

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of securities only in those jurisdictions where such securities may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, possessions or the District of Columbia (the “United States”), or to a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act) (a “U.S. Person”) unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, any U.S. Person. See “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Marimaca Copper Corp. at Suite 1504, Cerro el Plomo 5420, Las Condes, Santiago, 7560742, Chile (Telephone: + 56 224317600), and are also available electronically at www.sedar.com. See “Documents Incorporated by Reference”.

## SHORT FORM PROSPECTUS

New Issue

November 30, 2020



### MARIMACA COPPER CORP.

**\$25,200,000**  
**8,000,000 Units**

This short form prospectus (the “**Prospectus**”) qualifies the distribution (the “**Offering**”) of 8,000,000 units (the “**Units**”) of Marimaca Copper Corp. (the “**Corporation**”) at a price of \$3.15 per Unit (the “**Offering Price**”). Each Unit will consist of one common share in the capital of the Corporation (a “**Common Share**”) and one half of one common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of \$4.10 per Common Share at any time prior to 5:00 p.m. (Vancouver time) on the date that is 24 months following the Closing Date (as defined herein). The Units will separate into Common Shares and Warrants immediately upon issue.

The Units are being sold pursuant to the terms and conditions of an underwriting agreement dated November 18, 2020 (the “**Underwriting Agreement**”) made among the Corporation, Canaccord Genuity Corp., as the lead underwriter and sole bookrunner (the “**Lead Underwriter**”), BMO Capital Markets, Paradigm Capital Inc., and Tamesis Partners LLP (together with the Lead Underwriter, the “**Underwriters**”). The Offering Price was determined by negotiation between the Corporation and the Lead Underwriter, on its own behalf and on behalf of the other Underwriters, with reference to the prevailing market price of the Common Shares. See “*Plan of Distribution*”.

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### PRICE: \$3.15 PER UNIT

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	<u>Price to Public</u>	<u>Underwriters’ Commission <sup>(1)</sup></u>	<u>Net Proceeds to the Corporation <sup>(2)</sup></u>
Per Unit .....	\$3.15	\$0.189	\$2.961
Total Offering <sup>(3)</sup> .....	\$25,200,000	\$1,512,000	\$23,688,000

Notes:

- (1) In connection with the Offering, the Corporation has agreed to pay the Underwriters a cash fee (the “**Underwriters’ Commission**”) equal to 6.0% of the gross proceeds of the Offering, other than gross proceeds on (a) up to \$2.5 million of sales made to President’s List purchasers, on which a reduced fee of 3.0% will be paid to the Underwriters, and (b) sales made to the Greenstone Group and the Tembo Group (each as defined below), in respect of which no fee will be paid to the Underwriters. As additional consideration, the Corporation will issue to the Underwriters such number of non-transferable common share purchase warrants of the Corporation (each whole warrant, a “**Compensation Warrant**”) as is equal to 3.0% of the total number of Units sold under the Offering, including Units sold pursuant to the exercise of the Over-Allotment Option, provided, however, that (a) the percentage of Compensation Warrants issued in respect of

number of up to \$2.5 million of sales made to President’s List purchasers will be reduced to 1.5% and (b) no Compensation Warrants will be issued in respect of sales to the Greenstone Group and the Tembo Group. Each Compensation Warrant will entitle the holder thereof to purchase one Common Share, at the Offering Price, at any time prior to 5:00 p.m. (Vancouver time) on the date that is 24 months following the Closing Date. This Prospectus also qualifies the distribution of the Compensation Warrants to the Underwriters (including Compensation Warrants issued in respect of Units sold pursuant to the exercise of the Over-Allotment Option (as defined below)). The Underwriters’ Commission assumes no sales to President’s List buyers and no sales to the Greenstone Group or the Tembo Group. See “*Plan of Distribution*”. See “*Use of Proceeds*” for additional information regarding the expected impact of sales to President’s List buyers, the Greenstone Group and the Tembo Group on the Underwriters’ Commission and net proceeds to the Corporation.

- (2) Before deducting the expenses of the Offering, which are estimated to be \$400,000, which will be paid by the Corporation from the proceeds of the Offering. See “*Use of Proceeds*”.
- (3) The Corporation has also granted to the Underwriters an over-allotment option (the “**Over-Allotment Option**”), exercisable in whole or in part in the sole direction of the Underwriters, for a period of 30 days from and including the Closing Date, to purchase an additional 15% of Units (being 1,200,000 Units), at the Offering Price, solely to cover over-allotments, if any, and for market stabilization purposes. Alternatively, the Over-Allotment Option may be exercised by the Underwriters in respect of (i) additional Common Shares at a price of \$2.98; (ii) additional Warrants at a price of \$0.339 (with each half Warrant priced at \$0.17) or (iii) any combination of Units, Common Shares and/or Warrants (together, the “**Additional Securities**”), so long as the aggregate number of Common Shares which may be issued under the Over-Allotment Option does not exceed 1,200,000 and the aggregate number of Warrants which may be issued under the Over-Allotment Option does not exceed 600,000.
- (4) If the Over-Allotment Option is exercised in full, the total number of Units sold under the Offering will be 9,200,000, the total price to the public will be \$28,980,000, the total Underwriters’ Commission (assuming no sales to President’s List buyers and no sales to the Greenstone Group or the Tembo Group) will be \$1,738,800, and the total net proceeds to the Corporation (before deducting the estimated expenses of the Offering) will be \$27,241,200. This Prospectus also qualifies the grant to the Underwriters of the Over-Allotment Option and the distribution of any Additional Securities issued in connection with the exercise thereof. A purchaser who acquires securities forming part of the Underwriters’ over-allotment position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “*Plan of Distribution*”.

The following table sets out the maximum number of securities under options issuable to the Underwriters in connection with the Offering:

<u>Underwriters’ Position</u>	<u>Maximum Number of Securities</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	1,200,000 Common Shares and 600,000 Warrants <sup>(1)</sup>	30 days following Closing Date	\$3.15 per Unit <sup>(1)</sup>
Compensation Warrants	276,000 Compensation Warrants (each exercisable for one Common Share) <sup>(2)</sup>	Up to 24 months following the Closing Date	\$3.15 per Common Share

Note:

- (1) The Over-Allotment Option may be exercised for a total of 1,200,000 Units, at the Offering Price, solely to cover over-allotments, if any, and for market stabilization purposes. Alternatively, the Over-Allotment Option may be exercised by the Underwriters in respect of (i) Common Shares at a price of \$2.98; (ii) additional Warrants at a price of \$0.339 (with each half Warrant priced at \$0.17) or (iii) any combination of Units, Common Shares and/or Warrants, provided that the aggregate number of Common Shares which may be issued under the Over-Allotment Option may not exceed 1,200,000 and the aggregate number of Warrants which may be issued under the Over-Allotment Option may not exceed 600,000.
- (2) Assumes the exercise of the Over-Allotment Option in full.

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement and subject to approval of certain legal matters relating to the Offering on behalf of the Corporation by McCarthy Tétrault LLP and on behalf of the Underwriters by Stikeman Elliott LLP. See “*Plan of Distribution*”.

