Inventories (Table 5)	848	1,578
Accounts Payable and accruals	(2,027)	(4,073)
Current debt (Table 6)	(9,409)	(871)
Net working capital (including current portion of debt)	**(9,096)**	**2,187**
Net working capital (excluding current portion of debt)	**313**	**3,058**

During 2016 the Company closed $13.2 million (net) in equity financings with Greenstone Resources L.P. ("Greenstone") and other third parties (*section 4.4).* These proceeds were partially offset by expenditures at SCMB for startup and commissioning activities and continuing Berta development costs, to advance its exploration program at Marimaca and working capital purposes including SCMB operations.

The build-up in Accounts receivable and prepaid expenses is consistent with transition from development to production and the recognition of receivables from cathode sales. Accounts receivable includes $0.8 million of Chilean value added taxes ("IVA") from SCMB, which is refundable from copper cathode sales and is expected to be recovered when IVA on sales exceeds IVA on expenses.

Table 5: - Inventories $000's	December 31, 2015	December 31, 2016
Consumable parts and supplies	63	118
Ore stockpiles	64	204
Copper in circuit	350	1,000
Finished goods	371	256
	848	**1,578**

Inventories have increased from 2015, which is consistent with the ramp up in production particularly in the copper in circuit inventory.

Accounts payable and accruals year over year were up by just over $2 million, primarily due to the ramp up of the Berta operations.

As of December 31, 2016 the Company had cash and cash equivalents of $4.3 million. In the event that the Company concludes the Rayrock transaction, it will be required to raise funds for both the acquisition and the continued development of Marimaca.

4.2 Other Assets

Table 6: - Other Assets ($000's)	December 31, 2015	December 31, 2016
Property, plant and equipment	**14,968**	**20,861**
Berta mine development (*section 3)*	6,833	7,900
Nora plant (*section 3)*	8,091	12,597
Other	44	364
Exploration & evaluation assets	**152**	**938**
- Rayrock (*section 2*)	-	583
- Prat	152	220
- El Joté (*section 3*)	-	135
Total Other Assets	**15,120**	**21,799**

Total assets of Coro as at December 31, 2016 were $29.0 million (Dec 2015: $17.5 million).

Prat exploration and evaluation assets - In August 2014, agreed to acquire (*section 4.5*) an interest in the Planta Prat SXEW agitation leach plant located some 30 km NE of the city of Antofagasta in the II Region of northern Chile ("Prat") which includes some old leach residues. The plant had previously failed to operate efficiently due to build-up of iron sulphate and closed after a few months of operation. The Company continues to evaluate development alternatives for Prat.

4.3 Other Liabilities

Table 7: -Other Liabilities ($000's)	December 31, 2015	December 31, 2016
Current:		
Finance leases (*section 4.3.1)*	663	308
Current portion of other debt (*section 4.3.2)*	1,725	563
Convertible debenture (*section 4.3.3)*	7,021	-
Non-current:		
Finance leases	-	181
Other debt (*section 4.3.2)*	813	250
Restoration provision (*section 4.3.4)*	1,291	1,281
Total Other Liabilities	**11,513**	**2,583**

Total liabilities of Coro as at December 31, 2016 were $6.7 million (Dec 2015: $13.5 million)

4.3.1 Finance leases

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

In April 2016, SCMB entered into a twenty-four month lease on a semi-mobile crusher. The lease terminates on June 2018 and the crusher is security for the indebtedness, and required an initial deposit of $40,500 and twenty-four monthly payments of $10,682. The implied interest rate is ~11%. As of December 2016, SCMB was current with its payments to September 2016.

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

4.3.2 Other Debt

Berta deferred consideration – current portion $0.6 million

Under the Amended Berta option agreement (April 2013), SCMB paid $1.75 million in option payments prior to exercising its option and agreeing to pay $2.25 million in deferred consideration in eight quarterly instalments commencing in August 2015 plus interest at the rate of LIBOR on the outstanding balance. In addition to the deferred consideration, a 1.5% NSR is payable on all copper production and by product metal production from the Berta property. During the 2016, the Company paid $1.125 million (2015: $0.563 million).

