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COPPER CORP.

Marimaca Copper Corp.

Condensed Interim Consolidated Financial Statements
For the Three and Six Months Ended June 30, 2022 and 2021
(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Marimaca Copper Corp.

Condensed Interim Consolidated Statements of Financial Position

As at June 30, 2022 and December 31, 2021

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

		As at June 30, 2022		As at December 31, 2021
Assets				
Current assets				
Cash (Note 3)	**$**	**9,811**	$	26,786
Amounts receivable and prepaid expenses (Note 4)		**1,300**		450
Assets classified as held for sale		**-**		11,361
		11,111		38,597
Non-current assets				
Amounts receivable (Note 4)		**8,774**		-
Property, plant and equipment		**19**		41
Exploration and evaluation assets (Note 5)		**67,440**		54,159
Total assets	**$**	**87,344**	$	92,797
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (Note 6)	**$**	**2,389**	$	1,408
Current portion of acquisition debt (Note 7)		**-**		2,998
Liabilities classified as held for sale		**-**		5,080
Total liabilities		**2,389**		9,486
Shareholders' equity (Note 8)				
Common shares		**192,800**		192,024
Contributed surplus		**29,250**		27,391
Accumulated other comprehensive income ("AOCI")		**784**		936
Deficit		**(137,879)**		(137,040)
Total equity		**84,955**		83,311
Total liabilities and equity	**$**	**87,344**	$	92,797

Nature of Operations and Liquidity Risk (Note 1)

Commitments (Note 12)

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

Marimaca Copper Corp.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

For the three and six months ended June 30, 2022 and 2021

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

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Expenses				
Exploration expenditures (Note 9)	**$ (2,812)**	$ 1,993	**$ 55**	$ 3,293
Depreciation and amortization	**11**	2	**23**	5
Legal and filing fees	**36**	83	**102**	142
Other corporate costs	**190**	136	**369**	333
Salaries and management fees	**374**	368	**774**	621
Share-based compensation (Note 8(b))	**951**	3,707	**2,635**	4,704
Operating income (loss)	**1,250**	(6,289)	**(3,958)**	(9,098)
Finance income (expense)	**60**	(27)	**76**	(143)
Foreign exchange gain (loss)	**62**	(40)	**226**	(36)
Gain on sale of Rayrock (Note 4)	**-**	-	**2,990**	-
Income (loss) from continuing operations	**$ 1,372**	$ (6,356)	**$ (666)**	$ (9,277)
Discontinued operations				
Loss from discontinued operations (Note 4)	-	(305)	**(173)**	(776)
Net income (loss)	**$ 1,372**	$ (6,661)	**$ (839)**	$ (10,053)
Other comprehensive income (loss)				
Items that may be reclassified subsequently to net income:				
Foreign currency translation adjustment	**(296)**	711	**(152)**	968
Comprehensive income (loss)	**$ 1,076**	$ (5,950)	**$ (991)**	$ (9,085)
Income (Loss) per share from continuing operations				
Basic and dilulted loss per share	**$ 0.02**	$ (0.07)	**$ (0.01)**	$ (0.11)
Loss per share from discontinued operations				
Basic and diluted loss per share	**$ -**	$ (0.01)	**$ (0.00)**	$ 0.00
Income (Loss) per share				
Basic and diluted loss per share	**$ 0.02**	$ (0.08)	**$ (0.01)**	$ (0.12)
Weighted average number of shares outstanding (000's)				
Basic	**88,209**	87,871	**88,144**	82,929
Diluted	**89,500**	90,929	**89,464**	84,879

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

Marimaca Copper Corp.