The common shares of the Corporation (“**Common Shares**”) are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**MARI**”. On November 27, 2020, the last day on which the Common Shares traded prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was \$3.30. **The Corporation has received conditional approval to list the Common Shares included in the Units, the Common Shares underlying the Warrants, the Common Shares underlying the Compensation Warrants (collectively, the “Offered Shares”) on the TSX. Such listing will be subject to the Corporation fulfilling the applicable listing requirements of the TSX.**

The Corporation has not applied and does not intend to apply to list the Warrants on the TSX or any other securities exchange. **There is no market through which the Warrants may be sold and purchasers may not be able to**

**resell Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See “Risk Factors”.**

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing of the Offering will occur on or about December 3, 2020 or such other date as may be agreed to in writing between the Corporation and the Lead Underwriter (the “**Closing Date**”).

**An investment in the Units is highly speculative and involves a high degree of risk.** The risk factors identified under the heading “*Note Regarding Forward-Looking Statements*” and “*Risk Factors*” herein and the other documents incorporated by reference in this Prospectus should be carefully reviewed and evaluated by prospective investors before purchasing the securities being offered hereunder.

The Underwriters, as principals and agents respectively, conditionally offer the Units, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the terms and conditions contained in the Underwriting Agreement referred to under “Plan of Distribution”, and subject to the approval of certain legal matters on behalf of the Corporation by McCarthy Tétrault LLP and on behalf of the Underwriters by Stikeman Elliott LLP. In connection with the Offering, the Underwriters may, subject to applicable laws, effect transactions intended to stabilize or maintain the market price for the Common Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

**The Underwriters propose to offer the Units initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all such Units at such price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Units remaining unsold. Any such reduction will not affect the net proceeds received by the Corporation relating to the Offering. The Underwriters will inform the Corporation if the price payable by purchasers is decreased. See “Plan of Distribution”.**

It is anticipated that the Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and deposited in electronic form. A purchaser of Units who is a CDS service participant will only receive a customer confirmation from the registered dealer from or through which the Units are purchased, including Units issued to purchasers in the United States or to, or for the account or benefit of, U.S. Persons that are “qualified institutional buyers” (“**Qualified Institutional Buyers**”) within the meaning of Rule 144A (“**Rule 144A**”) under the U.S. Securities Act. CDS will record the CDS participants who hold Common Shares and Warrants comprising the Units on behalf of owners who have purchased them in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. See “*Plan of Distribution*”.

Prospective investors should rely only on the information contained in this Prospectus and the documents incorporated by reference herein. The Corporation has not authorized anyone to provide prospective investors with information different from that contained in this Prospectus. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of the Units.

Certain directors of the Corporation (Michael Haworth, Colin Kinley, Alan Stephens and Luis A. Tondo), and each of Luis A. Tondo (Chief Executive Officer) and Leonardo Araya Muñoz (Chief Financial Officer), reside outside of Canada. Each of these individuals has appointed Cartan Limited, Box 48, Suite 5300, Toronto Dominion Bank Tower, Toronto, Ontario M5K 1E6 as agent for service of process in Canada. In addition, certain of the “qualified persons” described under the heading “*Interest of Experts*” (Francisco Castillo, Luis Oviedo, Carlos Guzman, Marcelo Jo and Sergio Rivera) reside outside of Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The Corporation’s registered and records office is located at the 25th Floor, 666 Burrard Street Vancouver, British Columbia V6C 2X8, and its head office is located at Suite 1504, Cerro el Plomo 5420, Las Condes, Santiago, 7560742, Chile.

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## GENERAL MATTERS

Readers should rely only on the information contained in or incorporated by reference in this Prospectus. The Corporation and the Underwriters have not authorized any person to provide different information. If an investor is provided with different or inconsistent information, he or she should not rely on it. The Units may be sold only in those jurisdictions where offers and sales are permitted. This Prospectus is not an offer to sell or a solicitation of any offer to buy Units in any jurisdiction where it is unlawful. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the respective dates of the documents incorporated by reference herein, regardless of the time of delivery of this Prospectus or of any sale of the Units offered hereunder. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws.

Unless the context otherwise requires, all references to the “Corporation” includes Marimaca Copper Corp. and its predecessors and subsidiaries.

### NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information provided in this Prospectus and any documents incorporated by reference herein may constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information in this Prospectus and any documents incorporated by reference herein includes but is not limited to information with respect to:

- the Corporation’s expected production from, and the further potential of, the Corporation’s properties;
- the future price of minerals, particularly gold and copper;
- estimations of mineral reserves and mineral resources;
- conclusions of economic evaluation;
- the realization of mineral reserve estimates;
- the timing and amount of estimated future production;
- costs of production;
- capital expenditures;
- success of exploration activities;
- mining or processing issues;
- currency exchange rates;
- government regulation of mining operations; and
- environmental risks.

Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking information is based on management’s expectations and reasonable assumptions at the time such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates are set out herein. Capital and operating cost estimates are based on extensive research of the Corporation, purchase orders placed by the Corporation to date, recent estimates of construction and mining costs and other factors that are set out herein. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include:

- uncertainties of mineral resource estimates;
- risks and uncertainties inherent in and relating to estimates of future production and operations, cash and all-in sustaining costs;
- the nature of mineral exploration and mining;
- variations in ore grade and recovery rates; cost of operations;
- fluctuations in the sale prices of products;
- foreign currency fluctuations;

- volatility of mineral prices (including copper prices);
- exploration and development risks;
- liquidity concerns and future financings;
- risks associated with operations in foreign jurisdictions;
- potential revocation or change in permit requirements and project approvals;
- 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;
- competition;
- no guarantee of titles to explore and operate;
- environmental liabilities and regulatory requirements;
- dependence on key individuals;
- conflicts of interests;
- insurance;
- fluctuation in market value of the Corporation's shares;
- rising production costs;
- availability of equipment material and skilled technical workers;
- volatile current global financial conditions;
- the potential impact of the COVID-19 pandemic (“COVID-19”) on the Corporation and/or its operations, and the mining industry and currency fluctuations; and
- other risks pertaining to the mining industry, as well as those factors discussed in the section entitled “Risk Factors” in this Prospectus and in the Annual Information Form (as defined herein).

Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein or incorporated by reference are made as of the date of this Prospectus or as of the date of the documents incorporated by reference, as the case may be, and the Corporation does not undertake to update any such forward-looking information, except in accordance with applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained or incorporated by reference in this Prospectus is presented for the purpose of assisting persons in understanding the financial position, strategic priorities and objectives of the Corporation for the periods referenced and such information may not be appropriate for other purposes.

### **CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION**

This Prospectus contains references to United States dollars and Canadian dollars. Canadian dollars are referred to as “Canadian dollars” or “\$”. United States dollars are referred to as “United States dollars” or “US\$”.

The high, low and daily average exchange rates for Canadian dollars in terms of the United States dollar for each of the periods indicated, as reported by the Bank of Canada, were as follows:

	<b>Year Ended December 31,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>
<b>High</b>	1.3600	1.3642	1.4496	1.3600
<b>Low</b>	1.2988	1.2288	1.2970	1.3038
<b>Daily Average</b>	1.3269	1.2957	1.3541	1.3292

On November 27, 2020, the daily average exchange rate for United States dollars expressed in terms of the Canadian dollar, as reported by the Bank of Canada, was US\$1.00 = \$1.2985.