ProPipe shareholder loan – long-term portion $0.3 million

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

Short term loan

In December 2015, SCMB entered into a copper off-take contract for 100% of the copper production from Nora for a period of nine months. The offtake agreement provides for the sale of copper cathode at the monthly average LME or Comex copper price for either the month of delivery or the month following the month of delivery at the discretion of the purchaser. The agreement also provided for an initial advance of $0.6 million repayable in six months from the borrowing date, bearing interest at a rate of one-month LIBOR plus 6% per annum. In July 2016, loan was increased to $0.5 million and the copper off-take contract agreement extended, but was subsequently repaid by year-end.

4.3.3 Convertible Debenture

The Greenstone Resources L.P. ("Greenstone") convertible debenture ("CD") was comprised of two tranches issued in 2015, totaling $6.5 million. In May 2016, the Company issued 106,730,000 common shares in final and full settlement of the CD at a conversion price of CA$0.10 per share. The effective interest rate on the original terms of the CD was approximately 25%.

During 2016 the Company capitalized non-cash interest and finance charges of $1.0 million (2015: $0.6 million).

4.3.4 Restoration provision

The Company's restoration provision 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. In calculating the present value of the restoration provisions as at December 31, 2016, management used a risk-free rate of 2.35% and an inflation rate of 2.00%. The undiscounted cash flows, before inflation adjustments, estimated to settle the restoration provisions approximate the discounted cash flows. Due to the nature of closure plans, cash expenditures are expected to occur over a significant period of time with the majority of the expenditures expected to occur in seven to eight years.

As of December 2016, no restoration provision has been booked for the Berta site as the facilities as of December 31, 2016 had only just commenced and mining disturbance to date is minimal.

4.4 Equity and Financings

Table 8: - Shareholders' Equity ($000's)	December 31, 2015	December 31, 2016
Common shares (*Table 7)*	53,172	74,477
Contributed surplus	6,326	7,155
Accumulated other comprehensive income	765	571
Deficit	(57,148)	(60,708)
Non-controlling interest ("NCI")	805	779
Total Shareholders' Equity	3,920	22,274

Equity instruments

Table 9: - Equity Instruments	December 31, 2015	December 31, 2016
Common shares outstanding	159,372,180	483,425,039
Options outstanding	8,590,000	34,290,000
Weighted average price	CA$0.25	CA$0.16
Warrants outstanding	10,539,123	5,102,500
Weighted average price	CA$0.15	CA$0.15
Market capitalization ($000's)	CA$3,187	CA$72,514
Closing share price	CA$0.02	CA$0.15

Coro Mining Corp. (the "Company" or "Coro") was incorporated in 2004 and is listed on the Toronto Stock Exchange, under the symbol "COP". As of February 2017 the Company had 483,425,039 (December 31, 2016: 483,425,039) shares outstanding and a market capitalization of CA$72.5 million. The Company has its registered corporate office in Vancouver BC, Canada.

On February 9, 2016 the Company announced the closing of the equity financing with Greenstone, whereby Greenstone purchased 79,800,000 common shares at a price of CA$0.04 per share by way of a private placement for total gross of CA$3.192 million. Greenstone upon issuance owned 33% of the issued and outstanding common shares of the Company.

In May 2016, the Company issued 106,730,000 commons shares on conversion of the Convertible Debentures (*section 4.3*).

In June 2016, the Company completed a 100,000,000 common share, CA$0.10 private placement (CA$10 million) for net proceeds of 7.2 million with Greenstone subscribing for 53,925,650 and 46,074,350 common shares issued to third parties. In connection with the proceeds raised from certain third parties the Company has agreed to pay cash commissions of 8% representing CA$368,000 and paid $70,000 in underwriting fees to Greenstone. 34,000,000 million shares of this private placement were completed on June 13, 2016 and the remainder in July 2016.

In December 2016, the Company also raised CA$5.3 million through the issuance of 37,522,859 common shares to Greenstone. Associated with the aforementioned underwritten financing the Company paid finder's fees of CA$78,000 on certain shares issued to third parties.

Greenstone currently owns ~56% of the issued and outstanding shares of the Company.

In January 2017, 2,162,500 warrants at CA$0.15 were exercised for gross proceeds of CA$324,375.