Condensed Interim Consolidated Statements of Shareholders' Equity

For the six months ended June 30, 2022 and 2021

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

	Number of shares #000's	**Amount**	**Contributed Surplus**	**AOCI**	**Deficit**	**Total**
Balance - January 1, 2021	73,641	$ 161,891	$ 12,818	$ 719	$ (118,234)	$ 57,194
Private placement	13,764	28,320	7,078	-	-	35,398
Warrant exercised	322	1,305	(244)	-	-	1,061
Options exercised	203	162	(103)	-	-	59
Share-based compensation	-	-	4,704	-	-	4,704
Net loss	-	-	-	-	(10,053)	(10,053)
Other comprehensive income	-	-	-	967	-	967
Balance - June 30, 2021	87,930	$ 191,678	$ 24,253	$ 1,686	$ (128,287)	$ 89,330
Balance - January 1, 2022	**88,028**	**$ 192,024**	**$ 27,391**	**$ 936**	**$ (137,040)**	**$ 83,311**
Options exercised	**198**	**776**	**(776)**	**-**	**-**	**-**
Share-based compensation	**-**	**-**	**2,635**	**-**	**-**	**2,635**
Net loss	**-**	**-**	**-**	**-**	**(839)**	**(839)**
Other comprehensive income	**-**	**-**		**(152)**	**-**	**(152)**
Balance - June 30, 2022	**88,226**	**$ 192,800**	**$ 29,250**	**$ 784**	**$ (137,879)**	**$ 84,955**

Marimaca Copper Corp.

Condensed Interim Consolidated Statements of Cash Flows

For the six months ended June 30, 2022 and 2021

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

	For the six months ended June 30, 2022	2021
Cash flows from operating activities		
Net loss	**$ (666)**	$ (9,277)
Items not affecting cash		
Depreciation and amortization	**23**	5
Unrealized foreign exchange	**(226)**	-
Share-based compensation (Note 8(b))	**2,635**	4,704
Accretion on debt	**38**	193
Gain on asset disposal	**(2,990)**	-
	(1,186)	(4,375)
Change in non-cash operating working capital		
(Increase) in receivables and prepaid	**(501)**	(69)
Increase (decrease) in accounts payable and accruals	**966**	(1,110)
Cash used in operating actvities of continuing operations	**$ (721)**	$ (5,554)
Operating cash outflows before changes in working capital from discontinued operations	**(173)**	(776)
Accretion on restoration provision	**13**	39
Change in non-cash operating working capital		
(Increase) in receivables and prepaid	**(7)**	(14)
(Decrease) increase in accounts payable and accruals	**(8)**	1
Cash used in operating actvities of discontinued operations	**(175)**	(750)
Net cash used in operating activities	**$ (896)**	$ (6,304)
Cash flows from financing activities		
Issuance of common shares	**-**	35,518
Stock option exercises	**-**	59
Warrants exercised	**-**	1,061
Repayment of loans (Note 7)	**(3,000)**	-
Cash (used in) provided by financing activities	**$ (3,000)**	$ 36,638
Cash flows from investing activities		
Cash proceeds from the sale of Rayrock	**150**	-
Lease payments	**(22)**	-
Exploration and evaluation assets - option property payments (Note 5)	**(5,275)**	(2,116)
Exploration and evaluation assets - capitalized expenses (Note 5)	**(8,006)**	(1,972)
Cash used in investing activities	**$ (13,153)**	$ (4,088)
Effect of exchange rate changes on cash	**74**	971
Increase (decrease) in cash and cash equivalents	**(16,975)**	27,217
Cash and cash equivalents: beginning of the period	**26,786**	13,852
Cash and cash equivalents: end of the period	**$ 9,811**	$ 41,069

Note 1 - Nature of operations and liquidity risk

(a) Nature of operations

Marimaca Copper Corp, formerly known as Coro Mining Corp. ("Marimaca Copper" or the "Company") was incorporated under *the Business Corporations* Act (British Columbia). Marimaca Copper is an exploration and development company focused on base metal projects in Chile.

The Company's principal asset is the Marimaca Copper Project (the "Marimaca Project"), located in the Antofagasta Region of northern Chile. The Marimaca Project comprises a set of claims (the "1-23 Claims"), properties 100% owned and optioned by the Company, combined with the adjacent La Atómica and Atahualpa claims over which Marimaca Copper has the right to explore and exploit resources and where the most intensive exploration activities have been focused; this larger area is referred to as the "Marimaca District".

On May 27, 2020, Coro Mining Corp. changed its name to Marimaca Copper Corp. and commenced trading on the Toronto Stock Exchange under the symbol "MARI". The Company's registered office is Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, Canada.