### **ELIGIBILITY FOR INVESTMENT**

In the opinion of McCarthy Tétrault LLP, counsel to the Corporation, and, Stikeman Elliott LLP, counsel to the Underwriters, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder in force as of the date hereof (the “**Tax Act**”), the Common Shares and Warrants included in the Units or, in the case of Common Shares, issuable upon exercise of the Warrants, if issued on the date hereof, would be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan and tax-free savings account, as those terms are defined in the Tax Act (collectively referred to as “**Registered Plans**”) or a deferred profit sharing plan (“**DPSP**”) (all as defined in the Tax Act), provided that:

- (i) in the case of Common Shares, they are then listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSX) or the Corporation qualifies as a “public corporation” (as defined in the Tax Act); and
- (ii) in the case of Warrants, neither the Corporation, nor any person with whom the Corporation does not deal at arm’s length, is an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding the foregoing, the holder or subscriber of, or an annuitant under, a Registered Plan, as the case may be, (the “**Controlling Individual**”) will be subject to a penalty tax in respect of Common Shares and Warrants held in the Registered Plan if such securities are a “prohibited investment” (as defined in the Tax Act) for the particular Registered Plan. A Common Share or Warrant generally will be a “prohibited investment” for a Registered Plan if the Controlling Individual does not deal at arm’s length with the Corporation for the purposes of the Tax Act or the Controlling Individual has a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Corporation. Controlling Individuals should consult their own tax advisors as to whether the Common Shares or Warrants will be a prohibited investment in their particular circumstances. In addition, the Common Shares and will not be a “prohibited investment” if the Common Shares are “excluded property”, as defined in the Tax Act, for a Registered Plan.

**Holders who intend to hold Common Shares or Warrants in a Registered Plan or DPSP should consult their own tax advisors.**

### **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the provinces of Canada, other than Québec.** Copies of the documents incorporated herein by reference may be obtained on request, without charge, from the Corporation at Suite 1504, Cerro el Plomo 5420, Las Condes, Santiago, 7560742, Chile (Telephone: + 56 224317600), and are also available electronically under the Corporation’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com). The filings of the Corporation through SEDAR are not incorporated by reference in this Prospectus except as specifically set out herein.

The following documents of the Corporation are specifically incorporated by reference in this Prospectus:

- (i) the Corporation’s annual information form for the financial year ended December 31, 2019 dated April 8, 2020 (the “**Annual Information Form**”);

- (ii) audited consolidated financial statements of the Corporation for the years ended December 31, 2019 and 2018, together with the notes thereto and the auditor’s report thereon;
- (iii) the Corporation’s management discussion and analysis for the year ended December 31, 2019 (the “**Annual MD&A**”);
- (iv) the amended and restated unaudited condensed consolidated interim financial statements of the Corporation for the three and nine months ended September 30, 2020 and 2019, together with the notes thereto;
- (v) the Corporation’s management discussion and analysis for the nine months ended September 30, 2020;
- (vi) the management information circular of the Corporation dated October 7, 2020 prepared in connection with the annual meeting of shareholders of the Corporation to be held November 18, 2020;
- (vii) the template version of the term sheet dated November 17, 2020 relating to the Offering;
- (viii) the template version of the amended and restated corporate presentation of the Corporation dated November 25, 2020 relating to the Offering; and
- (ix) the material change report of the Corporation dated November 24, 2020 filed in connection with the announcement of the Offering.

**Any document of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distribution* if filed by the Corporation with the securities commissions or similar regulatory authorities in Canada after the date of this Prospectus and prior to the termination of the distribution under the Offering, shall be deemed to be incorporated by reference in this Prospectus.**

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed to constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.**

## **MARKETING MATERIALS**

Any “template version” of any “marketing materials” (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) that are utilized by the Underwriters in connection with the Offering will not form part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing materials that will be filed on SEDAR at [www.sedar.com](http://www.sedar.com) after the date of this Prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) will be deemed to be incorporated into this Prospectus.

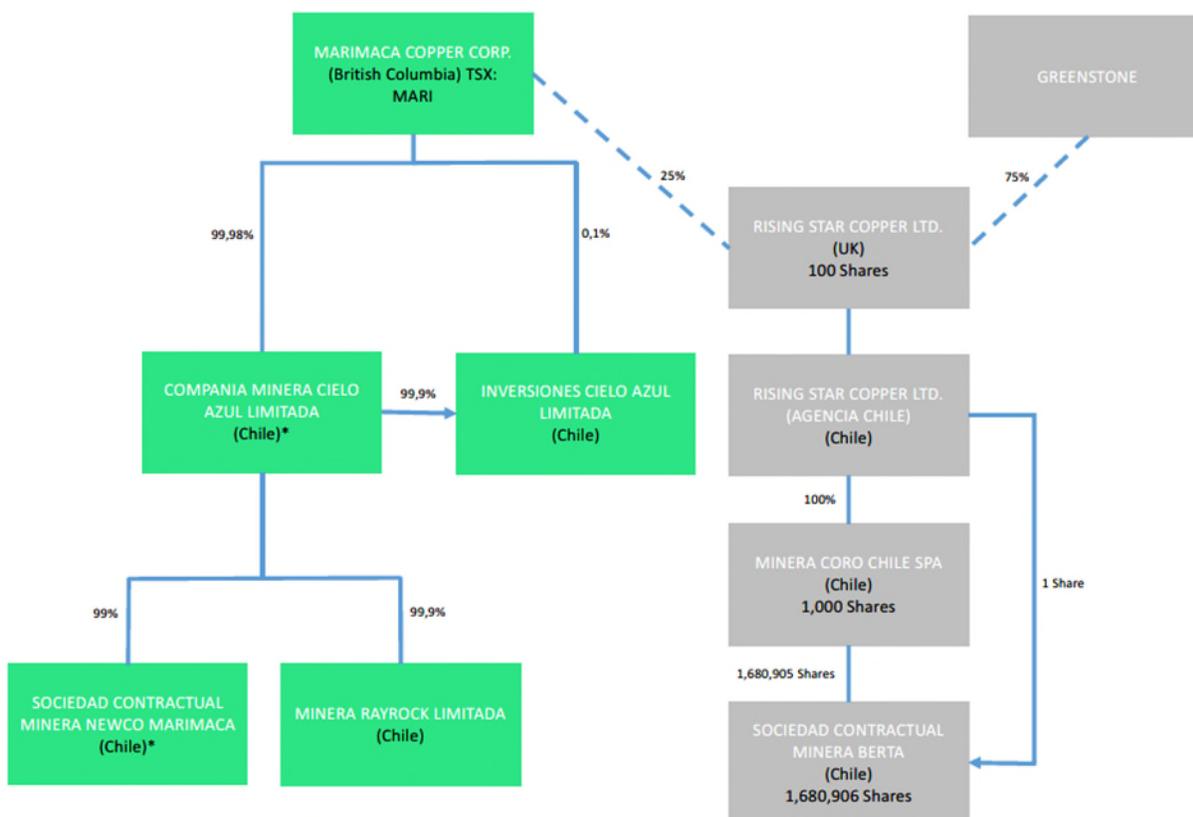
## **THE CORPORATION**

### **General**

The Corporation was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) as “Coro Mining Corp.” on September 22, 2004. By Notice of Articles dated effective April 6, 2005, the Corporation increased its authorized share capital to an unlimited number of common shares without par value. On October 25, 2016, the Corporation simplified its corporate structure by completing vertical short form amalgamations with Sea

to Sky Holdings Ltd., 0904213 BC Ltd., Sky Dust Holdings Limited, and Machair Investments Ltd., its four direct and indirect wholly owned British Columbia subsidiaries. On May 21, 2020, the Corporation changed its name to “Marimaca Copper Corp.” to align with its flagship development project in Chile and undertook a 25:1 share consolidation (the “**Share Consolidation**”), pursuant to approval by the Corporation’s board of directors (the “**Board**”) as permissible under the Corporation’s Articles.

