



marimaca
C O P P E R C O R P .

Marimaca Copper Corp.

Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 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 September 30, 2022 and December 31, 2021

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

	As at September 30, 2022	As at December 31, 2021
Assets		
Current assets		
Cash (Note 3)	\$ 17,777	\$ 26,786
Amounts receivable and prepaid expenses (Note 4)	412	450
Assets classified as held for sale	-	11,361
	18,189	38,597
Non-current assets		
Amounts receivable (Note 4)	9,673	-
Property, plant and equipment	6	41
Exploration and evaluation assets (Note 5)	57,430	54,159
Total assets	\$ 85,298	\$ 92,797
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 972	\$ 1,408
Current portion of acquisition debt (Note 7)	-	2,998
Liabilities classified as held for sale	-	5,080
	972	9,486
Total liabilities	972	9,486
Shareholders' equity (Note 8)		
Common shares	192,800	192,024
Contributed surplus	29,936	27,391
Accumulated other comprehensive income ("AOCI")	891	936
Deficit	(139,301)	(137,040)
Total equity	84,326	83,311
Total liabilities and equity	\$ 85,298	\$ 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 nine months ended September 30, 2022 and 2021

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Expenses				
Exploration expenditures (Note 9)	\$ 29	\$ 1,777	\$ 84	\$ 5,070
Depreciation and amortization	12	30	35	35
Legal and filing fees	74	30	176	172
Other corporate costs	189	10	558	343
Salaries and management fees	479	614	1,253	1,235
Share-based compensation (Note 8(b))	686	1,240	3,321	5,944
Operating loss	(1,469)	(3,701)	(5,427)	(12,799)
Finance income (expense)	50	(219)	126	(362)
Foreign exchange (loss) gain	(3)	152	223	116
Gain on sale of Rayrock (Note 4)	-	-	2,990	-
Loss from continuing operations	\$ (1,422)	\$ (3,768)	\$ (2,088)	\$ (13,045)
Discontinued operations				
Loss from discontinued operations (Note 4)	-	(226)	(173)	(1,002)
Net loss	\$ (1,422)	\$ (3,994)	\$ (2,261)	\$ (14,047)
Other comprehensive income				
Items that may be reclassified subsequently to net income:				
Foreign currency translation adjustment	(191)	(1,057)	(45)	(88)
Comprehensive Loss	\$ (1,613)	\$ (5,051)	\$ (2,306)	\$ (14,135)
Loss per share from continuing operations				
Basic and diluted loss per share	\$ (0.02)	\$ (0.04)	\$ (0.02)	\$ (0.15)
Loss per share from discontinued operations				
Basic and diluted loss per share	\$ -	\$ (0.01)	\$ (0.00)	\$ (0.00)
Loss per share				
Basic and diluted loss per share	\$ (0.02)	\$ (0.05)	\$ (0.02)	\$ (0.17)
Weighted average number of shares outstanding (000's)				
Basic	88,226	87,930	88,172	84,621
Diluted	89,112	89,374	89,314	86,343

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 nine months ended September 30, 2022 and 2021

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

	Number of shares		Contributed		AOCI	Deficit	Total
	#000's	Amount	Surplus	Amount			
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	-	-	5,944	-	-	5,944	
Net loss	-	-	-	-	(14,047)	(14,047)	
Other comprehensive loss	-	-	-	(88)	-	(88)	
Balance - September 30, 2021	87,930	\$ 191,678	\$ 25,493	\$ 631	\$ (132,281)	\$ 85,521	
Balance - January 1, 2022	88,028	\$ 192,024	\$ 27,391	\$ 936	\$ (137,040)	\$ 83,311	
Options exercised	198	776	(776)	-	-	-	
Share-based compensation	-	-	3,321	-	-	3,321	
Net loss	-	-	-	-	(2,261)	(2,261)	
Other comprehensive loss	-	-	-	(45)	-	(45)	
Balance - September 30, 2022	88,226	\$ 192,800	\$ 29,936	\$ 891	\$ (139,301)	\$ 84,326	

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

Marimaca Copper Corp.

Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended September 30, 2022 and 2021

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

	For the nine months ended September 30,	
	2022	2021
Cash flows from operating activities		
Net loss	\$ (2,088)	\$ (13,045)
Items not affecting cash		
Depreciation and amortization	35	35
Unrealized foreign exchange	(120)	-
Share-based compensation (Notes 10(b) and (c))	3,321	5,944
Accretion on debt	38	458
Gain on sale of Rayrock (Note 4)	(2,990)	-
	(1,804)	(6,608)
Change in non-cash operating working capital		
Increase in amounts receivable and prepaid expenses	(511)	(90)
Decrease in accounts payable and accrued liabilities	(441)	(1,094)
Cash used in operating activities of continuing operations	\$ (2,756)	\$ (7,792)
Operating cash outflows before changes in working capital from	(173)	(1,002)
Accretion on restoration obligation	13	59
Change in non-cash operating working capital		
Increase in amounts receivable and prepaid expenses	(7)	(12)
Decrease in accounts payable and accrued liabilities	(8)	(13)
Cash used in operating activities of discontinued operations	(175)	(968)
Net cash used in operating activities	\$ (2,931)	\$ (8,760)
Cash flows from financing activities		
Issuance of common shares (Note 8(a))	-	36,518
Repayment of loan (Note 7)	(3,000)	-
Proceeds from sale of royalty (Note 5)	15,500	-
Cash provided by financing activities	\$ 12,500	\$ 36,518
Cash flows from investing activities		
Proceeds from the sale of Rayrock	150	-
Lease payments	(33)	(30)
Exploration and evaluation assets - option property payments	(5,495)	(2,276)
Exploration and evaluation assets - capitalized expenditures	(13,276)	(2,841)
Cash used in investing activities	\$ (18,654)	\$ (5,147)
Effect of exchange rate changes on cash	76	(87)
Increase (decrease) in cash and cash equivalents	(9,009)	22,524
Cash and cash equivalents: beginning of the period	26,786	13,852
Cash and cash equivalents: end of the period	\$ 17,777	\$ 36,376

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

Marimaca Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

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 September 30, 2022, the Company had working capital of \$17.2 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 November 14, 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 nine months ended September 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

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

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 date 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 September 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.

Note 3 – Cash and cash equivalents

As at September 30, 2022, cash and cash equivalents comprised cash deposits held as follows: \$16.5 million held in Canada (December 31, 2021 - \$26.4 million) and \$1.3 million held in Chile (December 31, 2021 - \$0.4 million).

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

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 Copper.

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 nine months ended September 30, 2022 and 2021, are as follows:

<i>(In thousands of US dollars)</i>	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Expenses				
Care and maintenance costs	\$ -	\$ 255	\$ 236	\$ 1,092
Operating loss				
Foreign exchange gain	-	(28)	(63)	(90)
Net loss	\$ -	\$ 226	\$ 173	\$ 1,002

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

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

<i>(In thousands of US dollars)</i>	For the nine months ended September 30,	
	2022	2021
Cash flows from operating activities		
Net loss	\$ (173)	\$ (1,002)
Items not affecting cash:		
Accretion on retirement obligation	13	59
	\$ (160)	\$ (943)
Changes in non-cash operating working capital		
Increase in amounts receivable and prepaid expenses	(7)	(12)
Decrease in accounts payable and accrued liabilities	(8)	(13)
Cash used in operating activities of discontinued operations	\$ (175)	\$ (968)

(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:

<i>(In thousands of US dollars)</i>	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	

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

Note 5 - Exploration and evaluation assets

(In thousands of US dollars)	Marimaca Properties						Total
	MC 1-23	LA	ATA	O&C	LI&M	MD	
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	5,199	3,905	3,905	-	-	267	13,276
Property acquisition costs	-	-	1,600	3,550	125	220	5,495
Osisko royalty	-	-	-	-	-	-	(15,500)
September 30, 2022	\$ 29,683	\$ 15,690	\$ 18,620	\$ 6,614	\$ 480	\$ 1,843	\$ 57,430

Osisko Gold Royalties Ltd. Transaction

On September 8, 2022, the Company announced a \$15.5 million investment from Osisko Gold Royalties Ltd. (“Osisko”) in exchange for a 1% net smelter return royalty (“NSR”) on certain claims covering the Marimaca Project and some claims immediately adjacent to it.

Marimaca, together with certain of its wholly-owned Chilean subsidiaries, and Osisko entered into an Investment Agreement and a Royalty Agreement whereby Marimaca granted an unsecured 1.0% NSR to Osisko on concessions that currently host the Marimaca Oxide Deposit as well as certain rights including a right of first refusal with respect to any royalty, stream, or similar interest in connection with project financing of the Marimaca Project for cash consideration of US\$15.5 million in aggregate. Under the Investment Agreement, Marimaca has agreed to exercise certain buyback rights in respect of royalties granted under the 1-23 Purchase Agreement and La Atomica option agreement prior to commercial production which total US\$6.0 million in aggregate.

