



# MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2019



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*For the three and nine months ended September 30, 2019 and 2018*

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This Management’s Discussion and Analysis (“MD&A”) of financial position and results of operations of Coro Mining Corp. (“Coro” or the “Company”) has been prepared based on information available to Coro as at November 12, 2019, and should be read in conjunction with Coro’s unaudited condensed interim financial statements and related notes as at and for the three and nine months ended September 30, 2019 and 2018 (the “Financial Statements”). The Financial Statements are presented in U.S. dollars which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements in accordance with IAS 34, Interim Financial Reporting. All dollar amounts herein are expressed in United States dollars (“US dollars”) unless otherwise stated. References to \$ mean US dollars and CA\$ to Canadian dollars.

Readers are cautioned that the MD&A may contain forward-looking statements and that actual events may vary from management’s expectations. Readers are encouraged to read the Cautionary Statement on forward looking information at the end of this MD&A and to consult Coro’s audited consolidated financial statements for the years ended December 31, 2018 and 2017 and the corresponding notes to the financial statements which are available on our website at [www.coromining.com](http://www.coromining.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information on the Company, including the Company’s Annual Information Form (“AIF”) for the year ended December 31, 2018 is available under the Company’s profile at [www.sedar.com](http://www.sedar.com) and the Company’s website at [www.coromining.com](http://www.coromining.com).



## 1 Overview of the Business

Coro is a Canadian based copper company. Coro's vision is to explore and develop new sources of copper to supply an increasing global demand for this essential commodity. It aims to do this by advancing its Marimaca project. Marimaca is fast becoming recognised as one of the most significant copper discoveries in Chile in recent years as it represents a new type of deposit which challenges accepted exploration wisdom and promises to open up new frontiers for discoveries elsewhere in the country. Coro is committed to realising the full potential of Marimaca thereby creating value for its shareholders and stakeholders. The Company's shares are quoted on the Toronto Stock Exchange ("TSX") under the symbol COP.

### Core business

Coro is focused on exploring and developing copper oxide projects in Chile.

Management believes that copper will face a supply deficit in the medium-to-long-term and that the Marimaca project has the potential to provide new supply that could benefit from an improvement in the copper price and the valuation of copper projects.

Chile is the largest producer of copper globally and considered one of the lowest political and legal risk jurisdictions in the world for mining. Management believes that developing projects in Chile provides advantages because it can benefit from an established industrial and commercial infrastructure while working under a clear legal framework with a supportive government and administration.

The Company's principal asset is the Marimaca project, located in the Antofagasta Region in northern Chile. The project is well situated, just 14 kilometres from the highway, 7 kilometres from a powerline, 22 kilometres from the port of Mejillones and 60 kilometres from the regional capital Antofagasta, a city built on mining. The Marimaca project comprises a set of "claims", properties over which Coro has the right to explore and exploit the resources.

The centre of the Marimaca project is the original Marimaca 1-23 Claim, which is now referred to as "Marimaca Phase I". Combined with the adjacent La Atómica, Atahualpa and Tarso claims, where the Company is focusing its current exploration activities, this larger area is referred to as "Marimaca Phase II". Finally, these areas combined with the surrounding Cedro, Olimpo, Sierra, Sorpresa, Llanos and Mercedes claims, collectively form the larger "Marimaca Phase III" and offer additional exploration potential. The Company also has interests in the nearby Ivan and Sierra Medina claims, which have wider growth optionality.

### Objectives, Strategies & Values

#### Objectives

The Company has three broad objectives at Marimaca:

**1. Ownership: increase ownership of the Marimaca project to 100%.**

Ownership or control of all the individual claims that comprise the Marimaca project is important because management has already demonstrated with drilling results from Phase II that the mineralized zone identified in the Phase I program extends across a larger project area. Owning 100% of each individual property will simplify ownership of the project and facilitate future development opportunities.

*This objective was realised during the three months under review.*

**2. Growth: establish the resource and reserves at Marimaca**

Based on the completed geological work and historical findings to date, the Company believes that the initial resource estimate on the Marimaca Phase I project area extends across the greater Marimaca Phase II project area. It is important that in the near-term the Company gains a full understanding of the

geology at Marimaca and establishes resources in the Phase II project area, in addition to understanding resource optionality across the Phase III project area and the wider district and at depth, so that it can plan for the longer-term.

*Phase II drilling was completed during three months under review and the Company anticipates releasing a new resource statement during Q4 2019.*

**3. Value: realise optimal value for Marimaca**

As the scale and geology at Marimaca is further understood, the current objective is to develop a project implementation plan for realising full value at Marimaca for shareholders and stakeholders.

Management is confident in the geological potential at Marimaca and following the resource update for Phase II which is expected to be released on Q4 2019, engineering studies will be conducted to determine the value and implementation options using a stage approach towards production.

*The work to realise the optimal value for Marimaca will start before the end of the year, due for completion during the first half of 2020.*

## Strategy

With clear short, medium and long-term objectives, the Company has developed concurrent plans to achieve these objectives, namely:

**1. Increase ownership of the Marimaca project**

While the Company had previously consolidated the various claims to form the Marimaca project, it did not have 100% ownership over each individual claim, notably the central Marimaca 1-23 Claim where it only had 51%. During the period under review, the Company announced a transaction to acquire the remaining 49% interest in the Marimaca 1-23 claim, thereby increasing its control to 100% and completing its ownership of the entire project area.

**2. Establish the resource and reserves at Marimaca**

Following the completion of a comprehensive financing package completed in the fourth quarter of 2018, the principal use of proceeds was the funding of an exploration program for Marimaca Phase II. The exploration program originally covered an initial 50,000 metres of drilling, which has subsequently been increased to approximately 90,000 metres following ongoing exploration success and follow up work which will be used for a combined resource estimate for Phase II due for publication in Q4 2019. Additionally, some of the funds are marked for early stage exploration across the wider project area and district, including approximately with the objective to unearth targets for more advanced exploration work in a potential Marimaca Phase III exploration drilling program. Depending on the results of Phase II, the Phase III exploration program could be extended further and require additional financing.

**3. Realise optimal value for Marimaca**

Marimaca is recognised for its potential as one of only a few new quality greenfield open-pit copper oxide projects to be discovered in the last decade. It is considered even more exceptional due to its location close to established infrastructure and in a low-risk jurisdiction. This may provide many development favourable financing opportunities. Management believes that the project warrants multiple premiums and it has plans to exploit these depending on whichever value path is ultimately chosen. Marimaca mineral resources are currently based on the oxide portion of the deposit, which will require a more environmentally friendly processing path (heap leaching operation) as compared to a copper sulphide operation, for instance not requiring permitting, construction and operation of tailings dams. Water consumption for processing oxides is estimated to be 5-10 times lower than that required for processing copper sulphides. This is the inherent location and environmental premium Marimaca carries with it. The Company intends to undertake a PEA which is expected to be completed by first half of 2020, which is aiming at determining the preliminary value of a medium-large scale project which will be based on an updated resource estimate from the Phase II program and should capture the benefit of



Marimaca being located in a district with excellent infrastructure. The discovery of at least five high grade zones during the Phase II exploration campaign will play an important part in the future development of the project. These higher quality ore zones will be considered in the mine plan and have the potential to lower the initial project capital expenditures.

#### 4. **Acting responsibly**

The Company believes that it will better deliver on its objectives and strategies if it integrates environmental, social and governance stewardship as a core strategy. With a new focus on Marimaca, the Company has an opportunity to design, develop and implement above standard programs and policies that engage, support and monitor its environmental, social and governance actions regarding employees, stakeholders and shareholders. This includes introducing a strong discipline across the Company's financial and administrative functions, most recently with the introduction of new policies, procedures and clear accountability and responsibility structures.

### **Values**

Through 2019 and into 2020 as the objectives of the business have evolved, so too has the board, management and geography of the business. This transition is important so that the Company has the right skills and experience in the right locations to execute its strategies and achieve its objectives.

With this change has also come a shift in culture, in large part driven by a new team and an evolved set of values. The values are focused on what is immediate and controllable, yet governed by a simple factor, to do what is optimum for the long-term. The Company values are currently evolving, based on a program "We are Coro", which to date has identified three core beliefs:

1. **"We are a resourceful team"**

This means recognising the role played by an individual, within a greater team so that collectively we can advance our strategies and objectives. Coro is a small business and therefore needs to be nimble; working with limited resources requires a resourceful and solution orientated approach.