On March 22, 2017 the Company announced a private placement of up to 107,680,000 common shares, at a price of CA$0.15, to raise gross proceeds of up to CA$16.2 million, to provide funds to acquire Rayrock, to continue to explore Marimaca and for general working capital purposes.

Table 10: - Use of Proceeds Table					
Description	Shares (000's)	Price CA$	Gross Proceeds ($000's)	Intended Use	Actual Use
Jan 14 – Unit Issuance	10,250	$0.10	CA$1,025	El Desesperado and working capital	As intended
Feb 16 – Share Issuance	79,800	$0.04	CA$3,192	Marimaca, Berta & working capital	As intended
May 16 - Conversion	106,730	$0.10	Conversion of Convertible Debenture (no proceeds received)		
July 16 – Share Issuance	100,000	$0.10	CA$10,000	Marimaca, Berta & working capital	As intended
Dec 16 – Share Issuance	37,523	$0.14	CA$4,000	Marimaca, Berta & working capital	As intended

4.5 Non-controlling interest- ProPipe has a 35% interest (2015: 35%) in SCMB earned by completing various milestones in the development of the Berta deposit.

4.6 Contractual Obligations and Option Payments- The following table shows the contractual obligations of the Company including property options payments as at December 31, 2016:

Table 11: - Contractual Obligations and Option Payments ($000's)	2017	2018	2019	Thereafter	Total
Property option payments					
Marimaca	-	125	-	-	125
Prat	100	-	-	-	100
Salvadora *(section 2)*	180	250	-	2,440	2,870
Total property option payments	**280**	**375**	**-**	**2,440**	**3,095**
Operating leases	90	-	-	-	90
Total	**370**	**375**	**-**	**2,440**	**3,185**

As of December 31, 2016 the Company had no significant commitments for capital expenditures and the aforementioned option payments are at the election of the Company.

<u>Property Option Payments</u>

Marimaca, Chile

Coro can earn a 51% interest in the project by paying; $60,000 (paid); and $125,000 on completion of an NI43-101 compliant resource estimate and engineering study that demonstrates the technical and economic feasibility of producing a minimum of 1,500tpy copper cathode by August 2018. Coro may earn a further 24% interest by obtaining project construction finance. The owner of the property will maintain a 25% interest with a 15% interest free carried to commercial production and a 10% participating interest that is subject to dilution.

Prat, Chile

Coro can earn a 51% interest by paying total consideration of $160,000 ($60,000 paid); and $100,000 on the completion of a plant expansion. In addition to these cash payments Coro must expand the Prat plant to 1,200tpy capacity by August 2017 to earn its 51% interest; Coro may earn an additional 14% interest (for a total interest of 65%) upon commencement of commercial production which has been defined as 80% of 1,200 tpy copper annual production rate for 60 consecutive days.

El Joté, Chile

In May 2016, SCMB optioned the El Joté copper project, located ~ 30km NW of Nora plant and 58km of the port of Chañaral in the III Region of Chile. SCMB may acquire a 100% interest in the property by completing the following option payment schedule totalling $3,005,000; $165,000 (paid). On or before: May 2017; $180,000, May 2018; $250,000 and May 2019; $2,440,000. The final payment can be made in 8 equal instalments of $305,000 plus interest at LIBOR, and SCMB can start production with the first instalment payment. A 1.5% NSR is payable which can be purchased for $1,500,000 at any time.

5 EXPENDITURES REVIEW

The following table details the Company's quarterly and annual expenditures.