The Corporation has the following direct or indirect subsidiaries, all of which are 100% beneficially owned by the Corporation, with the exception of Rising Star Copper Ltd. (“**RSC**”) and its subsidiaries, including Sociedad Contractual Minera Berta (“**SCM Berta**”). RSC is 75% owned by Greenstone Resources II, L.P. following the Conversion (as defined below).



\* Remaining 0.02% interest in Compania Minera Cielo Azul Limitada held by local counsel in trust for the Corporation. Remaining 1% interest in Sociedad Contractual Minera Compañía Minera NewCo Marimaca held by Inversiones Cielo Azul Limitada.

The Corporation’s registered and records office is located at the 25<sup>th</sup> Floor, 666 Burrard Street, Vancouver, British Columbia V6C 2X8, and its head office is located at Suite 1504, Cerro el Plomo 5420, Las Condes, Santiago, 7560742, Chile.

The Corporation’s Common Shares are quoted on the TSX under the symbol “MARI”.

### Summary Description of the Business

The Corporation is principally a Canadian based copper company. Through its subsidiaries, the Corporation is involved in the exploration and development of new sources of copper situated in Chile. The Corporation is developing the Marimaca Copper Project (the “**Marimaca Project**” or “**Marimaca**”) in the Antofagasta region of Chile, for which the Corporation published the technical report entitled “Marimaca Project Preliminary Economic Assessment, NI 43-101, Antofagasta, II Region, Chile” (the “**Technical Report**”), which included a preliminary economic assessment of the Marimaca Project and a resource estimate update for the Marimaca Project (the “**Resource Estimate**”). The Marimaca Project has the potential to be a low capital cost, high margin copper

development in a tier-one mining jurisdiction. The Corporation is focusing on continuing to move the Marimaca Project towards production while assessing the exploration potential near Marimaca and beyond. A roadmap towards production is set forth below.

Work Stream		2015	2016	2017	2018	2019	2020	2021+
Early exploration work	✓							
Discovery Drilling	✓							
Initial Mineral Resource Estimate	✓							
Resource Expansion & Infill Drilling	✓							
Updated Mineral Resource Estimate	✓							
Resource Expansion and Infill Drilling	✓							
Updated Mineral Resource Estimate	✓							
Preliminary Geotechnical Programmes	✓							
Preliminary Economic Assessment	✓							
Preliminary Metallurgical Testing Programmes	Q3 2020							
Follow – Up Geological Planning	Ongoing							
Detailed Metallurgical Testwork Programmes	Start Q3 2020							
Follow – Up Exploration and Infill Drilling	Planning underway							
Pre – Feasibility Study	Planning underway							
Environmental and Social Engagement	Ongoing							
Permitting	Ongoing							

### COVID-19 and the Corporation’s Business

On March 11, 2020, COVID-19 was declared a pandemic by the World Health Organization, which is causing significant financial market and social dislocation. In May 2020, the Corporation provided an update on its business operations and cost reduction initiatives in relation to the Marimaca Project. At the outset of the pandemic, in March 2020, the Corporation repatriated all personnel and contractors from the field, leaving a skeleton team to manage the site. While the lockdowns impacted mining businesses in Chile, especially those with large scale operations, the Corporation focused on the technical workstreams which could continue despite the lockdowns. The Corporation made significant changes to its cost structures and sought to minimize expenditures wherever possible to preserve its cash position, while still allowing high value de-risking workstreams to continue. As part of its efforts, the Corporation restructured and repositioned its business for the future development of the Marimaca Project. The Corporation was also able to negotiate an extension on several of its upcoming payments on properties comprising the Marimaca Project due between May 2020 and February 2021.

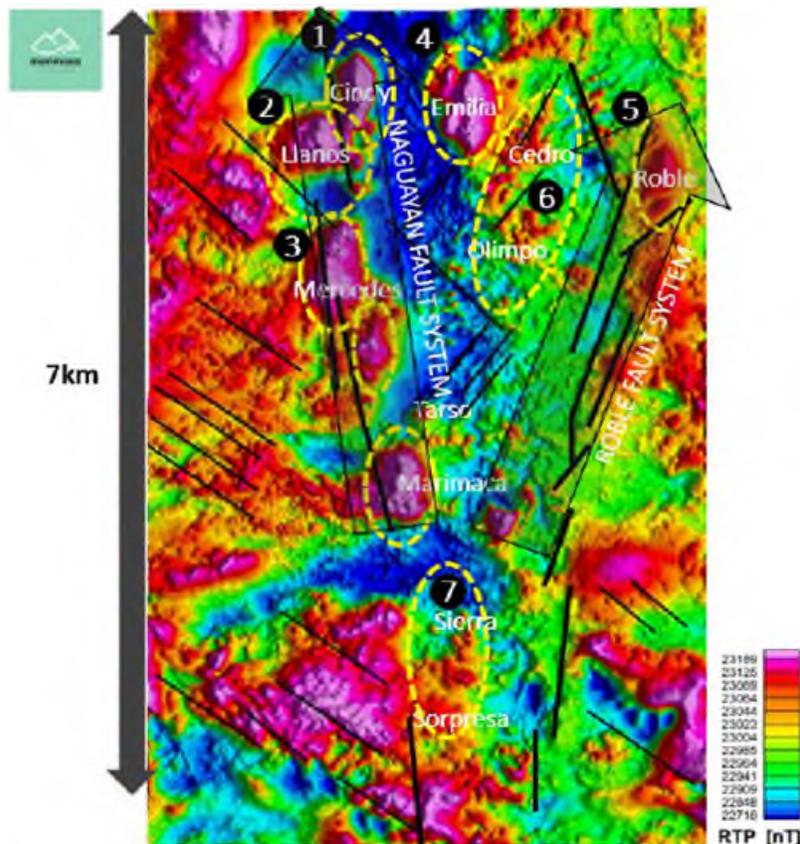
Although the Corporation has taken proactive steps to mitigate the effects of COVID-19 and to minimize disruption to its business, there are challenges and risks related to COVID-19 that are outside of the Corporation’s control, that could result in adverse impacts on the Corporation’s operations. For example, future lockdowns in the Antofagasta region could impact the Corporation’s ability to conduct planned exploration work.