2. **"We are determined"**

Coro has clear objectives and strategies on how to increase value for its shareholders and stakeholders and the team works with tenacity and determination to overcome any obstacles.

3. **"We think for the long-term"**

Actions and decisions focus on the long-term solution not a short-term fix. This may not be the easiest path, but the longer-term solution is ultimately more effective and will generate greater efficiencies and rewards for the business, shareholders and stakeholders.

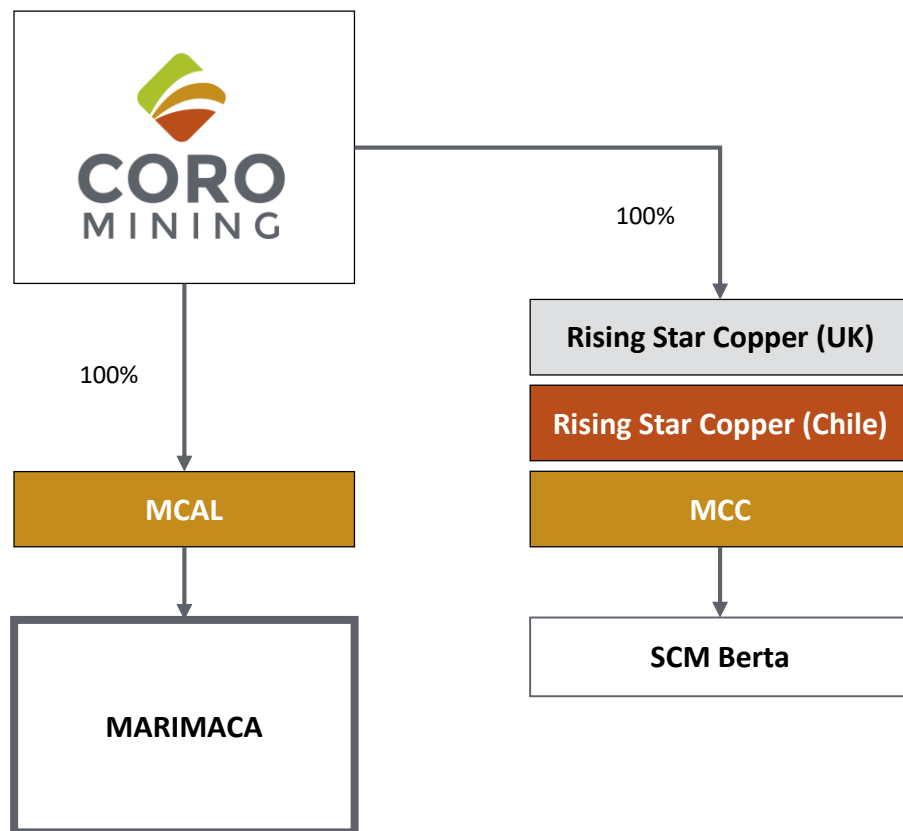
### **Corporate Structure**

Coro is a Canadian based copper company with its registered office in British Columbia. The Company is quoted on the TSX under the symbol "COP". The Company's assets are in Chile and its headquarters are located in the capital Santiago.

During 2018, the Company completed a corporate restructuring that was in line with its strategy to focus on the Marimaca project. This included basing its administrative and management functions in Santiago, closing its corporate office in Vancouver and reducing the total headcount as it sold off non-core assets. A detailed discussion of the restructuring is included in Section 5 below.



Figure 1: Coro Corporate Structure



The Company’s flagship asset, the Marimaca project comprises a collection of claims. A detailed discussion of ownership of each claim is provided in Section 4 of this report.

At the date of this report, 21 personnel and full-time contractors were in employment at Coro and Marimaca, and 7 at SCM Berta.

**Non-Core businesses**

The Company previously held an interest in the SCM Berta operation which comprised the Berta mine and the Nora Plant (“Nora”).

On February 9, 2019, the Company announced the sale of Berta mine for \$8.5m to a private Chilean company. Nora continues to be on care and maintenance, and work is ongoing to find a long-term solution for the plant. The Company has submitted an Environmental Impact Declaration (“DIA”) to extend the operational life of the Nora Plant and thereby regularize the environmental permits that were to expire.



## 2 Business Highlights and Review

### Economic and Mining Sector Environment

The copper price weakened through the three months to September 30, 2019 to its lowest level since 2017 as global trade tensions escalated further and consumers chose to draw stock. This has resulted in an ever-tighter supply and demand balance with an industry consensus building a longer-term copper price of \$3.11, 20% higher than the copper price on September 30, 2019.

While the main focus during the period was the precious metals markets, copper continued to make headlines as industrial relations at several of the larger Chilean operations weighed on the production outlook, and elsewhere in South America community related issues affected short-term supply. However, set against a backdrop of continued uncertainty surrounding US-China trade negotiations, undoubtedly the main driver affecting the global trade outlook, and the copper price in particular, the copper price recovery anticipated appeared to drag on for longer.

### Copper Prices

As the owner and future operator of Marimaca Project, the Company's financials and valuation are sensitive to forward copper prices more than spot prices.

While average copper prices for the third quarter to the end of September were 3.9% lower compared to the average second quarter to the end of the June, the consensus outlook remains positive with LME forward copper price in contango and the analyst consensus forecast US\$2.92 a tonne in 2020, US\$3.02 a tonne in 2021 and US\$3.11 a tonne long-term.

Figure 2: Spot Copper Prices three and nine months ended September, 2019 and 2018

Averages <i>Source: FactSet</i>	Three months ended September 30			Nine months ended September 30		
	2019	2018	Change	2019	2018	Change
Copper \$/pound	2.67	2.81	-4.9%	2.80	3.01	-7.6%
Copper \$/tonne	5,894	6,199		6,168	6,674	

### Foreign Exchange

With operating and exploration assets in Chile and copper priced in U.S. dollars, the Company's financials and valuation are sensitive to the Chilean peso ("CLP"):U.S. dollar exchange rate. In the third quarter of 2019, the exchange averaged CLP718:\$1, which was 5% weaker compared to the average CLP684:\$1 the second quarter of 2019. For the nine months to end of September 2019, the exchange rate averaged CLP700:\$1, which was 11% weaker compared to the nine months to end of September 2018.





### Corporate Highlights

From a corporate perspective, the three and nine months to September 2019 were characterised by:

1. The ongoing exploration successes at Marimaca, notably:
  - a. Completion of the drilling of the Phase II exploration program. In total, in excess of 52,000 metres of RC drilling and a further 5,000 metres of diamond drilling were completed;
  - b. The discovery of five high-grade zones located at Atahualpa, La Atomica and Marimaca 1-23 Claims; and
  - c. The confirmation of the extension of mineralisation from Marimaca 1-23 claims into the Phase II area with a total strike length now of approximately 1,400 metres by 800 metres wide and average depth of 120 metres.
2. Completing a transaction to acquire the remaining 49% interest in the Marimaca 1-23 claims, resulting in the Company owning or having option agreements to acquire 100% control over all the claims comprising the entire Marimaca Project.
3. The completion of a non-brokered private placement for gross proceeds of \$12.6 million at a 28% premium to the prevailing share price at the time of the transaction, funds will be used for the first payment of the acquisition of the Marimaca 1-23 claim interest (above), other property and royalty payments, further exploration at the Marimaca Project and ongoing general and administrative expenses.

### Financial Highlights

The main highlights are:

1. At September 30, 2019, the Company had available cash resources of \$12.9 million, compared to \$4.5 million at the end of June 2019.
2. On September 23, 2019, the Company announced the successful completion of a non-brokered private placement for CA\$16.8 million (\$12.6 million).
3. Non-Marimaca related capital expenditures reduced to minimum levels.
4. Debt associated with SCM Berta structured to be non-recourse to Coro, thereby eliminating liquidity risk to the Marimaca project.

### 3 Outlook

Coro has established short, medium and long-term objectives and strategies that are regularly reviewed and adapted with changing market circumstances. The outlook for the business can be considered against the macro-economic environment in which it operates, but also from expectations at its exploration assets, and from financial, environmental, social and governance perspectives.

#### **Economic Environment**

The Company maintains a positive outlook for the copper market, based on the likelihood of supply disruptions in the short to medium-term and the absence of quality new projects in the longer-term. As the Berta mine is no longer part of the business, the Company's short-term exposure to copper prices and related revenues is less significant. Of more importance are the medium and longer-term outlook for copper and how that may affect development opportunities and valuation for the Marimaca project.