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).

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

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 (paid), 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 (paid) 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 (paid) 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

<i>(In thousands of US dollars)</i>	September 30, 2022		December 31, 2021	
Accounts payable	\$	381	\$	397
Accrued liabilities		591		1,011
	\$	972	\$	1,408

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

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 September 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 nine months ended September 30, 2022, the Company granted 0.2 million stock options (Q3 2021 – nil) and 0.2 million stock options (2021 – 3.5 million), respectively. The stock options have a weighted average exercise price of C\$3.70 per stock option (2021 – C\$4.98) and a weighted average life of 5 years (2021 – 5 years). The fair value of the stock options was estimated to be C\$0.3 million in aggregate (2021 – C\$9.5 million).

Stock options were valued using the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted: risk-free rate – 3.40% (2021 – 0.30%); volatility – 58% (2021 – 67%); expected life – 5 years (2010 – 5 years) and dividend yield – 0% (2021 – 0%).

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

During the three and nine months ended September 30, 2022, the Company recorded \$0.7 million (Q3 2021 - \$1.4 million) and \$3.3 million (2021 – \$5.9 million), respectively, in share-based compensation associated with the vesting of previously granted stock options and RSUs.

Note 9 - Exploration expenditures

<i>(In thousands of US dollars)</i>	For the three months ended September 30, 2022		
	Marimaca District	General	Total
Drilling & trenching costs	\$ -	\$ -	\$ -
General & administration costs	-	100	100
Property rental income	-	(71)	(71)
Total	\$ -	\$ 29	\$ 29

	For the three months ended September 30, 2021		
	Marimaca District	General	Total
Drilling & trenching costs	\$ 1,732	\$ -	\$ 1,732
General & administration costs	59	63	122
Property rental income	-	(77)	(77)
Total	\$ 1,791	-\$ 14	\$ 1,777

<i>(In thousands of US dollars)</i>	For the nine months ended September 30, 2022		
	Marimaca District	General	Total
Drilling & trenching costs	\$ -	\$ -	\$ -
General & administration costs	-	283	283
Property rental income	-	(199)	(199)
Total	\$ -	\$ 84	\$ 84

	For the nine months ended September 30, 2021		
	Marimaca District	General	Total
Drilling & trenching costs	\$ 4,704	\$ 8	\$ 4,712
General & administration costs	137	387	524
Property rental income	-	(166)	(166)
Total	\$ 4,841	\$ 229	\$ 5,070

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.

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

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:

<i>(In thousands of US dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Short-term benefits ⁽¹⁾	\$ 355	\$ 473	\$ 1,158	\$ 824
Share-based payments ⁽²⁾	616	1,274	3,097	4,599
Total	\$ 971	\$ 1,747	\$ 4,255	\$ 5,423

⁽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 September 30, 2022 and the net loss associated with each location for the nine months ended September 30, 2022.

<i>(In thousands of US dollars)</i>	Chile	Canada	Total
September 30, 2022			
Current assets	\$ 1,641	\$ 16,548	\$ 18,189
Non-current assets	67,092	17	67,109
Total assets	68,733	16,565	85,298
Current liabilities	572	400	972
Total liabilities	572	400	972
Net income (loss)	2,832	(5,093)	(2,261)
	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 loss	\$ (7,801)	\$ (11,004)	\$ (18,805)

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

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 September 30, 2022.

<i>(In thousands of US dollars)</i>	2022	2023	Total
Llanos & Mercedes	\$ 150	\$ 1,400	\$ 1,550
Akicy, Emilia & La Esperada		600	600
Total	\$ 150	\$ 2,000	\$ 2,150

Note 13 – Subsequent event

(a) Water Option Agreement

On November 7, 2022, the Company announced that it had entered into a water option agreement to secure the future water supply for the Marimaca Project. Under the agreement, seawater would be supplied in Mejillones, located 25 kilometres from the Project. The option has a term of 5 years, with the ability to extend for 2 years, and has annual cost of \$0.2 million.

(b) 2022 Mineral Resource Estimate

On October 13, 2022, the Company released an updated Mineral Resource Estimate (the "2022 MRE") for the Marimaca Project which demonstrates significant resource growth from the previous 2019 MRE.