## RECENT DEVELOPMENTS

On November 27, 2020, the Board reconstituted its audit committee (the “**Audit Committee**”) in accordance with corrective action requested by the Ontario Securities Commission (the “**OSC**”) in connection with its review of the Prospectus and the requirements of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), with Tim Petterson replacing Michael Haworth as a member of the Audit Committee. On February 18, 2020, the Board determined that Mr. Haworth should no longer be considered “independent” within the meaning of NI 52-110 as a result of his prior appointment as Executive Chair. Subject to certain exceptions, section 3.1 of NI 52-110 requires that each member of the Audit Committee must be independent. Under section 3.6 of NI 52-110, an issuer is exempt from the requirement that each member of the Audit Committee must be independent if, among other things, the Board determines, under exceptional and limited circumstances, that (i) such member of the Audit Committee is able to exercise the impartial judgment necessary to fulfill his or her responsibilities as a member of the Audit Committee and (ii) the appointment of such member is required by the best interests of the Corporation and its shareholders. Following the determination that Mr. Haworth was no longer independent within the meaning of NI 52-110, the Board in good faith determined that Mr. Haworth should continue to serve on the Audit Committee on an interim basis pursuant to the exemption in section 3.6 of NI 52-110. Further to discussions with the OSC staff, the Board subsequently determined that it was not appropriate to rely on this exemption in the circumstances and, as a consequence, that the Audit Committee had not complied with the independence requirements in section 3.1 of the NI 52-110 since Mr. Haworth’s appointment as Executive Chair in February 2020. Following Mr. Petterson’s appointment on November 27, 2020, each member of the Audit Committee is financially literate and independent in accordance with the requirements of NI 52-110.

On November 5, 2020 the Corporation announced that the Antofagasta Environmental Evaluation Commission had approved the Corporation’s new exploration campaigns, which will encompass further drilling at the Marimaca Oxide Deposit (“**MOD**”) and exploration drilling at the Marimaca Sulphide Target and in the broader Marimaca District.

On September 18, 2020, the Corporation announced the results of a high resolution, drone mounted, magnetic survey (the “**Survey**”) in the district surrounding the Marimaca Project. The Survey identified four large-scale magnetic anomalies, with the potential to create a new unexplored/under explored copper district.



On September 8, 2020, the Corporation announced the results of its phase 4 metallurgical testing program for the Marimaca Project. The results confirmed the recovery assumptions made in the August 4, 2020 Preliminary Economic Assessment (“PEA”).

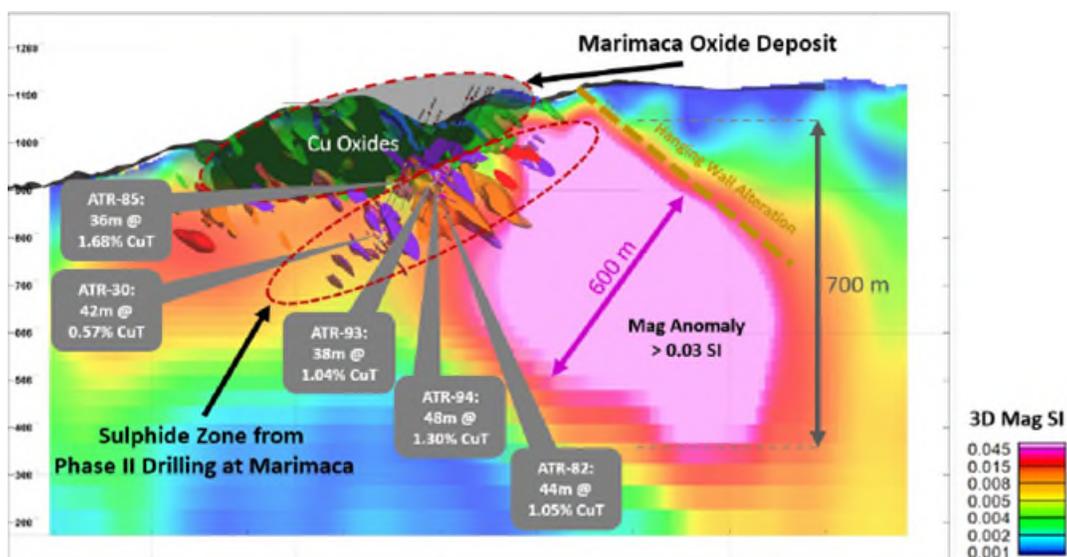
On August 4, 2020, the Corporation announced the results of the PEA for the Marimaca Project. The PEA confirmed that the Marimaca Project has the potential to be a low capital and operating cost copper producer, with the summary of economic assumptions and results set forth below. The PEA also confirmed a capital intensity of \$7,125/tonne of copper production capacity and a profitability index (NPV/Capex) of 1.8x for the Marimaca Project, at \$3.30/lb.

<i>Item</i>	<i>Value</i>
<i>Copper Price Assumption</i>	US\$3.15/lb flat real
<i>Pre-Tax NPVs &amp; IRR</i>	US\$757 million / 39.9%
<i>Post-Tax NPVs &amp; IRR</i>	US\$524 million / 33.5%
<i>Payback Period from First Production</i>	2.6 years
<i>Pre-Production Capital Costs</i>	US\$285 million <sup>1</sup>
<i>Life of Mine Sustaining Capital</i>	US\$66 million
<i>Ave. Annual Steady State EBITDA</i>	US\$169 million
<i>Life of Mine C1 Operating Costs</i>	US\$1.22/lb of copper <sup>2</sup>
<i>Life of Mine All-in-Sustaining Cash Costs</i>	US\$1.29/lb of copper <sup>3</sup>
<i>Mine Life</i>	12 years
<i>Ave. Annual Metal Production (first 6 years)</i>	Approximately 40,000 tonnes
<i>Ave. Annual Metal Production Life of Mine (incl. ramp up)</i>	35,600 tonnes
<i>Steady State Average Process Recovery (Heap and ROM)</i>	76% / 40%

1. Assumes mining fleet is financed through a lease to own contract structure to minimize upfront capital cost.
2. All in sustaining costs is defined as cash cost (C1) plus general and administrative expenses, sustaining capital expenditure, deferred stripping, royalties and lease payments and is used by management to evaluate performance inclusive of sustaining expenditure required to maintain current production levels.
3. C1 cash cost includes all mining and processing costs less any profits from by-products and is used by management to arrive at an approximated cost of finished metal.

On July 20, 2020, the Corporation announced the appointment of Mr. Hayden Locke as President of the Corporation.

On July 14, 2020, the Corporation announced the results of a high resolution, drone mounted, magnetic survey at the Marimaca Project. This work followed the geological interpretation reported on June 8, 2020, which indicated strong potential for sulphide mineralization beneath the MOD. A large magnetic anomaly was discovered adjacent to the MOD, of about 175 million m<sup>3</sup>.



On July 9, 2020 the Corporation announced an extension of several of its upcoming payments on properties comprising the Marimaca Project. The extension of the payment deadlines reduces the total option payments due between May 2020 and February 2021 from US\$9.2 million to just over US\$2 million over this period.

On July 2, 2020 the Corporation announced that Greenstone Resources II, L.P. exercised its conversion option (the “**Conversion**”) pursuant to the US\$12.0 million convertible loan facility associated with certain of the Corporation’s subsidiaries, SCM Berta and RSC. These subsidiaries hold an interest in the Nora project, which consists of a processing plant and certain mining concessions, which are not connected to the Marimaca deposit. The Conversion occurred at the RSC level, resulting in Greenstone Resources II, L.P. holding a 75% equity stake in RSC and the Corporation holding the remaining 25% interest. As a result of the Conversion, the Corporation no longer controls RSC or SCM Berta and de-consolidated those operations from its financial position and operating results as of June 30, 2020.

On June 8, 2020, the Corporation announced it completed a thorough review of the data from previous drilling campaigns and its associated geology at the Marimaca Project. This review resulted in an updated geological interpretation indicating the potential for sulphide mineralization beneath the MOD.