#### **Operations**

The Marimaca Phase II exploration program announced in November 2018 detailed the work program for the next 12 months, so that the Company could achieve its strategy of a single resource across the Phase II area. Drilling for the Phase II program was completed during the period under review. Including the Phase II program, to date, 91,210 metres have been drilled across the different zones that comprise the Marimaca area in 385 holes (346 reverse circulation ("RC") and 39 diamond drill holes ("DDH")). Phase II drilling successfully extended the mineralized area to the north and it now measures approximately 800 metres by 1,400 metres and is 100 to 400 metres thick. The deposit hosts at least five well-defined higher-grade zones, three of which start from surface.

For the remainder of 2019, activities will focus on:

- Completion and publication of a combined and enlarged single resource estimate for the Marimaca Project Phase II area anticipated in the fourth quarter of 2019.
- Commencement of engineering studies for the Marimaca project based upon the Phase II resource estimate, which are expected to be completed in first half of 2020.
- Completing scout drilling in the Sierra, Sorpresa, Olimpo and Cedro areas, with results anticipated in the fourth quarter of 2019.
- District surface geological mapping to follow up new target areas identified by copper anomalies from geochemistry surveys.

#### **Environment, Social and Governance ("ESG")**

The Company is building its ESG credentials and strategies as a core part of its corporate strategies and anticipates communicating in more detail as it moves towards producing a PEA on the Phase II project in the first half of 2020.

During the latter part of 2018 and in the beginning of 2019, environmental audits of SCMB, the Nora Plant and Rayrock assets were completed. This review of information carried out by an independent consultant allowed the generation of action plans with the aim of regulating the Company's environmental and sectorial permits.

The implementation of the care and maintenance program at SCM Berta resulted in the loss of over 250 jobs at SCM Berta. No social conflicts occurred during the demobilization of the workforce. This has been realised due to engagement with the local community at Diego de Almagro, the local union and authorities at the national and regional levels.

In the last three months, the Company submitted a DIA to obtain approval from the Chilean authorities for the extension of the operational life of the Nora Plant. The Company is currently preparing responses to queries from the



Chilean authorities, with their completion expected by the end of the year. Once the DIA is approved, the Company will have to submit the corresponding sectorial permits for the future operation and update a closure plan for the Nora plant.

During October, the Company was notified of a sanction process for not constituting 100% of the guarantees of the Trinidad Project Closure Plan (currently the Nora Plant Project). The deadline for the company to present administrative discharges allowed by law to justify the no payment of the Bond is November 19, 2019. The main justification is related to the fact that the Closure Plan Bond amount will change shortly, following the approval of new DIA and subsequent Closure Plan update

A new DIA is also being prepared to renew environmental and sectorial licenses related to Rayrock's assets (it includes the Ivan SX/EW Plant and its auxiliary facilities).

Together with the above, the Company has initiated a strong corporate relationship with the authorities, which has led Coro to be invited to participate in a number of round table discussions which the authorities are trying to maintain at the national and region level with mining companies.

### **Financial**

**The financial outlook for the Company improved over the twelve months, mainly due to improvements in the following areas:**

1. Following the financings in September 2019, the Company had the necessary funding to acquire ground around Marimaca Phase I and undertake the Phase II exploration program.
2. The Berta Mine was sold on February 8, 2019 and Nora assets were placed under care and maintenance whilst a longer-term solution is sought.
3. Implementation of capital expenditure controls using new budgeting and forecasting procedures to monitor spending have been deployed across the Company. The goal always is to target spending only towards tasks and activities that deliver the corporate strategies and objectives.

## 4 Marimaca

### Location

Marimaca is the Company's principal asset. It is located in the Antofagasta Region of northern Chile. The project is recognised for its exceptional location, just 14 kilometres from the highway and powerline, 22 kilometres from the port of Mejillones and 60 kilometres from the regional capital Antofagasta.

Figure 3: Marimaca Chile Map



Figure 4: Marimaca Regional Map



Chile is the world's largest producer of copper and has developed the infrastructure and regulatory environment, as well as the technical and administrative support services necessary to facilitate the smooth development of large-scale copper mining operations. In recent years, the search for new copper resources has become more challenging geologically and geographically. Marimaca's location near to the cities of Mejillones, Antofagasta and the Pacific Ocean is one characteristic that make it a unique opportunity.

## Marimaca Properties and Claims

The various claims that make up the Marimaca project and their ownership structure is shown in Figure 5 below, which also shows the planned phased exploration programs that the Company has developed.

Figure 5: Marimaca Claims, Ownership and Phases Table

Claim Name	Area (ha)	Current Ownership	Optioned	Acquired	Option Payment/ Acquisition Costs	Royalty	Phase		
							1	2	3
Marimaca 1-23	114	100%	Apr 2014	Aug 2018 49% Sep 2019 <sup>1</sup>	49% \$12m	1.5%	1	2	3
La Atómica	50	Under Option	Oct 2017		\$6.0m	1.5%			
Atahualpa*	10	100%	Jan 2018	Aug 2018	\$6.0m	Under Option			
Truska	57	100%	Jan 2018	Aug 2018		2%			
Sierra*	91	100%	Jan 2018	Aug 2018		Under Option			
Sorpresa*	231	100%	Jan 2018	Aug 2018		Under Option			
Olimpo**	200	Under Option	Jan 2018		\$6.5m	1.5%			
Cedro**	96	Under Option	Jan 2018			1.5%			
Llanos	667	Under Option	May 2019		\$2m	1%			
Mercedes		Under Option	May 2019			1%			

\* Previously and collectively called Sierra Miranda Claims

\*\* Previously and collectively called Naguayan Claims

In addition to Marimaca, the Company also owns other properties in the area. In June 2017, the Company acquired Minera Rayrock SA, owner of the Iván SX-EW plant and a package of claims, including the 23,748-hectare Iván claim and the 14,505-hectare Sierra Medina claims to the south west and north east of Marimaca, respectively.

The previous owner of Sierra Medina and Iván had defined certain copper oxide and sulphide resources which Coro is currently reviewing. As part of the acquisition of the remaining 49% interest in the Marimaca 1-23 claims, announced in September 2019, certain Sierra Medina claims are to be transferred to the seller as part of the consideration.

### Marimaca Phase II Exploration Program

In November 2018, the Company announced a Phase II exploration program for Marimaca.

Phase II has been designed with the most intensive and advanced exploration being conducted on the ground adjacent to the deposit identified in Phase I; and early-stage exploration to take place on the surrounding claims.

Figure 6 below summarises the Phase II exploration program for the Marimaca project, the main activities and target completion dates. The main objective is to develop an expanded resource estimate for Marimaca targeting release in the fourth quarter of 2019.

Figure 6: Summarised Marimaca Phase II Exploration Program

		Marimaca 1-23	La Atómica	Atahualpa	Tarso	Sierra	Sorpresa	Cedro	Olimpo	
Mapping & Sampling			NA	NA	Q3 '18	Q4 '18	Q4 '18	Q1 '19	Q1 '19	
Access & Platforms			Q3 '18	Q4 '18	Q4 '18	Q4 '18	Q1 '19	Q1 '19	Q1 '19	
Drilling Starts			Q4 '18	Q4 '18	Q1 '19	Q1 '19	Q2 '19	Q2 '19	Q2 '19	
Drilling (holes)			79	123	29	9	12	4	6	
Drilling (metres)			18,353	31,881	7,200	2,350	2,900	800	1,220	
Drilling Results			Q4 '18	Q2 '19	Q4 '19	Q4 '19	Q4 '19	Q4 '19	Q4 '19	
Preliminary Reports			↓	↓	↓	Q4 '19	Q4 '19	Q4 '19	Q4 '19	
Resource Estimate	Phase I	✓								
	Phase II	RESOURCE Q4, 2019								
	Phase III	2020								

Not all exploration activities in the Phase II program are detailed in this table. Excluded items included early stage geology and certain drill holes across the wider Marimaca project and Atahualpa district areas. Some dates have been delayed by a quarter due to the decision to do additional drilling not planned in the original drill campaign, and therefore, additional time is needed to complete these holes. As such, the deadline for releasing the update resource estimate is now Q4 2019. The Plan is to conduct a Preliminary Economic Analysis for completion in H1 2020, after the new resource model becomes available.

The Company believes that the Marimaca mineralization is structurally controlled and extends north-south along the district. This is illustrated in Figure 7, where the blue and red lines represent the foot and hanging walls limits, and the shaded areas identify the geochemical signature for potential copper mineralization at surface.