(b) Liquidity risk

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue in operation for at least the next twelve months.

The Company is an exploration and development company that currently does not generate revenue from its assets. At June 30, 2022, the Company had working capital of $8.7 million (December 31, 2021 – $29.1 million), which management believes is sufficient to meet its property option payments, its obligations and to continue to fund operations for at least the next twelve months.

Beyond the next 12 months, the Company's ability to continue as a going concern and to advance the Marimaca Project will be dependent upon its ability to obtain the necessary financing. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Note 2 - Significant accounting policies

a) Statement of compliance

These unaudited condensed interim consolidated financial statements include the accounts of Marimaca Copper and its wholly-owned subsidiaries (its "subsidiaries") (hereinafter together with Marimaca Copper, the "Company"). These unaudited condensed interim consolidated financial statements 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 condensed interim financial statements, including IAS 34 *Interim Financial Reporting*. These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2021 and were prepared using the same accounting policies, method of computation and presentation as were applied in the annual consolidated financial statements for the year ended December 31, 2021.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on August 12, 2022.

The financial information included herein reflects all adjustments, consisting of only normal recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the three and six months ended June 30, 2022 are not necessarily indicative of the results to be expected for the full year. Seasonality is not considered to have a significant impact over the condensed interim consolidated financial statements

b) Significant judgements, estimates and assumptions

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires the Company to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dale of the condensed interim consolidated financial statements and the reported amounts of expenses during the reporting period. The areas of judgement and estimation are consistent with those reported in the annual consolidated financial statements for the year ended December 31, 2021 and the following discusses the most significant accounting judgements and estimates that the Company has made in the preparation of these condensed interim consolidated financial statements:

Impact of the COVID-19 Pandemic

The COVID-19 global health pandemic has had a significant impact on the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown. The adverse effects of the pandemic may continue for an extended and unknown period of time, particularly as variant strains of the virus are identified. The impact of the pandemic to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices and has raised the prospect of an extended global recession. As well, as efforts have been undertaken to slow the spread of the COVID-19 pandemic, the operation and development of mining projects has been impacted. The broader impact of the COVID-19 pandemic or future pandemics or similar public health emergencies on investors, businesses, the global economy or financial and commodity markets may also have a material adverse impact on Marimaca Copper's results of operations, financial condition and the trading price of Marimaca Copper's securities.

Impairment of exploration and evaluation assets

The application of the Company's accounting policy for impairment of exploration and evaluation assets requires judgement to determine whether indicators of impairment exist, including factors such as: the period for which the Company has the right to explore has expired or will expire in the future, and is not expected to be renewed; substantive expenditures on exploration activities and evaluation of mineral resources in the specific area is neither budgeted or planned; exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources; and sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. Management has assessed for impairment indicators on the Company's exploration and evaluation assets and has concluded that no impairment indicators exist as of June 30, 2022.

Share-based compensation

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

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

c) New and Amended Standards Adopted by the Company

IAS 16, Property, Plant and Equipment

The IASB issued an amendment to IAS 16, Property, Plant and Equipment to prohibit the deduction of amounts received from selling items produced while preparing an asset for its intended use from property, plant and equipment. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment requires companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The adoption of this standard did not have a material impact on the Company's financial statements.

New Accounting Standards Issued But Not Yet Effective

IAS 1, Presentation of Financial Statements
The IASB issued an amendment to IAS 1, Presentation of Financial Statements to clarify one of the requirements under the standard for classifying a liability as non-current in nature, specifically the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendment includes: (i) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (ii) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (iii) clarifying how lending conditions affect classification; and (iv) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. An assessment will be performed prior to the effective date of January 1, 2023 to determine the impact to the Company's financial statements.

Note 3 – Cash and cash equivalents

As at June 30, 2022, cash and cash equivalents comprised cash deposits held as follows: $6.6 million held in Canada (December 31, 2021 - $26.4 million) and $3.2 million held in Chile (December 31, 2021 - $0.4 million).