Table 12:- ($000's)				Quarterly						Annual	
Expenditures Summary	**Q115**	**Q215**	**Q315**	**Q415**	**Q116**	**Q216**	**Q316**	**Q416**	**2014**	**2015**	**2016**
Expenses											
Exploration expenditures (*section 5.1*)	65	171	94	60	113	549	1,157	422	1,270	390	2,241
Exploration recoveries	(161)	-	-	(199)	-	-	-	-	(647)	(360)	-
Mineral property write down	-	-	-		-	-	-	-	12,276	-	-
Depreciation and amortization	2	2	2	3	2	2	4	4	17	9	12
Legal and filing fees	33	12	27	6	18	28	12	12	70	78	70
Other corporate costs	37	44	47	59	54	116	61	132	268	187	363
Salaries & management fees	94	99	84	82	106	109	183	138	458	359	536
Share-based payments	7	9	10	8	39	15	304	427	190	33	785
Deconsolidation loss	-	98	-	-		-	-	-	-	98	-
Operating loss	**77**	**435**	**264**	**18**	**332**	**819**	**1,721**	**1,135**	**13,902**	**794**	**4,007**
Finance income	-	-	-	-	-	(22)	(59)	(89)	(6)	-	(170)
Financing costs	-	-	108	-	-	-	-	-	-	108	-
Foreign exchange loss (gain)	(42)	15	(4)	250	(280)	183	16	(134)	(184)	219	(215)
Unrealized loss(gain)on held-for-trading	-	-	-	-	-	(24)	(3)	(9)	(3)	-	(36)
Loss (Earnings)	**35**	**450**	**368**	**268**	**52**	**956**	**1,675**	**903**	**13,709**	**1,121**	**3,586**
Attributable to:											
Owners of Parent	35	450	349	280	53	947	1,655	905	13,709	1,114	3,560
Non-controlling interest	-	-	19	(12)	(1)	9	20	(2)	-	7	26
Other Comprehensive Loss (Income)	6	11	(52)	(260)	273	(151)	(42)	114	36	(295)	194
Comprehensive Loss (Income)	**41**	**461**	**316**	**8**	**325**	**805**	**1,633**	**1,017**	**13,745**	**826**	**3,780**
Attributable to:											
Owners of Parent	41	461	297	20	326	796	1,613	1,019	13,745	819	3,754
Non-controlling interest	-	-	19	(12)	(1)	9	20	(2)	-	7	26
Basic loss (earnings) per share ($)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01
Fully diluted loss per share($)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01

The Company started commissioning Nora in Q4 2015 and prior to that was focused on exploration and evaluation activities and therefore had no sales or revenues. As of December 31, 2016 the Company had not reached a state of commercial production at SCMB and therefore capitalized its proceeds from copper cathode sales by SCMB.

Exploration recoveries in Q1 2015 relate to the buyout of the Chacay royalty; and in Q4 2015 relates to the sale of the Chacay royalty.

Legal and filing fees are higher in the first half of each year as a result of annual listing fees, and legal & regulatory costs associated with the annual general meeting.

Other corporate costs include corporate travel costs, audit fees and insurance. Salaries and management fees are limited to corporate salaries and do not include any time of our Chilean based exploration and development team. The increase in Q3 2016 is associated with a one-off payment made in respect of the retirement of a founder and executive director of the Company. In addition, effective September 1, 2016, the Company started paying fees to Directors who had previously not been compensated for services provided. Since June 2013, the President and CEO of the Company had voluntarily reduced his compensation and this remained in effect until Q1 2016. Included within Q2 2016 other corporate costs are the costs associated with an increasing marketing effort surrounding a financing.

Deconsolidation loss results from the loss recorded on deconsolidation of Minera San Jorge ("MSJ") *(refer below).* Financing costs relate to expenses incurred by SCMB in respect of unsuccessful financings. Foreign exchange losses are attributed to exchange rate movements on translation of transactions in other than the functional currency and other gains /losses on conversion of currencies. The U.S. dollar is the functional currency of all entities except for the parent entity which is functionally Canadian.

The finance income relates to the interest charged from Coro to SCMB for the Nora acquisition loan and operational funding balances. This portion represents the 35% Non-Controlling Interest ("NCI") from ProPipe.

Share-based compensation relates to option grants. The Company expenses stock option compensation over the vesting period associated with each grant and the increase in Q1 2016 is consistent with the option grant that occurred in January 2016. Share based payments increased in Q3 2016 and Q4 2016 as a result of a grant of options with an exercise price of $0.20 which was a 10% premium to market and the corresponding expensing of those options over their vesting period. The vesting of the options, are subject to meeting specific exploration, development and operational objectives established by the Company's compensation committee.

In April 2015, the Company received an advance payment of $1.3 million and recognized a disposition loss of $97,954 upon deconsolidation of MSJ. The final legal acquisition is subject to various approvals which remain in progress. Coro will retain a 2% NSR on production from the property, other than gold, in the event that the buyer develops the project.