Figure 7: Marimaca District Alteration

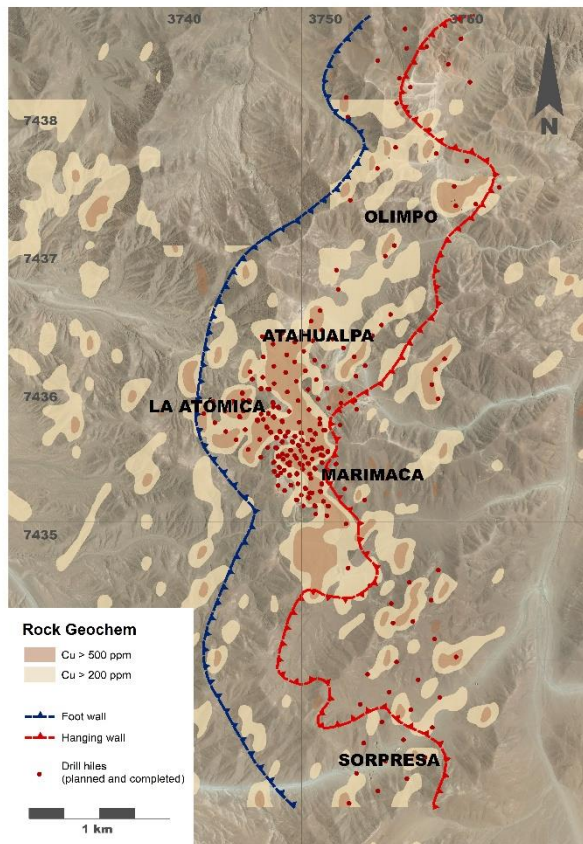
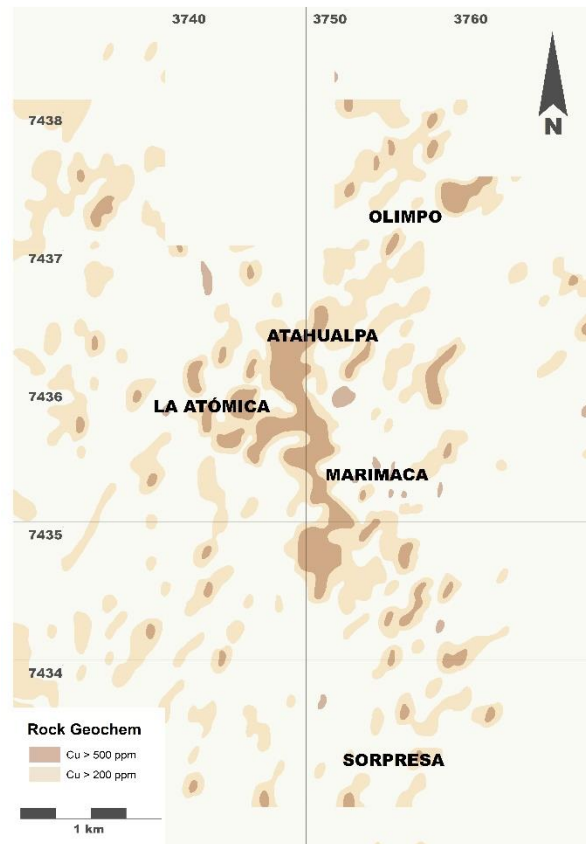


Figure 8: Marimaca District Rock Geochemistry



The original \$10.6 million budget for the Phase II program included field, desk and reporting aspects. During the second and third quarters of 2019, total exploration budget was increased to \$13.8 million, from which \$13.3 million had been committed. Reverse Circulation (“RC”) and diamond drilling are the largest single cost of the Phase II program, budgeted at approximately \$8.3 million. Flexibility was built into the budget, with the opportunity to accelerate and intensify activities depending on initial results, which was done with the additional holes and metres previously announced. Also, 5,000 meters of diamond drilling on selected geological sections were added to the Phase II program, with the aim of improving the quality of the geological modelling exercise that has been undertaken by the Company.

### Marimaca Phase I Program

In June 2018, the Company announced the conclusion of the Phase I Definitive Feasibility Study (“DFS”). While this initial study was an earn-in condition to acquire a 51% in the Marimaca 1-23 claims, it confirmed the technical and economic viability of Phase I as a standalone project. By its nature, it was a constrained study geologically and economically, as it could not consider the opportunity of a greater project, including the surrounding properties because at the time, those properties were not under the control of the Company.

### Phase I Resource Estimate

In April 2018, Coro announced a significantly increased resource estimate for the Marimaca 1-23 claims, with highlights including:

- A 103% increase in contained copper tonnes ('CuT') in the measured and indicated categories to 303,698 tonnes compared to previous January 2017 resource estimate;
- Excellent conversion of resources to higher confidence categories as a result of infill drilling; and
- Updated resource estimate does not include the results from drilling completed in 2017 and early 2018 on the neighbouring La Atómica claim, nor from holes drilled elsewhere on the Marimaca claim.

### Updated NI 43-101 Resource Estimate - April 2018

Following the original 2016 drilling campaign, an infill drilling program was conducted in 2017. This program comprised approximately 10,000 metres of RC drilling in 50 holes. In addition, 1,500 metres of diamond drilling in 14 holes provided geotechnical and samples for metallurgical column test work. Details of the updated resource at a 0.10% CuT cut-off grade are shown below:

Figure 9: Resources Estimate at a 0.10% CuT Cut-Off Grade

Category	Tonnes	%CuT	%CuS	Cu tonnes	
	x 1000			CuT*	CuS**
Measured	22,407	0.70	0.49	156,398	108,672
Indicated	24,347	0.61	0.39	147,300	95,197
Measured + Indicated	46,754	0.65	0.44	303,698	203,869
Inferred	11,043	0.48	0.28	52,894	30,367

\* CuT refers to total copper \*\* CuS refers to acid soluble copper

### In-Pit Resource

To demonstrate the potential economic viability of the Marimaca Phase I project on a standalone basis, a series of Whittle pit optimizations were completed utilizing appropriate operating costs, results obtained from metallurgical test work, and a variety of copper prices. The resources were estimated only for oxide and mixed-enriched copper mineralization which can be processed by heap leaching and run-of-mine leaching to produce copper in cathodes. Due to their differing metallurgical characteristics, the resources were categorised according to mineral type. No resources were estimated for primary sulphide mineralization, occurring in deeper portions of the deposit, using a \$3.50/lb long-term copper price.

Figure 10: In-Pit Resources (\$3.50/lb Long-Term Copper Price)

Category	Tonnes	%CuT	%CuS	Cu tonnes	
	x 1000			CuT	CuS
Measured	21,456	0.72	0.50	153,469	107,079
Indicated	21,555	0.64	0.42	137,023	90,422
Measured + Indicated	43,011	0.68	0.46	290,492	197,501
Inferred	5,685	0.58	0.35	32,773	19,706





As with the January 2017 resource estimate, the in-pit resource was constrained by the Marimaca claim property limits, such that all blocks occurring outside the property were assigned a 0% CuT grade. Accordingly, this limited pit design contains 68,271kt of waste and has a strip ratio of 1.4:1.

For full information on the updated resource reference please refer to the Company's news release dated April 12, 2018. It is important to note that it is expected that this early stage resource will change as the completion of the new resource will be updated in Q4 2019 and the PEA in H1 2020.

### **Marimaca Development Plan**

1. The Company is now considering the possibility of updating the 2018 Feasibility Study, once the new updated resources are estimated. One main advantage of such study is that the planned open pit has an approved environmental permit and it would allow the development of a stage approach towards starting production in Marimaca, constituting a relatively low capex-intensive project, which would reduce the financing risk.
2. In addition, a PEA is planned to be completed in H1 2020 to determine the value and engineering options to further de-risk the project and realize the full potential production scale of Marimaca.

### **Other Related Assets**

#### **Iván Plant**

Purchased in June 2017, the Iván Plant is not currently operational and is being kept on care and maintenance. The Company expensed a total of \$1.3 million for care maintenance costs associated with the Iván Plant for the year ended December 31, 2018. Up to September 2019, \$1.2 million has been spent.