On June 1, 2020, the Corporation released the high-level results of a detailed trade-off analysis, conducted by independent consultants, Gestion y Economia Minera Limitada (“**GEM**”), for the development of the Marimaca Project. GEM conducted a detailed option trade-off and analysis and risk assessment for the development of the Marimaca Project. The GEM analysis confirmed that a full-scale development is the optimum strategy and that Marimaca is an exciting, mid-size, copper project.

On May 27, 2020, the Corporation announced it had changed its name to “Marimaca Copper Corp.” to align with its flagship development in Chile. The Corporation also undertook the Share Consolidation. Prior to the Share Consolidation, the Corporation had 1,608,946,194 Common Shares issued and outstanding and 42,995,539 options issued and outstanding. Following the Share Consolidation, the Corporation had 64,357,847 Common Shares issued and outstanding and 1,719,821 options issued and outstanding.

On May 14, 2020, the Corporation announced that due to the COVID-19 pandemic, it would postpone its continuous disclosure filings and 2020 annual meeting of shareholders and rely on the exemptions provided for in BC Instrument 51-505 – *Temporary Exemption from Certain Corporate Finance Requirements* and BC Instrument 51-516 – *Temporary Exemptions from Certain Requirements to File or Send Securityholder Materials*. The Corporation received an extension from the British Columbia Registrar to delay its 2020 annual meeting of shareholders to December 31, 2020.

On February 8, 2020, the Corporation announced certain changes to the roles of its Board members, including the transition of Mr. Colin Kinley from Non-Executive Chairman to a Non-Executive Director role and the appointment of Mr. Michael Haworth as the Executive Chair, reflecting the increasing time commitment that Mr. Haworth has

agreed to make as the Corporation advances the development of the Marimaca Project. Mr. Haworth does not receive any additional compensation for acting as Executive Chair.

## **MINERAL PROPERTIES OF THE CORPORATION**

Information in this section is derived substantially from the technical report titled “Preliminary Economic Assessment, Marimaca Project, Antofagasta, II Region Chile” dated effective August 4, 2020 (the “**Technical Report**”), prepared by Robin Kalanchey (P. Eng.) of Ausenco Engineering Canada Inc. (“**Ausenco**”), Francisco Castillo (Member of Chilean Mining Commission) of Ausenco, Scott Weston (P. Geo.) of Ausenco, Luis Oviedo (Member of Chilean Mining Commission) of NCL Ingeniería y Construcción (“**NCL**”), Carlos Guzman (FAusIMM) of NCL and Marcelo Jo (Member of Chilean Mining Commission) of Jo & Loyola Consultores de Procesos, all of whom are qualified persons (“**Qualified Persons**”) within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). To obtain further information readers should consult the Technical Report which is available for review electronically on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation’s profile. For greater certainty, the Technical Report is not incorporated by reference in this Prospectus.

### ***Project Setting***

The Marimaca Project is located in Chile’s Antofagasta Province, Region II, approximately 45 km north of the city of Antofagasta and approximately 1,250 km north of Santiago. The coastal cities of Antofagasta and Mejillones can be accessed from the Marimaca Project via a well-maintained multi-lane highway. The regional Cerro Moreno airport is located 45 km from the Marimaca Project. Marimaca is accessible by maintained dirt roads, either from the Cerro Moreno Airport or the Route Antofagasta–Tocopilla.

The Marimaca Project is located about 39 km north of the Tropic of Capricorn. The climate is dry, and the average annual rainfall is 2–3 mm as an annual average over a 24-hour period. However, rare intense rainfall events of 12–30 mm in a short period can occur. It is expected that any future mining operations will be conducted on a year-round basis.

The Marimaca Project is situated within the Cordillera de la Costa, a mountainous area, with relief ranging from 400–1,000 m elevation. Vegetation is minimal outside of inhabited valleys where irrigation and the “Camanchaca” sea mist that comes from the nearby ocean, support vegetation that is capable of withstanding the desert environment. The Mejillones and Naguayán quebradas drain the project area from east to west and south to north, respectively.

### ***Mineral Tenure, Surface Rights, Water Rights, Royalties and Agreements***

The Marimaca Project is held 100% by the Corporation. The Corporation has four Chilean subsidiaries that have actual, or eventual, rights over various mining properties that make up the Marimaca Project:

- Compañía Minera Cielo Azul Limitada (MCAL);
- Compañía Minera NewCo Marimaca (Newco Marimaca);
- Compañía IvanSpA (Compañía Ivan); and
- Minera Rayrock Limitada (Rayrock).

There are several agreements and options in force over the mineral tenures. There are also staged payments that must be met for certain of the agreements. As of the date of this Prospectus, each of these payments were met as they became due.

Through direct acquisition and option agreements, the Corporation holds 100% of 385 granted concessions and concession applications, covering an area of 74,248 ha. These are, for convenience, divided into two packages:

- Marimaca area: 265 claims (62,568 ha) held in the names of the following the Corporation’s subsidiaries and/or third party companies (according to the option agreements): Compañía Minera Cielo Azul Limitada, Compañía Minera Naguayán SCM, Sociedad Contractual Minera NewCo, Sociedad Legal Minera Rodeada Uno, Proyecto S.A and Sociedad Contractual Minera Proyecto; and
- Iván area: 120 claims (11,680 ha) held in the names of Minera Rayrock Limitada or Compañía Minera Cielo Azul Limitada.
  - The surface land in the Commune of Mejillones is owned by the State and managed and represented by the Ministerio de Bienes Nacionales. The Corporation has developed a strategy to obtain the

necessary surface rights to cover mine, plant, tailings storage facilities and transmission lines. The Corporation holds one easement and a second has been applied for.

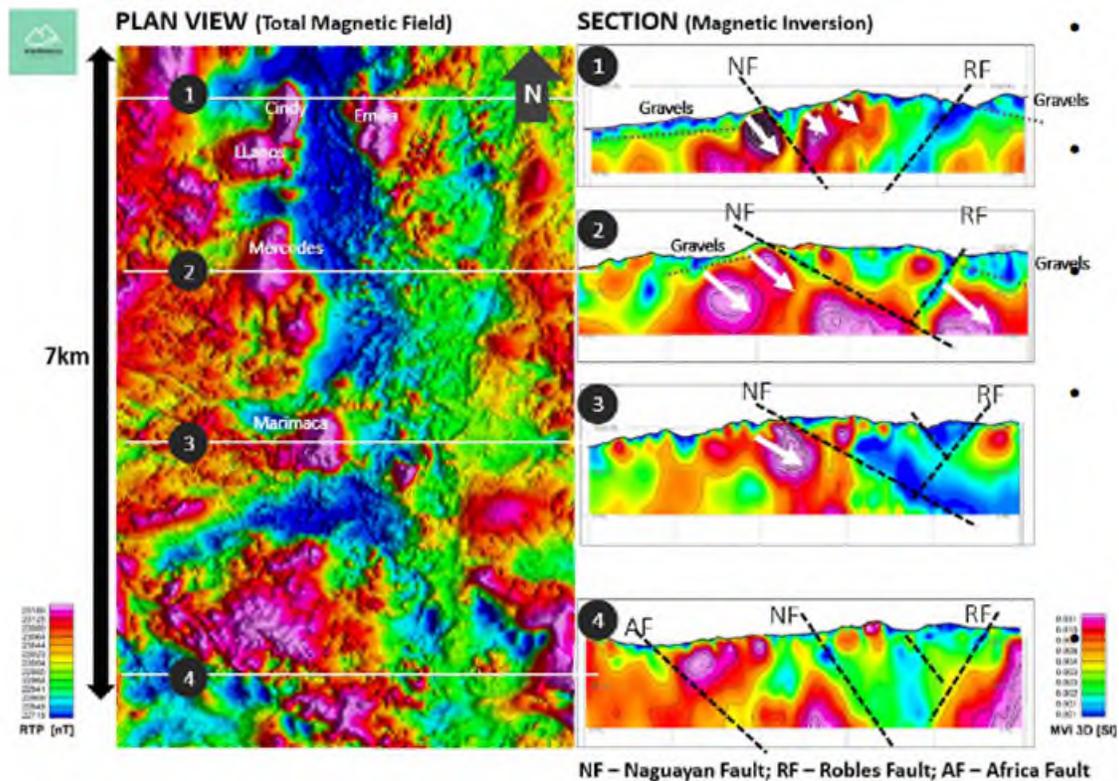
The Corporation holds no water rights in the Marimaca Project area.