Note 4 – Disposition of subsidiary and discontinued operations

Sale of Minera Rayrock Ltda ("Rayrock")
On March 3, 2022, the Company entered into an agreement to sell its wholly-owned indirect subsidiary Rayrock, which holds the Ivan plant, to a third party ("5Q"). The transaction closed on March 21, 2022. Under the terms of the agreement, 5Q acquired 100% of the issued and outstanding shares of Rayrock for a purchase price of up to $11.0 million, payable in instalments over several periods upon the achievement of certain milestones as follows:

- Up to $11.0 million in total consideration
  - $0.15 million upon signing;
  - $0.35 million upon approval of the Ivan plant's technical permits;
  - $1.8 million - $2.1 million on the 12-month anniversary of the transaction, determined by reference to LME copper price;
  - $2.7 million to $3.1 million on the 18-month anniversary of the transaction, determined by reference to the LME copper price; and
  - $4.1 million - $5.2 million on the 24-month anniversary of the transaction, determined by reference to the LME copper price.

Contingent payments

- Up to $6.0 million in contingent payments based on potential future stockpile acquisitions to be processed through the Ivan plant, based on the amount of copper contained in the stockpiles:
  - $1.0 million for stockpiles containing 5,000 tonnes ("t") to 10,000t total copper;
  - $2.0 million for stockpiles containing 10,000t to 20,000t total copper;
  - $4.0 million for stockpiles containing 20,000t to 30,000t total copper; or
  - $6.0 million for stockpiles containing > 30,000t total copper.

(a) Operations to March 21, 2022
The disposition was completed on March 21, 2022, on which date control of Rayrock passed to 5Q. As a result of the loss of control of Rayrock, the Company determined that Rayrock met the criteria as a discontinued operation under IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

For the period from January 1, 2022 to March 21, 2022 and for the three months ended March 31, 2021, the net loss from Rayrock is reported as loss from discontinued operations. From March 21, 2022 onwards, the results from rayrock are not reported in the financial statements of Marimaca.

The discontinued operations presented in the comparative periods in the statements of loss and comprehensive loss and statement of cash flows have been restated for all operations that have been classified as discontinued as at the statement of financial position date of the most recent period presented.

The net loss from Rayrock, which included the Ivan plant, for the three and six months ended June 30, 2022 and 2021, are as follows:

	For the three months ended June 30,		For the six months ended June 30,	
(In thousands of US dollars)	**2022**	2021	**2022**	2021
Expenses				
Care and maintenance costs	$ -	$ 335	$ 236	$ 838
Operating loss				
Foreign exchange gain	-	(30)	(63)	(62)
Net loss	$ -	$ 305	$ 173	$ 776

The following table provides details of the cash flows from operations of Rayrock for the six months ended June 30, 2022 and 2021:

	For the six months ended June 30,	
(In thousands of US dollars)	**2022**	2021
Cash flows from operating activities		
Net loss	$ (173)	$ (776)
Items not affecting cash:		
Accretion on retirement obligation	13	39
	$ (160)	$ (737)
Changes in non-cash operating working capital		
(Increase) decrease in receivables and prepaids	(7)	(14)
Decrease in accounts payable and accruals	(8)	1
Cash used in operating activities of discontinued operations	$ (175)	$ (750)

(b) Gain on sale of Rayrock

On March 21, 2022, the Company completed the sale of Rayrock to 5Q. The fair value of the total consideration was estimated to be $8.3 million resulting in a gain on the sale of Rayrock of $3.0 million. The Company received a cash payment of $0.15 million upon signing of the definitive documents and recorded current amount receivable of $0.35 million and non-current amounts receivable of $7.8 million associated with the future payments.