#### **Sierra Medina**

Sierra Medina comprises a 14,505-hectare claim located approximately 30 kilometres east of Marimaca, in the former Sierra Valenzuela copper district. Between 2011 and 2013, Minera Rayrock explored and discovered a volcanic-hosted manto type copper deposit. The deposit is blind with mineralization starting at 50 to 100 metres below surface. Copper mineralization, grading close to 1% Cu, consists of both copper oxide and sulphides. The deposit is still open at depth and there are other copper prospects identified but not yet explored within the claim area. As mentioned elsewhere in this document, as part of the negotiations to acquire the remaining 49% ownership in the Marimaca 1-23 claim, the Company has agreed to transfer to the sellers 144 hectares from Sierra Medina claims that contained drilling information from the work that had been previously done by Minera Rayrock.



## 5 SCM Berta

### SCM Berta Care and Maintenance Program and Financing

In April 2018, the Company concluded a strategic review of its operations where it identified a funding solution for SCM Berta and made a decision to focus its strategy on advancing its flagship Marimaca project. All subsequent funding related to SCM Berta would be at the subsidiary level and would be structured as non-recourse to Coro and the Marimaca project. The Berta mine was a higher cost and higher risk operation due to the requirement to haul pregnant leach solution 60 kilometres from the Berta mine to the Nora plant by truck. Due to the additional capital required and a lower copper price environment, the Berta mine was put on care and maintenance in October 2018, with the objective to preserve ore resources and minimise costs while a new long-term strategic alternative for the operation could be determined.

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 as well as the retirement obligation was included in the sale. There was no gain or loss recorded on the sale of the Berta mine and \$3.3 million was expensed in the nine months ended September 30, 2019 associated with care and maintenance activities at the SCMB where most of the costs are due to one off severance payment costs for the workforce and maintenance costs. Going forward, it is expected that the Nora care and maintenance costs will be approximately \$0.3 million quarterly.

The costs associated with placing SCM Berta on care and maintenance, in addition to funds for re-engineering and new resource drilling were estimated at approximately \$10 million. To fund SCM Berta until a longer-term economic solution was determined, in September 2018, Greenstone Resources II, L.P. ("Greenstone") agreed to provide an eleven-month \$10 million secured loan facility to SCM Berta (the "Loan Facility"), of which \$8 million had been drawn (\$6 million and \$2 million draws in 2018 and 2019 respectively) and \$6 million was repaid in 2019. The Loan Facility is secured by properties associated with SCM Berta and is non-recourse to Coro and the Marimaca project. Interest on the loan accrued monthly at 1% for the first 3 months, and is now at 1.42% per month. In connection with the Loan Facility, certain mining claims related to the SCM Berta project registered in the name of Coro's subsidiary Minera Cielo Azul Limitada ("MCAL"), were transferred to SCM Berta. Proceeds from the sale of the Berta mine were used to repay \$6 million towards the Loan Facility. In Q2 2019, the Company drew \$2 million under this facility to continue to fund the care & maintenance costs for the Nora plant.

As part of the 2018 strategic review, Coro entered into a \$12.0 million financing arrangement through one of its subsidiaries, SCM Berta, which owned 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, an affiliate of Coro's largest shareholder, Greenstone Resources LP, invested \$12.0 million into SCM Berta 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 SCM Berta. The SCMB Facility is a non-recourse loan limited to RSC and its subsidiaries and is not encumbering the Marimaca Project. The Convertible Loan has not yet been converted and currently the Company does not have a timeline of when that conversion will happen.

### Nora Plant

The carrying value of Nora Plant as at September 30, 2019 remains at \$4.6 million. No additional impairment adjustments have been recorded on 2019. Care and maintenance costs associated with the Nora plant were \$2.2 million for the nine months ended September 30, 2019.



### **El Jote**

In May 2016, SCM Berta acquired an option for El Jote, a copper project located approximately 30 kilometres north-west of the Nora Plant and 58 kilometres north east of Chañaral Port in the Atacama Region of Chile. Recent studies have demonstrated that El Jote has potentially sufficient resources to be developed as a mining project, which could provide ore to feed the Nora Plant. Management is currently evaluating the various possible scenarios.

To defer capital expenditures, a revised option agreement down payment schedule was agreed with the original El Jote owner. These new terms and conditions are detailed in Figure 17: “Commitments and Option Payments”.

### **Long Term Solution for SCM Berta**

The Company has continued to assess different alternatives to provide a long term solution for SCM Berta. Among the options that have been actively looked at are: (i) establishing of a tolling agreement with third parties; (ii) sale of the asset; and (iii) acquisition of potential exploration ground or other known deposits located near to the Nora plant that could be economical. The Company continues to evaluate the alternatives.



## 6 Financial Position Review

The first nine months of 2019 were considered positive from a financial perspective, mainly due to the sale of the Berta Mine for \$8.5 million and a \$12.65 million private placement which closed in Q3 2019. As the Company continues to focus its efforts on the Marimaca Project, the cash provided the necessary funding for its exploration programs to expand the resources at Marimaca.

Figure 11: Selected Information derived from the Statement of Financial Position (\$ 000's)

	December 31, 2018	September 30, 2019
Cash and cash equivalents	14,496	12,865
Amounts receivable and prepaid expenses	431	1,516
Inventories	181	149
Accounts payable and accrued liabilities	(3,811)	(2,727)
Current portion of restoration provision	(933)	(957)
Current portion of other debt	(19,694)	(18,264)
<b>Net working capital (including current portion of debt)</b>	<b>(9,330)</b>	<b>(7,418)</b>
<b>Net working capital (excluding current portion of debt)</b>	<b>10,364</b>	<b>11,803</b>

Please note that the SCMB debt is non-recourse, limited to RSC and its subsidiaries.

### General comments

As at September 30, 2019, the Company's working capital deficiency was \$7.4 million (December 31, 2018: working capital deficiency of \$9.3 million).

For the nine months ended September 30, 2019, the Company financed its deferred exploration activities of \$8.9 million with cash on hand, loans, the sale of the Berta Mine and the issuance of common shares.

As at September 30, 2019, available cash was \$12.9 million (December 2018; \$14.5 million), which management believe is sufficient to complete the acquisition the 49% of Marimaca 1-23 and finalize the Phase II exploration work.

As at September 30, 2019, accounts receivable increased by \$1.1 million from \$0.4 million to \$1.5 million compared to December 31, 2018, mainly due to \$0.8 million held in escrow from the sale of Berta Mine, which is due to be released in November 2019.

As at September 30, 2019, the current portion of other debt decreased by \$1.4 million from \$19.7 million to \$18.3 million mainly due to the combination of \$6.5 million in loan repayments offset by a non-controlling interest loan of \$0.4 million, a new \$2 million loan and the recognition of \$2.5 million in interest and arrangement fees. As at September 30, 2019, SCMB owes \$17.3 million in loans, included the current portion of debt.

Figure 12: Segmented Information – Derived from Statement of Financial Position (\$ 000's)

	SCM BERTA September 30, 2019	CORPORATE September 30, 2019	CONSOLIDATED September 30, 2019
Cash and cash equivalents	768	12,097	12,865
Amounts receivable and prepaid expenses	1,450	66	1,516
Inventories	149	-	149
Accounts payable and accrued liabilities	(1,188)	(1,539)	(2,727)
Current portion of restoration provision	-	(957)	(957)
Current portion of other debt	(17,309)	(955)	(18,264)
<b>Net working capital (including current portion of debt)</b>	<b>(16,130)</b>	<b>8,712</b>	<b>(7,418)</b>
<b>Net working capital (excluding current portion of debt)</b>	<b>1,179</b>	<b>9,667</b>	<b>10,846</b>

## Long lived assets

Figure 13: Long Lived Assets

	December 31, 2018	September 30, 2019
<b>Property, plant and equipment</b>	<b>25,286</b>	<b>15,805</b>
Berta operation	9,450	-
Nora plant	4,600	4,586
Iván plant	10,693	10,599
Construction in progress	282	338
Other	261	282
<b>Exploration &amp; evaluation assets</b>	<b>20,168</b>	<b>27,932</b>
Marimaca	7,436	8,284
La Atómica	4,176	5,949
El Jote	646	761
Atahualpa	7,692	12,365
Llanos and Mercedes	-	55
Olimpo & Cedro	218	518
<b>Total long-lived assets</b>	<b>45,454</b>	<b>43,737</b>

Long-lived assets consist of property, plant and equipment and exploration & evaluation assets. Property, plant and equipment have decreased by \$9.5 million due to the sale of the Berta mine. Exploration and evaluation assets increased by \$7.8 million to \$27.9 million as at September 30, 2019 from \$20.2 million as at December 31, 2018. The main increase is related to development and exploration programs and claim option payments for the Marimaca properties, mainly in Atahualpa for \$4.7 million, La Atómica \$1.8 million and Marimaca \$0.8 million.