5.1 Other Exploration Costs

The Company's other exploration properties include, but are not limited to, Llancahue. In November 2014, the Company announced the signing of an option agreement with Minera Peñoles de Chile Ltda to acquire a 70% interest in Coro's Llancahue project, located 300km south of Santiago in the VII Region of Chile. Under the agreement $350,000 was paid prior to the agreement being terminated in September 2016.

The Company also previously owned the Chacay property which it sold for total consideration of $2.5 million (received in tranches in 2013 and 2014) and a 1.5% NSR (subsequently sold in Q1 2015 for CA$0.2 million).

Table 13:- ($000's)					**Quarterly**					**Annual**	
Exploration Chile	**Q115**	**Q215**	**Q315**	**Q415**	**Q116**	**Q216**	**Q316**	**Q416**	**2014**	**2015**	**2016**
Consult, lab & prof.	23	15	23	16	8	56	87	101	367	77	252
Drilling & trenching	-	-	-	-	18	328	929	170	332	-	1,445
General & admin costs	40	65	61	45	86	119	47	98	351	211	350
Property investigations	2	41	9	-	1	46	94	53	170	51	194
Property acquisition	-	50	-	-	-	-	-	-	50	50	-
Total exploration costs	**65**	**171**	**93**	**61**	**113**	**549**	**1,157**	**422**	**1,270**	**390**	**2,241**
By Project:											
Marimaca (*section 2.1*)	24	75	26	17	26	449	1,231	394	143	142	2,100
Celeste	1	19	1	-	1	18	-	-	180	21	19
Other *(incl. Llancahue)*	40	77	66	44	86	82	(74)	28	947	227	122
Total exploration costs	**65**	**171**	**93**	**61**	**113**	**549**	**1,157**	**422**	**1,270**	**390**	**2,241**

General & administration costs include a portion of all administrative costs of running the Company's Santiago office and a provision for IVA. In Chile, IVA is not refundable in cash and is applied against other IVA credits. Property investigations costs in Q2 2015 and Q2 2016 principally relate to the payment of annual Patentes (mining taxes) on our Celeste and Llancachue's exploration properties; and from Q3 2016 and Q4 2016 mainly relate to Marimaca's exploration property assays and mining claims payments.

In April 2016, the Company completed a 16-hole, 2,680m drilling program which at Marimaca (*section 2.2*) which resulted in increased labour and drill costs in Q2 2016. In Q3 2016, the Company completed a second drill program at Marimaca of 44 holes (11,060m drilling program).

The property acquisition costs in Q2 2015 are for Marimaca.

5.2 Related Party Disclosure

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

Table 14: - Key Management Personnel Compensation ($000's)	Quarterly								Annual	
	Q115	Q215	Q315	Q415	Q116	Q216	Q316	Q416	2015	2016
Salaries & short-term employee benefits	193	195	194	172	190	199	264	186	754	839
Share-based payments	7	6	6	6	44	15	261	363	25	683
Total	200	201	200	178	234	214	525	549	779	1,522

Fluctuations in short term employee benefits are due to the underlying agreements being denominated in Chilean Pesos and the Canadian dollar. The Chilean salaries are also subject to indexing.

6 RISKS AND CRITICAL ACCOUNTING ESTIMATES & POLICIES

For a full version of the critical accounting estimates and policies reference should be made to the Company's audited financial statements for the year ended December 31, 2016, which are available on the Company's website at www.corominig.com. In addition, reference should be made to the most recently filed Annual Information Form available on SEDAR at www.sedar.com.

6.1 Disclosure Controls and Internal Control Financial Reporting

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is communicated to senior management, to allow timely decisions regarding required disclosure.

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect the transactions of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS;
- ensure the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on the annual or interim financial statements.

Management has concluded that, as at December 31, 2016, the Company's internal control over financial reporting was not effective due to the existence of a material weakness. A material weakness existed in the design of internal control over financial reporting caused by a lack of adequate segregation of duties in the financial close process. The Chief Financial Officer is responsible for preparing, authorizing, and reviewing information that is key to the preparation of financial reports. He is also responsible for preparing and reviewing the resulting financial reports. This weakness has the potential to result in material misstatements in the Company's financial statements.