The identifiable assets and liabilities disposed of on the sale of Rayrock are as follows:

(In thousands of US dollars)	**March 21, 2022**
Proceeds from sale	
Cash consideration	$ 8,281
Contingent payments	-
Total consideration	**$ 8,281**
Assets	
Total current assets	19
Total non-current assets	11,367
Total assets	$ 11,386
Liabilities	
Total current liabilities	73
Total non-current liabilities	6,022
Total liabilities	$ 6,095
Total net assets	$ 5,291
Gain on sale of Rayrock	**$ 2,990**

Note 5 - Exploration and evaluation assets

(In thousands of US dollars)		Marimaca Properties MC 1-23		LA		ATA		O&C		Ll&M		MD		Total
Balance- January 1, 2021	$	21,542	$	8,057	$	12,915	$	1,218	$	105	$	624	$	44,461
Exploration and evaluation costs		2,942		-		-		-		-		457		3,399
Property acquisition costs		-		3,728		200		1,846		250		275		6,299
Balance at December 31, 2021	$	24,484	$	11,785	$	13,115	$	3,064	$	355	$	1,356	$	54,159
Exploration and evaluation costs		**3,265**		**2,286**		**2,285**		**-**		**-**		**170**		**8,006**
Property acquisition costs		**-**		**-**		**1,600**		**3,550**		**125**		**-**		**5,275**
June 30, 2022	**$**	**27,749**	**$**	**14,071**	**$**	**17,000**	**$**	**6,614**	**$**	**480**	**$**	**1,526**	**$**	**67,440**

1-23 Claims ("1-23")
On September 10, 2019, the Company announced that it had entered into arrangements to acquire the remaining 49% of the corporate entity holding the Marimaca 1-23 claims. The transaction was completed in February 2020 with the payment of $6.0 million, resulting in the Company owning 100% of the corporate entity that holds the Marimaca 1-23 claims. The terms of the acquisition provide for certain deferred consideration payments to be made in October 2021 ($3.0 million) (paid) and February 2022 ($3.0 million) (paid). In addition to the purchase price, the Company paid $0.2 million in interest to the sellers.

The sellers retain a 1.5% net smelter return royalty ("NSR") over the 1-23 Claims, with the Company retaining an option to purchase 1% of the 1.5% NSR for $4.0 million at any time up to 24 months following the commencement of commercial production of the 1-23 Claims, as well as a right of first refusal over the NSR.

La Atomica claims ("LA")
The Company acquired 100% of the La Atomica property by paying a total of $6.3 million from 2017 to 2021. A 1.5% NSR is payable on the claims, with the Company retaining an option to purchase 0.5% of the 1.5% NSR for $2.0 million at any time.

Atahualpa claims ("ATA") - Formerly known as Sierra Miranda claims
Under the terms of a January 2018 LOI, the Company acquired 100% of the Atahualpa, Tarso, Sierra and Sorpresa claims, which are immediately adjoining the Marimaca Project for a total cash consideration of $6.0 million. A 2% NSR is payable on the claims under the original option agreement.

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

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

In May 2020, the Company modified the Option Agreement to split into three tranches the $1.75 million payment due on the 36-month anniversary payable as follows: (i) $0.6 million on the 36-month anniversary of the original agreement (paid); (ii) $0.2 million on the 38-month anniversary (paid); (iii) $1.1 million on the 48-month anniversary (paid). These amended instalments include $0.1 million in interest calculated using a 0.9% monthly interest rate.

Llanos and Mercedes ("Ll&M")
Under the terms of a May 2019 option agreement, the Company may acquire the Llanos and Mercedes properties for a total consideration of $2.0 million payable as follows: $0.05 million upon signing (paid); $0.05 million on the 16-month anniversary (paid); $0.1 million on the 24-month anniversary (paid); $0.125 million on the 28-month anniversary (paid); $0.125 million on the 36-month anniversary (paid May 2022); $0.15 million on the 40-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 purchase option for the NSR of $0.5 million exercisable up to 24 months from the start of commercial production.

Marimaca District ("MD")

Akicy
Under the terms of a July 2020 option agreement, the Company may acquire the Cincy 1-10 and Esperada 1-17 (1-5 and 11-15) properties for a total consideration of $0.5 million payable as follows: $0.01 million upon signing (paid); $0.08 million on the 12-month anniversary (paid); $0.11 million on the 24-month anniversary and $0.3 million on the 36-month anniversary. These claims are subject to a 1.5% NSR with a clause to buy a 0.5% NSR for $0.5 million exercisable at any time.