Total assets as at September 30, 2019 were \$61.7 million (December 31, 2018: \$63.7 million).

## Liabilities

Figure 14: Other Liabilities (\$000's)

	December 31, 2018	September 30, 2019
<b>Current</b>	<b>20,627</b>	<b>19,221</b>
Shareholder loans	18,802	17,309
Propipe loan	892	956
Current portion of restoration provision	933	957
<b>Non-current</b>	<b>6,265</b>	<b>4,623</b>
Other debt	456	-
Restoration provision	5,809	4,623
<b>Total other liabilities</b>	<b>26,892</b>	<b>23,844</b>

Total liabilities as at September 30, 2019 of \$26.6 million (December 31, 2018: \$30.7 million) consists of accounts payable and accrued liabilities of \$2.7 million (December 31, 2018: \$3.8 million) and other liabilities as detailed in Figure 14 above.

## Restoration provision

Details of the restoration provision are as follows:

Figure 15: Restoration provision (\$000's)

	December 31 2018	September 30 2019			
	Nora & Total	Nora	Ivan	Berta	Total
Balance, beginning of year	6,583	1,356	4,221	1,165	6,742
Initial provision	-	-	-	-	-
Reclamation revaluation	-	(14)	(94)	-	(108)
Disposal for Berta sale	-	-	-	(1,165)	(1,165)
Accretion expense	159	26	85	-	111
Less current portion	(933)	-	(957)	-	(957)
<b>Total</b>	<b>5,809</b>	<b>1,368</b>	<b>3,255</b>	<b>-</b>	<b>4,623</b>

In calculating the present value of the restoration provisions as at September 30, 2019, management used risk-free rates between 2.49% and 2.56% and an inflation rate of 2.10%. The undiscounted cash flows, before inflation adjustments, estimated to settle the restoration provisions are approximately equal to the discounted cash flows. Due to the nature of closure plans, cash expenditures are expected to occur over a significant period of time with the majority of the expenditures expected to as follows: Nora Plant in 6 years and Ivan Plant in 1 and 23 years.



## Equity instruments

Figure 16: Equity Instruments (\$000's)

	December 31 2018	September 30 2019
Common shares outstanding	1,455,388,294	1,608,295,999
Options outstanding	51,365,410	42,994,539
Weighted average exercise price	CA\$0.11	CA\$0.10
Market capitalization (million)	CA\$72.8	CA\$144.7
Closing share price	CA\$0.05	CA\$0.09

Coro was incorporated in 2004 and is listed on the Toronto Stock Exchange, under the symbol "COP". During the three and nine months ended September 30, 2019, the Company's shares outstanding increased by 152,907,705 from 1,455,388,294 to 1,608,295,999.

In the nine months ended September 30, 2019, the Company issued a total of 6,176,853 shares related to options exercised at a price of CA\$0.031 for total proceeds of CA\$191,482 (\$143,162) and 866,927 share options at a price of CA\$0.069 for total proceeds of CA\$59,818 (\$44,993).

The Company also completed a non-brokered private placement issuing 145,863,926 common shares at a price of CA\$0.115 cents per share, for gross proceeds of CA\$16,774,351 (\$12.62 million). Issuance costs were CA\$127,105 (\$96,000). From the total shares issued, 113,382,205 shares were subscribed by Coro's largest shareholder Greenstone Resources LP and its associated entities GSII and Greenstone Co-Investment No.1 (Coro) LP. The remaining 32,481,721 shares were subscribed by Coro's second largest shareholder Ndovu Capital XIV B.V ("Tembo Capital").

As at September 30, 2019, the Company's market capitalization increased by \$72 million compared to December 31, 2018 due to a stronger closing share price at the end of September 2019 of CA\$0.09.

## Commitments and Option Payments

The following table shows the contractual obligations of the Company including property options payments as at September 30, 2019.

Figure 17: Contractual Obligations and Option Payments

Property option payments (\$m)	2019	2020	2021-2012	Thereafter	Total
El Jote	-	0.5	1.0	1.1	2.6
La Atómica	1.0	4.4	-	-	5.4
Marimaca	6.0	3.0	3.0	-	12.0
Atahualpa	-	0.2	1.8	-	2.0
Olimpo & Cedro	-	0.7	5.3	-	6.0
Llanos y Mercedes	-	0.1	0.5	1.4	2.0
<b>Total property option payments (\$m)</b>	<b>7.0</b>	<b>8.9</b>	<b>11.6</b>	<b>2.5</b>	<b>30.0</b>



## Marimaca Properties

### Marimaca 1-23 Claims

In August 2014, subsequently amended in April 2017 and August 2019, 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 upon completion of an NI 43-101 compliant resource estimate and engineering study that demonstrates the technical and economic feasibility of producing a minimum of 1,500tpy of copper cathode. In June 2018, Coro published the Marimaca definitive feasibility study under NI 43-101 and consequently earned a 51% interest in the claims.

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

The Company expects to close the Transaction before the end of the year.

### La Atómica Claims

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 million as follows: \$0.6 million (paid); \$1 million on the 24-month anniversary date; and \$4.4 million on the 36-month anniversary date. A 1.5% Net Smelter Royalty ("NSR") is payable on the claims, with the Company retaining an option to purchase 0.5% out of the 1.5% NSR for \$2 million at any time.

### Atahualpa Claims

Under the terms of a January 2018 LOI, the Company acquired 100% of the claims of Atahualpa, Tarso, Sierra and Sorpresa immediately adjoining its Marimaca property for a total cash consideration of \$6 million; \$5.8 million was paid in 2018 and the balance of \$0.2 million was paid in Q1 2019. A 2% NSR was payable on the claims under the original option agreement.

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

### Olimpo and Cedro

Under the terms of the January 2018 option agreement, the Company may acquire 100% of the Olimpo y Cedro properties for a total of \$6.5 million: \$0.2 million at signing (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% NSR for \$2.0 million within the first 12 months following the start of commercial production on the property. As these claims are not adjacent to the known mineralization, only acquisition costs are capitalized at this time.





### **Llanos and Mercedes**

Under the terms of the May 2019 option agreement, the Company may acquire the Llanos and Mercedes properties for a total consideration of \$2 million as follows: \$0.05 million on signing (paid in May 2019); \$0.05 million on the 12-month anniversary; \$0.1 million on the 24-month anniversary; \$0.125 million on the 30-month anniversary; \$0.125 million on the 36-month anniversary; \$0.15 million on the 42-month anniversary, and \$1.4 million on the 48-month anniversary. In addition, the Llanos and Mercedes claims are subject to a 1% NSR with a buyback option for the NSR for \$0.5 million exercisable up to 24 months from the start of commercial production. As these claims are not located adjacent to the known mineralization, only acquisition costs are capitalized at this time.

### **Other Properties**

#### **El Jote**

In May 2016, amended July 2019, 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 totaling \$3.26 million; \$0.57 million (paid) and \$2.69 million to be paid in eleven installments as follows: \$0.12 million on the signing of amended agreement (paid); \$0.12 million on the 7-month anniversary; \$0.12 million on the 10-month anniversary; \$0.18 million on the 14-month anniversary, \$0.18 million on the 18-month anniversary; \$0.18 million on the 22-month anniversary; \$0.18 million on the 26-month anniversary; \$0.18 million on the 30-month anniversary; \$0.18 million on the 34-month anniversary; \$0.18 million on the 38-month anniversary; \$1.10 million on the 42-month anniversary.