Management has concluded, and the audit committee agreed, that taking into account the present stage of the Company's development, the Company does not have sufficient size and scale to warrant the hiring of additional staff to remediate the weakness at this time. There were no changes in the Company's internal controls over financial reporting during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. Further, the design of a control system reflects the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

6.2 Forward Looking Statements

Certain statements included in this "MD&A" constitute forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "should" and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Information concerning the interpretation of drill results also may be considered forward-looking statements; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The estimates, risks and uncertainties described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this MD&A include: (a) execution of the Company's existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Company, or if new information arises which makes it prudent to change such plans or programs; and (b) the accuracy of current interpretation of drill and other exploration results, since new information or new interpretation of existing information may result in changes in the Company's expectations. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

6.3 Nature of Operations and Going Concern - *Refer to section 1*

6.4 NI 43-101 Compliance Requirements

Under National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), if an issuer disclosures in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure the name and the relationship to the issuer of the qualified person who: (a) prepared or supervised the preparation of the information that forms the basis for the written disclosure or (b) approved the written disclosure. For the purposes of this MD&A, Alan Stephens, FIMMM, President and CEO of the Company, a geologist with more than 40 years of experience is the Qualified Person for the purposes of NI 43-101 has approved the written disclosure in this MD&A. This MD&A references a number of previous new releases in respect of disclosure of technical matters relating to mineral properties and reference should be made to these news releases to fully understand these references.

6.5 Foreign Political Risks

Coro's material properties are currently located in Chile and, as such, are exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

6.6 Government Laws, Regulation & Permitting

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

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

As of December 31, 2016, SCMB was still waiting for its final permits for the Berta mine and facilities.

6.7 Key Management and Competition

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

6.8 Title to Properties

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned.

The Company is earning into the Marimaca property and Prat plant and if it fails to make these payments and meet its performance obligations may also lose its right to this property.

6.9 Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper.

6.10 Foreign Currency Risk

A substantial portion of the Company's expenses are now, and are expected to continue to be incurred in foreign currencies. The Company's business will be subject to risks typical of an international business including, but not limited to, differing tax structures, regulations and restrictions and general foreign exchange rate volatility. Fluctuations in the exchange rate between the Canadian dollar and such other currencies may have a material effect on the Company's business, financial condition and results of operations and could result in downward price pressure for our products in or losses from currency exchange rate fluctuations. The Company does not actively hedge against foreign currency fluctuations.

6.11 Critical Accounting Policies

Estimates and use of judgement

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

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

Determination of commercial viability and technical feasibility of the Berta deposit
IFRS requires a distinction between exploration and evaluation assets and mine construction and development costs which are recorded within property plant and equipment. The Company considered the purchase of the Nora plant, and its subsequent refurbishment and remediation and concluded that commercial viability and technical feasibility of the Berta deposit had been confirmed during the fourth quarter of 2015. At this point, Berta asset was reclassified to mineral properties and mine development costs within property, plant, and equipment and tested for impairment.

Impairment of property, plant and equipment
The application of the Company's accounting policy for impairment of property, plant and equipment requires judgment to determine whether indicators of impairment exist. The review of impairment indicators includes consideration of both external and internal sources of information, including factors such as market and economic conditions, metal prices and forecasts, commercial viability and technical feasibility and estimated project economics. Management has assessed impairment indicators on the Company's property, plant and equipment and has concluded that no impairment indicators exist as of December 31, 2016.

Reserve and resource estimation
Realization of the Company's assets and liabilities is subject to risks and uncertainties, including reserve and resource estimation, future copper and other base and precious metal prices, estimated costs of future production, changes in government legislation and regulations, estimated deferred income taxes, the availability of financing, and various operational factors.

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 amortised over the life of the mine using the units-of-production ("UOP") method based on the recoverable tonnes from the estimated proven and probable reserves. Mobile equipment is depreciated on a straight-line basis for up to 5 years.

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

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

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

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

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

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 are complete. When proceeds of project specific borrowings are invested on a temporary basis, borrowing costs are capitalized net of any investment income.

Exploration and evaluation costs
Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. 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. Mineral property acquisition costs are capitalized.