The Marimaca Project is subject to several NSR royalties, which range from 1–2%. The Corporation has the right to buy back some of the NSR percentages for all of the royalty agreements.

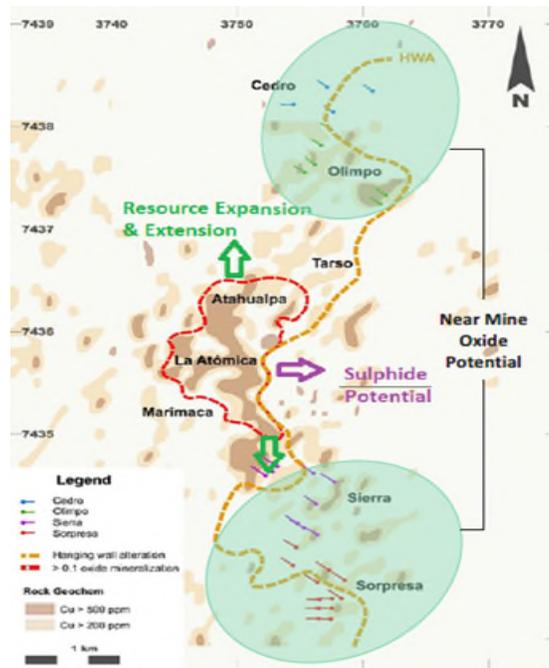
### Geology and Mineralization

The Marimaca deposit appears to be a new deposit style as it does not readily conform to any of the major published geological models. It has affinities with vein-style iron ore–copper–gold (IOCG) deposits and “manto-type” mineralization styles.

The regional geology consists of Jurassic volcanic and intrusive rocks, with minor older Triassic acid volcanic occurrences, intermediate intrusive units, sediments and Palaeozoic metamorphic rocks. The main regional structure is the Atacama Fault System (“AFS”) which forms the eastern border of the Coastal Cordillera in the region. To the west of the AFS, the Naguayán Banded Fracture Belt (“NBFZ”) forms an approximately 15 km long and 3 km wide zone of sub-parallel fractures that trend north–south to north–northeast, dipping at 40–60° to the east or southeast. The rhyodacitic-composition regional dyke swarm end members are preferentially associated with the NBFZ.



The local geology consists of monzonite, diorite and monzodiorite intrusions correlated with the Naguayán Plutonic Complex, and dykes belong to the regional bimodal dyke swarm. Alteration related to mineralization consists of development of actinolite and magnetite, with lesser chlorite, sericite, and hematite, that is associated with veins, feeders, and banded rocks. The diorite unit has undergone biotite–magnetite replacement. A major alteration feature is the so-called hanging wall alteration front, which controls the mineralization toward the “top” of the parallel-fractured monzonite and diorite units and the mineralization associated with dikes, and has been identified more than 10 km across the Marimaca Project area. Hematite, in association with sericite and pyrite, forms band replacements and veins. The feeders that crosscut the alteration limit displays a well-developed “argillic” halo. Supergene oxidation has resulted in the formation of limonite, clays, and copper oxides. Goethite and hematite stain fractures or fill open fractures. Iron oxides can be associated with clay, gypsum and rock flour within fault gouge. Jarosite can occur in the halo of some of the northwest-trending faults zones in the southern part of the project area.



The Marimaca deposit consists of a supergene copper blanket (oxides and enriched sulphides). The oxide zone is exposed on surface, and has dimensions of about 1.4 km long, 400–600 m in width, and a thickness that ranges from 150–350 m. Mineralization in the Marimaca area has formed in association with the fractures of the NBFZ, and in association with north–south to northeast-oriented “feeder” zones or vein-like structures. It consists of chalcopyrite, moderate to minor pyrite, minor bornite, covellite and primary chalcocite forming massive bodies, zones of replacement and fracture fills. The copper oxide blanket overlies the primary mineralization, which resulted from the alteration of a secondary sulphide-enriched blanket that produced a chemical zonation from brochantite to atacamite at the core of the alteration zone, with a surrounding outboard halo of predominantly chrysocolla, followed by a wad halo.

### History

Small-scale artisanal mining activities were undertaken in the general Marimaca Project area from the 1990s to mid-2000s. Underground workings are at maximum of 100 m deep.

No modern exploration was undertaken in the general Marimaca Project area before the Corporation began to assemble the Marimaca Project ground holdings. The Marimaca deposit was identified in 2016, following a reverse circulation (“RC”) drill program. The Corporation subsequently detailed geological surface mapping and rock chip sampling, additional RC drilling, core drilling to support geotechnical and geometallurgical studies, metallurgical testwork, and mining studies. An initial resource estimate was completed in January 2017, and Mineral Reserves (as defined in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves) were first estimated in 2018.

The Corporation completed a feasibility study in June 2018 (the “**2018 Feasibility Study**”). This study considered an open pit mining using conventional equipment to feed a refurbished process plant, referred to as the Ivan plant, that would have the capability of producing 10,000t of cathode copper per year. The 2018 Feasibility Study is not currently considered to be the preferred Marimaca Project development option. The Corporation is not treating the study as current, and the Mineral Reserve estimates are also not considered to be current. However, some of the baseline information generated in support of the 2018 Feasibility Study is used in the 2020 PEA.

An Environmental Impact Statement (Declaración de Impacto Ambiental, “DIA” in the Spanish acronym) and the Mining Safety Regulations and Environmental Qualification Resolution (RCA) was approved on 5 July, 2018. Mineral Resources were updated in late 2019. The PEA was completed in 2020.

## Drilling and Sampling

A total of 346 RC holes (82,234 m) and 39 core holes (8,976 m) have been completed. The RC drilling was completed by PerfoChile Ltda, with drill hole diameters from 5¾” to 5⅝”. Core drilling was performed at PQ (85 mm core diameter), HQ (63.5 mm) and HQ3 (61.1 mm) sizing, by Superex, a Chilean drilling contractor. Collar locations were at 100 m or 50 m spacing, as dictated by topography, and the ability to construct drill platforms and pad accesses. Drill holes were typically oriented at either 220° or 310°. However, some holes were oriented at 270° to test high-grade zones controlled by north–south-trending feeders and veins. Drill holes were angled at -60°.