## 7 Expenditures Review

During the nine months ended September 30, 2019, the majority of expenditures are related to exploration, care and maintenance activities, financing costs and corporate expenses as reflected in the table below:

Figure 18: Expenditures Summary - three and nine months ended September 30, 2019

Expenditures Summary (\$000's)	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
<b>Expenses</b>				
Exploration expenditures	1,160	677	3,792	1,475
Care and maintenance costs	789	254	3,312	966
Writedowns in inventory and exploration	-	800	-	800
Impairments	-	2,961	-	7,223
Depreciation and amortization	35	-	108	43
Legal and filing fees	57	48	155	169
Other corporate costs	146	188	441	498
Salaries and management fees	180	689	649	1,477
Share-based payments expense	146	(120)	514	94
<b>Operating loss</b>	<b>2,513</b>	<b>5,497</b>	<b>8,971</b>	<b>12,745</b>
Finance expense	686	914	2,521	1,027
Foreign exchange loss (gain)	62	(31)	(388)	456
Other expense	-	-	-	8
<b>Loss for the period</b>	<b>3,261</b>	<b>6,380</b>	<b>11,104</b>	<b>14,236</b>
<b>Attributable to:</b>				
Owners of the parent	3,261	6,380	11,104	13,706
Non-controlling interests	-	-	-	530
<b>Other comprehensive loss</b>	<b>3,261</b>	<b>6,380</b>	<b>11,283</b>	<b>14,236</b>
<b>Items that may be subsequently reclassified to net income:</b>				
Foreign currency translation adjustment	(1)	(29)	2	(368)
<b>Loss and comprehensive loss for the period</b>	<b>3,260</b>	<b>6,351</b>	<b>11,106</b>	<b>13,868</b>
<b>Attributable to:</b>				
Owners of the parent	3,260	6,351	11,106	13,338
Non-controlling interests	-	-	-	530
<b>Loss and comprehensive loss for the period</b>	<b>3,260</b>	<b>6,351</b>	<b>11,106</b>	<b>13,868</b>

### For the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018

For the nine months ended September 30, 2019, the Company recorded a loss of \$11.1 million compared to the loss of \$14.2 million recorded for the same period in 2018. In 2018, \$0.5 million is related to the accumulated loss allocated to the non-controlling interest in SCMB. The amount represents four months of accumulated losses before the Company purchased the 35% interest from Propipe.

Exploration expenses increased by \$2.3 million from \$1.5 million in 2018 to \$3.8 million in 2019 and the increase is mainly due to expenses related to the Marimaca Phase III drilling program in Olimpo, Cedro, Sierra and Sorpresa and



an increase in general exploration costs in other projects. Exploration costs in 2018 are mainly related to exploration activities in the Marimaca District, preliminary Atahualpa drilling expenses, Olimpo and other general exploration expenses.

Care and maintenance expenses increased by \$2.3 million from \$1 million in 2018 to \$3.3 million in 2019 and the increase is mainly due to a new care and maintenance program for Nora Plant that was put in place after the sale of the Berta Mine in 2019. Nora Plant costs in 2019 were \$2.1 million and costs were \$1.2 million for Ivan Plant. Care and maintenance costs in 2018 are related to the Ivan Plant, while in 2019 most of the costs related to the Nora plant were due to one off severance payment costs for the workforce and dismantling costs.

The Impairments recorded in 2018 are related to the Nora Plant and the inventory write-down was to Berta.

Finance expense increased by \$1.5 million from \$1 million in 2018 to \$2.5 million in 2019 and the reason is because in 2019, accrued interest and arrangement fees related to GS II loans were accounted as finance costs and in 2018, all interest for the same loans were included in the capitalization of the Berta Mine under Property, Plant and Equipment. The Berta Mine was sold in February 8, 2019 so the Company stopped capitalization of finance costs as of December 31, 2018.

Foreign exchange gain increased by \$0.8 million, from foreign exchange loss of \$0.5 million in 2018 to a foreign exchange gain of \$0.4 million during the first nine months of 2019, due to the significant currency fluctuation.

#### **For the three months ended September 30, 2019 compared to the three months ended September 30, 2018**

For the three months ended September 30, 2019, the loss decreased by \$3.1 million from \$6.4 million recorded in 2018 to the loss of \$3.3 million recorded for the same period in 2019 and it was mainly due to an impairment of \$3 million to the Nora Plant in 2018.

Exploration expenses increased by \$0.5 million from \$0.7 million in 2018 to \$1.2 million in 2019 and the increase is mainly due to expenses related to the Marimaca Phase III drilling program focusing in projects like Cedro, Olimpo, Sorpresa, Sierra and Chacaya, and other general exploration costs. Exploration costs in 2018 were mainly related to exploration activities in Olimpo, Atahualpa, Sorpresa and other general exploration expenses.

Care and maintenance expenses increased by \$0.5 million from \$0.3 million in 2018 to \$0.8 million in 2019 and the increase is mainly due to a new care and maintenance program for Nora Plant put in place after the sale of the Berta Mine in 2019. Nora Plant costs for the quarter ended September 30, 2019 were \$0.4 million and costs were \$0.4 million for Ivan Plant. Care and maintenance costs in 2018 were related to the Ivan Plant.

The Impairment recorded in 2018 was related to the Nora Plant and the inventory write-down was to Berta.

*Figure 19: Summary of Quarterly Results*

\$ 000's	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Impairments	15,683	1,621	2,641	2,961	7,014	-	-	-
Write down inventories	-	-	-	800	432	-	-	-
Foreign exchange loss/(income)	63	25	462	(31)	667	(366)	(84)	62
Cash and equivalents	2,811	1,913	2,891	21,803	14,496	15,648	4,827	12,865
Other debt	3,412	8,344	20,135	14,515	19,694	20,367	17,563	18,264
<b>Loss for the period</b>	<b>17,036</b>	<b>3,526</b>	<b>4,601</b>	<b>6,380</b>	<b>10,579</b>	<b>3,834</b>	<b>4,011</b>	<b>3,261</b>



The main differences between the quarterly numbers in the table above relate to periodic impairment of losses at SCM Berta. In the last quarter 2017 the Company recorded impairment charges of \$15.7 million on the Nora Plant as the asset was not capable of generating positive returns. In 2018 there were further impairments charges every quarter. The first three quarters of 2019 do not include any impairment charges because SCM Berta ceased operating and was placed on care and maintenance.

During the third quarter of 2018, the Company recognized a write down in the value of inventories and in the fourth quarter a write down due to the sale of Berta, which includes Berta mine inventories for a value of \$0.4 million.

The main variances in cash and equivalents are due to the rights offering and private placement in the third quarter of 2018 and the sale of the Berta mine in February 8, 2019 which strengthened the financial and cash position of the company at the end 2018 and in the first quarter of 2019. In the third quarter of 2019, the cash increase is mainly due to a \$12.65 million private placement closed in September 2019.

## Related Party Disclosure

### Key Management Personnel

The Company considers as related parties all key management personnel having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity.

Figure 20: Related Party Costs

	Three months ended September 30		Nine months ended September 30,	
	2018	2019	2018	2019
Short-term employee benefits	248	467	922	1,325
Share-based payments	135	(30)	533	132
<b>Total</b>	<b>383</b>	<b>437</b>	<b>1,455</b>	<b>1,457</b>

### SCM Berta Loans and Interest Paid to Related Parties

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

During the nine months ended September 30, 2019, with the proceeds from the sale of Berta mine, the Company repaid \$6 million in loans to the major shareholder of the Company and as at September 30, 2019, included in current portion of other debt, was an amount of \$17.3 million due the same shareholder. The Convertible Loan has not yet been converted and currently the Company does not have a timeline of when that conversion will happen, conversion option is at discretion of the lender. Loans are non-recourse to the Marimaca project.

During the nine months ended September 30, 2019, the Company issued 113,382,205 shares at a price of CA\$0.115 per share to its major shareholder and related entities and 32,481,721 shares at a price of CA\$0.115 per share were issued to its second largest shareholder.



## 8 Outstanding Share Data Authorized and Issued

The Company has an unlimited number of authorized common shares without par value. As at November 12, 2019, the Company had 1,608,295,999 common shares issued and outstanding, and 42,994,539 stock options outstanding under the Company's incentive plans.

During the last nine months ended September 30, 2019, the following changes in share capital occurred:

Figure 21: Common Shares Outstanding Reconciliation

Date	Event	Issued	Cancelled	Total
December 31, 2018				1,455,388,294
June 03, 2019	Options exercised	2,600,780		
June 19, 2019	Options exercised	650,195		
August 7, 2019	Options exercised	866,926		
August 19, 2019	Options exercised	2,600,780		
August 20, 2019	Options exercised	325,098		
September 12, 2019	Private placement	32,481,721		
September 23, 2019	Private placement	113,382,205		
September 30, 2019				1,608,295,999

As at September 30, 2019, the price per share was CA\$0.09, equal to a market capitalization of CA\$144.7 million.