Once the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a particular mineral property has been determined, expenditures are reclassified to mineral property development costs within mineral properties, plant and equipment and are carried at cost until the properties to which the expenditures relate are sold, abandoned or determined by management to be impaired in value.

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

- The extent to which mineral 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 properties or cash proceeds received from option payments are recorded as a reduction of the related mineral property interest.

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 is recorded as an expense immediately.

Value in use is determined as the present value of the future cash flows expected to be derived from continuing use of an asset or cash generating unit in its present form. These estimated future 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.

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.

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

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

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

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

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

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.

7 SUMMARY OF FINANCIAL POSITION & SELECTED ANNUAL INFORMATION

(Unaudited) - *Certain balance sheet items have been reclassified to conform to current presentation*

Table 15:- ($000's)	Summary of Financial Position							
Financial Position	**Q115**	**Q215**	**Q315**	**Q415**	**Q116**	**Q216**	**Q316**	**Q416**
Assets								
Cash and cash equivalents	452	482	1,168	1,070	1,137	1,773	3,353	4,257
AR and prepaids	63	24	118	422	729	916	1,177	1,296
Inventories	-	-	-	848	791	1,257	1,666	1,578
Deferred finance fees	-	71	-	-	-	-	-	-
Total Current Assets	**515**	**577**	**1,286**	**2,340**	**2,657**	**3,946**	**6,196**	**7,131**
Property, plant and equipment	58	21	6,857	14,968	16,389	18,346	19,816	20,861
Exploration & evaluation assets								
San Jorge Mineral Property	1,135	-	-	-	-	-	-	-
Berta Mineral Property	3,298	3,577	6,203	-	-	-	-	-
Exploration and evaluation expenses	27	113	135	152	160	177	880	938
Total Assets	**5,033**	**4,288**	**14,481**	**17,460**	**19,206**	**22,469**	**26,892**	**28,930**
Liabilities								
AP and accrued liabilities	493	199	1,531	2,027	1,890	2,834	4,526	4,073
Other debt (current)	-	-	1,124	1,725	1,571	1,300	1,094	563
Finance leases (current)	-	-	521	663	611	462	515	308
Convertible debenture	-	-	5,234	7,021	7,462	-	-	-
Other debt (non-current)	250	250	1,252	813	531	531	250	250
Finance leases (non-current)	-	-	-	-	-	313	180	181
Restoration provision	-	-	1,286	1,291	1,295	1,299	1,303	1,281
Total liabilities	**743**	**449**	**10,948**	**13,540**	**13,360**	**6,739**	**7,868**	**6,656**
Shareholders' Equity								
Common shares	53,172	53,172	53,172	53,172	55,367	66,037	70,645	74,477
Contributed surplus	6,296	6,305	6,316	6,326	6,381	6,401	6,719	7,155
AOCI	464	453	505	765	492	642	684	571
Deficit	(55,916)	(56,365)	(56,715)	(57,148)	(57,200)	(58,147)	(59,801)	(60,708)
	4,016	**3,565**	**3,278**	**3,115**	**5,040**	**14,933**	**18,247**	**21,495**
Non-controlling interest	274	274	255	805	806	797	777	779
Total Shareholders' Equity	**4,290**	**3,839**	**3,533**	**3,920**	**5,846**	**15,730**	**19,024**	**22,274**
Total Liabilities and Equity	**5,033**	**4,288**	**14,481**	**17,460**	**19,206**	**22,469**	**26,892**	**28,930**
Weighted average # of shares (000's)	159,372	159,372	159,372	159,372	239,172	277,826	314,494	348,346

Table 16: Selected Annual Information ($000's)	**2014**	**2015**	**2016**
Net sales or revenues	-	-	-
Earnings (loss) before discontinued operations	(13,709)	(1,121)	(3,586)
Earnings (loss) before discontinued operations per-share	(0.09)	(0.01)	(0.01)
Earnings (loss) before discontinued operations diluted per-share	(0.09)	(0.01)	(0.01)
Net earnings (loss)	(13,709)	(1,121)	(3,586)
Net earnings (loss) per-share	(0.09)	(0.01)	(0.01)
Net earnings (loss) diluted per-share	(0.09)	(0.01)	(0.01)
Total assets	4,838	17,460	28,930
Cash dividends declared	-	-	-