Emilia
Under the terms of an August 2020 option agreement, the Company may acquire the Emilia 1-10 properties for a total consideration of $0.5 million payable as follows: $0.01 million upon signing (paid); $0.08 million on the 12-month anniversary (paid); $0.11 million on the 24-month anniversary and $0.3 million on the 36-month anniversary. These claims are subject to a 1.5% NSR with a clause to buy a 0.5% NSR for $0.5 million exercisable at any time.

La Esperada
Under the terms of a December 2020 option agreement, the Company may acquire the Esperada 1-17 (6-10 and 16-17) properties for a total consideration of $0.25 million payable as follows: $0.13 million upon signing (paid) and $0.12 million on the 12-month anniversary (paid). These claims are subject to a 1.5% NSR with a clause to buy a 0.5% NSR for $0.3 million exercisable at any time.

Note 6 - Accounts payable and accrued liabilities

(In thousands of US dollars)		**June 30, 2022**		December 31, 2021
Accounts payable	**$**	**1,080**	$	397
Accrued liabilities		**1,309**		1,011
	$	**2,389**	$	1,408

Note 7 - Other debt

Marimaca acquisition debt
On February 14, 2020, and later amended in May 2020, the Company signed the definite agreements acquiring the remaining 49% interest in the 1-23 Claims for a total cash consideration of $12.0 million which is payable as follows: (i) $6.0 million upon signing of the definitive agreements; (ii) $3.2 million in October 2021; and (iii) $3.0 million in February 2022. The sellers agreed to transfer their 49% interest in the 1-23 Claims upon the execution date of the definitive agreements. The Company paid the initial $6.0 million upon execution of the definitive agreements and recorded the fair value of the remaining two instalments as a liability. The fair value of the future instalments was estimated to be $5.1 million using an annual discount rate of 12% for two years. The Company paid $0.2 million in interest relating to the deferral of an instalment from May 2021 to October 2021.

The Company made the final payment of $3.0 million in February 2022.

Note 8 – Shareholders' equity

a) Share capital

Share consolidation
On May 27, 2020, the Company completed a share consolidation of its share capital on the basis of twenty-five (25) pre-consolidation shares for one (1) post-consolidation share (the "Consolidation"). All references to the number of shares, options and per share amounts presented have been retroactively restated to reflect the Consolidation (post-consolidation basis).

Authorized
The Company authorized capital includes an unlimited number of common shares (88,226,303 common shares issued and outstanding as at June 30, 2022) having no par value.

Private Placement
On March 1, 2021, the Company announced the completion of a non-brokered private placement pursuant to which it issued 9,377,273 units ("Units") at a price of C$3.30 per Unit for gross proceeds of C$30.9 million ($24.5 million). Each Unit comprised one common share of the Company (a "Common Share") and one-half of one Common Share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional Common Share at an exercise price of C$4.10 until December 3, 2022. In connection with the private placement, the Company issued an aggregate of 181,545 Common Shares as consideration for services rendered valued at C$0.8 million ($0.7 million).

In addition, Greenstone Resources II LP and Greenstone Co-Investment No. 1 (Coro) LP (collectively, "Greenstone") have elected to acquire 4,205,333 Units pursuant to the exercise of pre-emptive anti-dilution rights in connection with the private placement described above, resulting in additional gross proceeds of approximately C$13.9 million ($11.0 million).

b) Stock options
During 2020, the Company adopted a new incentive plan (the "Omnibus Plan") which allows for the issuance of stock options and restricted share units ("RSUs") and replaced the Company old stock option plan. The maximum number of common shares of the Company available for issuance under the Omnibus Plan will not exceed 10% of the Company's issued and outstanding common shares, less the number of common shares subject to grants of stock options under the Company's previous plan.

During the three and six months ended June 30, 2022, no stock options or RSUs were granted (Q2 2021 – 3.5 million and 2021 – 3.7 million, respectively) under the Omnibus Plan.

During the three and six months ended June 30, 2022, the Company recorded $1.0 million (Q2 2021 - $3.7 million) and $2.6 million (2021 – $4.7 million), respectively, in share-based compensation associated with the vesting of previously granted stock options and RSUs.