### Private placement

The Company completed a non-brokered private placement issuing 145,863,926 common shares at a price of CA\$0.115 cents per share, for gross proceeds of CA\$16,774,351 (\$12.65 million). Issuance costs were CA\$127,105 (\$96,000). From the total shares issued, 113,382,205 shares were subscribed by Coro's major shareholder Greenstone Resources LP and its associated entities GSII and Greenstone Co-Investment No.1 (Coro) LP. The remaining 32,481,721 shares were subscribed by Coro's second largest shareholder Ndovu Capital XIV B.V (Tembo Capital).

### Options exercised

A total of 6,176,853 stock options were exercised at a price of CA\$0.031 for total proceeds of CA\$191,482 (\$143,162) plus additional CA\$75,436 (\$57,163) were reclassified by the Company from contributed surplus to share capital. The weighted average market price of the shares was CA\$0.10.

A total of 866,927 share options were exercised at a price of CA\$0.069 for total proceeds of CA\$59,818 (\$44,993) plus additional CA\$49,933 (\$37,557) were reclassified from contributed surplus to share capital. The weighted average market price of the shares was CA\$0.09.

A total of 12,507,091 options expired during the first 9 months of 2019 at a price between CA\$0.07 and CA\$0.15.

As of the day of the MD&A, the Company's largest shareholders were Greenstone with 809,646,063 common shares representing approximately 57.5% of the issued and outstanding common shares of the Company followed by Tembo Capital with 231,947,313 common shares, equal to 15.7% of the total issued and outstanding shares of the Company.



## Summary of Financial Position & Selected Annual Information

Figure 23: Summary of Financial Position

(\$000's)	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019
<b>Assets</b>				
Cash and cash equivalents	14,496	15,648	4,827	12,865
Accounts receivable and prepaids	431	1,456	1,403	1,516
Inventory	181	149	149	149
<b>Total Current Assets</b>	<b>15,108</b>	<b>17,253</b>	<b>6,379</b>	<b>14,530</b>
Non-current portion of account receivable	3,138	3,401	3,417	3,419
<b>Total Non-current Assets</b>	<b>3,138</b>	<b>3,401</b>	<b>3,417</b>	<b>3,431</b>
Property, Plant and equipment	25,286	15,966	15,839	15,805
Exploration, and evaluation assets	20,168	23,162	26,565	27,932
<b>Total Assets</b>	<b>63,700</b>	<b>59,783</b>	<b>52,200</b>	<b>61,686</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	3,811	4,004	3,501	2,727
Other debt (current)	19,694	20,367	17,563	18,264
Current portion of restoration provision	933	933	951	957
<b>Total Current Liabilities</b>	<b>24,438</b>	<b>25,304</b>	<b>22,015</b>	<b>21,948</b>
<b>Non-Current Liabilities</b>	<b>456</b>	<b>492</b>	-	-
Restoration provision	5,809	4,677	4,592	4,623
<b>Total Liabilities</b>	<b>30,703</b>	<b>30,473</b>	<b>26,607</b>	<b>26,571</b>
<b>Shareholders' Equity</b>				
Common shares	129,838	129,838	129,952	142,643
Contributed surplus	7,935	8,081	8,263	8,354
AOCI	934	932	931	932
Deficit	(105,710)	(109,542)	(113,553)	(116,814)
<b>Total Shareholder's Equity</b>	<b>32,997</b>	<b>29,309</b>	<b>25,593</b>	<b>35,115</b>
<b>Total Liabilities and Equity</b>	<b>63,700</b>	<b>59,782</b>	<b>52,200</b>	<b>61,686</b>
<b>Weighted average number of shares (000's)</b>	<b>882,386</b>	<b>1,455,388</b>	<b>1,456,239</b>	<b>1,462,437</b>
<b>Working Capital</b>	<b>(9,330)</b>	<b>(8,051)</b>	<b>(15,636)</b>	<b>(7,418)</b>



## 9 Risks, Disclosure & 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, 2018, which are available on the Company's website at [www.coromining.com](http://www.coromining.com). In addition, reference should be made to the most recently filed Annual Information Form available on SEDAR at [www.sedar.com](http://www.sedar.com).

### Disclosure Controls and Internal Control over 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. There have been no changes in our internal controls over financial reporting and disclosure controls and procedures during the period ended September 30, 2019 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting and 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 with 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.

As an on-going practice, management is continuously addressing the weakness identified during the previous quarters that the Company's internal controls over financial reporting could not be effective. This was achieved primarily through the establishment of the Company's own enterprise resource planning (ERP) system at the SCM Berta operation, which is now being rolled out at Marimaca, all other subsidiaries and at a corporate level. The system is based on three core auditable principles:

1. The segregation of duties by people, function and department
2. Establishing levels of responsibility, authority and corresponding oversight
3. Policies, practices and procedures to industry standards for purchasing, logistics, accounting and administration.

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.

### **Forward Looking Statements**

Certain of the statements made and information contained or incorporated by reference herein is "forward-looking information" within the meaning of applicable Canadian securities laws. All statements other than statements of historical facts in this document constitute forward-looking information based on current expectations, estimates, forecasts and projections as well as beliefs and assumptions made by the Company's management. Such forward-looking statements include but are not limited to those regarding the Company's outlook and guidance on estimated metal production (or production profile), costs and capital expenditures; exploration and Mineral Reserve and Mineral Resource estimates. Words such as "aim", "anticipate", "assumption", "belief", "believe", "estimate", "expected", "exploration", "exposure", "focus", "forecast", "future", "growth", "guidance", "intends", "opportunities", "outlook", "path", "phase", "plan", "possible", "potential", "program", "progress", "project", "risk", "sensitivity", "schedule", "stage", "strategic", "target" or "trend", or variations of or similar such terms, or statements that certain actions, events or results could, may, might or will be taken or occur or be achieved, identify forward-looking information. Although the Company believes that the expectations reflected in the forward-looking information herein are reasonable, these statements by their nature involve risks and uncertainties and are not guarantees of future performance. These estimates, expectations and other forward-looking statements are based on a number of assumptions and are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements. Such risks and uncertainties include, without limitation, risks and uncertainties inherent in and relating to estimates of future production and operations, cash and all-in sustaining costs; metal and commodity price fluctuations; foreign currency fluctuations; mining operations including but not limited to environmental hazards, industrial accidents, ground control problems and flooding; geology including, but not limited to, unusual or unexpected geological formations and events (including but not limited to rock slides and falls of ground), estimation and modelling of grade, tonnes, metallurgy continuity of mineral deposits, dilution, and Mineral Resources and Mineral Reserves, and actual ore mined or metal recoveries varying from such estimates; mine life and life-of-mine plans and estimates; the possibility that future exploration, development or mining results will not be consistent with expectations; the potential for and effects of labour actions, disputes or shortages, community or other civil protests or demonstrations or other unanticipated difficulties with or interruptions to operations; potential for unexpected costs and expenses including, without limitation, for mine closure and reclamation at current and historical operations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain and maintain necessary governmental approvals and permits; regulatory investigations, enforcement, sanctions or related or other litigation; and other risks and uncertainties, including but not limited to those described in the "Risks Factors" section of the Company's most recently filed Annual information Form. Also, in addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management; assumed prices of copper, that the Company can access financing, appropriate equipment and sufficient labour; and that the political environment where the Company operates will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, there can be no assurance that forward-looking information will prove to be accurate, and readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise forward-looking statements or to explain any material difference between such and subsequent actual events, except as require by applicable law.





### **NI 43-101 Compliance Requirements**

Under National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”), if an issuer discloses 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, Luis Albano Tonto, President and CEO of the Company, a mining engineer with more than 30 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 news 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.

### **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.

### **Other Risks**

Reference should be made to the Company’s risk and critical accounting policies and practices section of the December 31, 2018, Management Discussion and Analysis for a complete discussion of the risk factors associated with Nature of Operations; NI 43-101 Compliance Requirements, Government Laws, Regulation & Permitting, Key Management and Competition; Title to Properties; Commodity Prices; Foreign Currency Risk; amongst other things.

### **Critical Accounting Policies**

Reference should be made to the Company’s risks and critical accounting policies and practices section of the December 31, 2018, Management Discussion and Analysis for a complete discussion on the critical accounting policies associated with estimates and use of judgement, New Accounting Pronouncements; amongst other things.

### **Other Information**

Additional information regarding the Company is included in the Company’s Annual Information Form (“AIF”) which is filed with the Canadian securities regulators. A copy of the Company’s AIF can be obtained on SEDAR. ([www.sedar.com](http://www.sedar.com)) or on the Company’s website ([www.coromining.com](http://www.coromining.com)).

### **Contact Information**

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