Note 9 - Exploration expenditures

The Company capitalized exploration expenditures related to the Marimaca Project, which resulted in a recovery of exploration expenditures in the three months ended June 30, 2022, which relate to previously expensed amounts.

(In thousands of US dollars)	**For the three months ended June 30, 2022**		
	Marimaca District	**General**	**Total**
Drilling & trenching costs	**$ (2,758)**	**$ -**	**$ (2,758)**
General & administration costs	**(96)**	**126**	**30**
Property rental income	**-**	**(84)**	**(84)**
Total	**$ (2,854)**	**$ 42**	**$ (2,812)**

	For the three months ended June 30, 2021		
	Marimaca District	General	Total
Drilling & trenching costs	$ 1,783	$ -	$ 1,783
General & administration costs	78	177	255
Property rental income	-	(45)	(45)
Total	$ 1,861	$ 132	$ 1,993

(In thousands of US dollars)	**For the six months ended June 30, 2022**		
	Marimaca District	**General**	**Total**
Drilling & trenching costs	**$ -**	**$ -**	**$ -**
General & administration costs	**-**	**183**	**183**
Property rental income	**-**	**(128)**	**(128)**
Total	**$ -**	**$ 55**	**$ 55**

	For the six months ended June 30, 2021		
	Marimaca District	General	Total
Drilling & trenching costs	$ 2,971	$ 8	$ 2,979
General & administration costs	78	325	403
Property rental income	-	(89)	(89)
Total	$ 3,049	$ 244	$ 3,293

a) Marimaca District, Chile

The Marimaca District is a large exploration area that could potentially be part of the Marimaca Project. The Marimaca District is located 25 kms east of the port of Mejillones in the II Region of Chile. Exploration activities on the Marimaca District include property exploration expenditures and costs associated with the Marimaca Project and other wholly-owned projects that are not adjacent to the Marimaca project.

Certain exploration related expenses are capitalized and included in exploration and evaluation assets (See Note 5) while district exploration expenses are expensed and recorded as exploration expenditures in the statement of loss and comprehensive loss.

b) General, Chile
General exploration includes the allocation of project administration costs like office salaries.

Note 10 - Related party transactions

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

	Three months ended June 30,		Six months ended June 30,	
(In thousands of US dollars)	**2022**	2021	**2022**	2021
Short-term benefits[1]	**$ 346**	$ 418	**$ 812**	$ 851
Share-based payments[2]	**878**	3,406	**2,481**	4,680
Total	**$ 1,224**	$ 3,824	**$ 3,293**	$ 5,531

[1] Includes salary, benefits and short-term accrued incentives/other bonuses earned in the period.
[2] Represents the expense of stock options and restricted share units during the period.

Note 11 - Segmented information

The chief operating decision-maker organizes and manages the business under one operating segment. The table below shows the geographical location of various assets and liabilities held by the Company as at March 31, 2022 and the net loss associated with each location for the three months ended March 31, 2022.

(In thousands of US dollars)	Chile	Canada	Total
June 30, 2022			
Current assets	$ 4,409	$ 6,703	**$ 11,111**
Non-current assets	76,216	17	**76,233**
Total assets	80,625	6,720	**87,344**
Current liabilities	2,134	254	**2,389**
Total liabilities	2,134	254	**2,389**
Net loss	2,860	(3,697)	**(839)**
	Chile	**Canada**	**Total**
December 31, 2021			
Current assets	$ 12,153	26,444	**$ 38,597**
Non-current assets	54,206	(6)	**54,200**
Total assets	66,359	26,438	**92,797**
Current liabilities	8,777	709	**9,486**
Total liabilities	8,777	709	**9,486**
Net income (loss)	$ (7,801)	$ (11,005)	**$ (18,806)**

Note 12 – Commitments

The Company has commitments under several option agreements as described in Note 5. The following table sets out the Company´s outstanding option payments as of June 30, 2022.

(In thousands of US dollars)	2022	2023	Total
Llanos & Mercedes	$ 150	$ 1,400	**$ 1,550**
Akicy, Emilia & La Esperada	220	600	**820**
Total	**$ 370**	**$ 2,000**	**$ 2,370**