All drill holes were geologically logged using digital data capturing methods. Information logged included lithology, structure, alteration and mineralization based on drilling intervals, recoveries and analytical results. RC drill cuttings were cleaned prior to geological description. The first pass logging recorded lithology, structure and alteration. Oxide mineralogy was relogged when assay data were received. A chip tray record of the drill holes was stored. Core holes were initially logged for lithology, structure and alteration. When assay data were available, the data were correlated with the logged mineralization. Rock quality designation (RQD) data were also recorded. In addition to measuring deviations, most of the holes were surveyed using an optical televiewer (OPTV or BHTV), which continuously recorded structures and orientation measurements down the length of the drill hole.

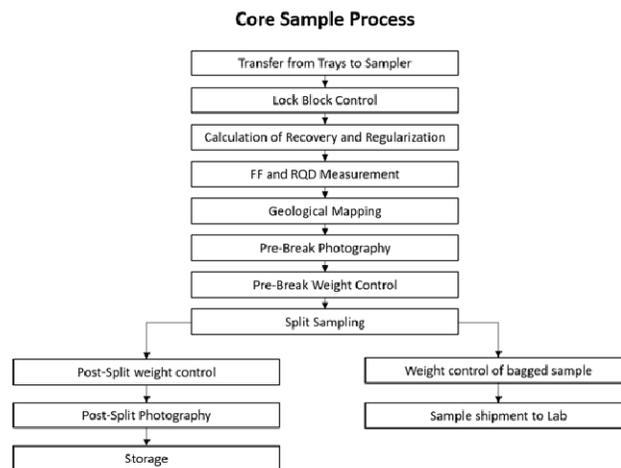
Recovery data were recorded for the RC and core drill holes. Measured recoveries are over 95% for both types of drilling, without significant variations and recovery is unrelated to copper grades.

Local contractors carried out the supervision of the drilling operation. An experienced surveyor recorded the collar locations. Collars are marked in the field using PVC pipe and a metal plate with the name of the drill hole. Down hole surveys were completed by either Data Well Services or Comprobe. The instrumentation includes Giroscope NSG for survey and Optv, Hirat and Caliper probes for video. All readings were continuous to the end of the holes.

In the opinion of the authors of the Technical Report, the quantity and quality of the lithological, collar and down-hole survey data collected in the drilling programs are sufficient to support Mineral Resource estimation.

Continuous rock sampling along exposures in road cuts was completed during 2018–2019. Samples consisted of continuous chip-channel samples at 2 m intervals for a total 5,120 m of sampling. Detailed and systematic rock sampling was extended to the underground mine workings, using the same criteria and methods from the surface samples. A total of 8,028 m was sampled from the artisanal mine workings. RC drill holes were sampled on a 2 m continuous basis, with all the dry samples riffle split on-site and one quarter sent to the laboratory for preparation and assaying. The description of core sampling is in the Figure 1.

Figure 1: Core Sampling Process



Note: Figure prepared by Marimaca Copper, 2020.

Specific gravity (SG) was measured systematically on core samples at approximately 20 m intervals. The core samples ranged in length from 7–26 cm. The SG was determined on wax-coated core using a water displacement

method where the core was weighed in air, and then in water. Measurements were performed by the Mecánica de Rocas (Rock Mechanics) laboratory at Calama.

Initially, the primary sample preparation and assay laboratory was Geolaquim Ltda. (“**Geolaquim**”) in Copiapó. Geolaquim held ISO 9001:2000 accreditations for selected analytical techniques and was independent of the Corporation. From the 2017 infill drilling campaign onward, samples were prepared in the Andes Analytical Assay Ltda (Andes Analytical) Calama laboratory and assayed by the Andes Analytical laboratory in Santiago. Andes Analytical holds ISO 9001:2008 accreditations for selected analytical techniques and is independent of Coro. Andes Analytical acted as an umpire laboratory for the 2015 drill campaign. The Corporation did not employ an umpire laboratory for the remainder of the campaigns.

Samples were prepared by drying, crushing to 85% passing 10 mesh, and pulverizing to 95% passing 150 mesh. Total copper (“**CuT**”) was analysed using a four-acid digest followed by an atomic absorption spectroscopy (AAS) finish. Soluble copper (“**CuS**”) was analysed using a single acid digest, followed by AAS. The analytical quality assurance and quality control (QA/QC) programs involved the use of pulp duplicates for precision analyses, standard reference materials (SRMs) and check samples for accuracy analyses.

To validate the use of data from the core and RC exploration campaigns, a comparison was undertaken of 11 drill holes that were within a maximum of 10 m separation. The average CuT and CuS grades from the core and RC drilling were compared. In the QP’s opinion, these averages are very similar.

The sample preparation and analytical procedures used by the independent laboratories are in line with industry norms. Sample security practices are acceptable. The analytical data are considered acceptable to support Mineral Resource estimation.

### ***Data Verification***

The exploration and production work completed by the Corporation was conducted using internally documented procedures and involved verification and validation of exploration and production data prior to use of the data in geological modelling and Mineral Resource estimation.

NCL staff performed site visits, and observed core and RC drill sites, collars, and collar monumenting. NCL examined core from several RC and DDH drill holes, finding that the logging information accurately reflected the inspected core and cuttings. The lithology and grade contacts checked by NCL matched the information reported in the core logs. The QP reviewed the drill hole database and concluded that it was adequate to support block models, and Mineral Resource estimates. NCL visually compared the block models against the informing samples on plans and sections to confirm that the estimations were generally an adequate representation of the distribution of the copper mineralization.

The authors of the Technical Report are of the opinion that the data verification programs completed on the data collected from the Marimaca Project are consistent with current industry practices and that the database is sufficiently error-free to support the geological interpretations Mineral Resource estimation, and preliminary mine planning.

### ***Metallurgical Testwork***

Metallurgical testwork was completed in three campaigns, Geomet I, II and III. Geomet IV is underway at effective date of the Technical Report. Most of the mineralized material is planned to be crush leached, using crushing, agglomeration, leaching, solvent extraction (SX) and electrowinning (EW). Low-grade mineralized material will be sent to a run-of-mine (ROM) leach.

### ***Crush Heap Leach***

Preliminary tests evaluated parameters such as mineral subzone, agglomeration conditions, granulometry, column height, irrigation rates and acid concentration in the irrigation solution. Five mineralization subzones were defined, listed below with their predicted leaching recoveries (calculated over the total copper content of the material that will be processed):

- BROC/ATA: classified as oxide; copper in the form of brochantite and atacamite; 82% recovery
- CRIS: classified as oxide; copper in the form of chrysocolla; 77%

- WAD: classified as oxide; copper in the form of wad; 65%
- MIX: classified as sulphide; mixed oxide/sulphides; 62%
- ENR: classified as sulphide; sulphides; 49%.

The overall copper recovery prediction for the combined mineralized subzones is 76%. Acid consumption is predicted to be 40 kg/t for oxide mineralization (BROC/ATA, CRIS and WAD) and 35 kg/t for sulphide mineralization (MIX and ENR). The carbonate content is relatively low and accounts for about 30% of the expected overall acid consumption. The other major acid consumers that will be dissolved are iron and aluminium, which are estimated to represent about 30% and 20% of the overall acid consumption, respectively.

A particle size distribution after crushing of P90 <1/2" with a content of fines of less than 12% -100# Tyler is considered applicable to the process design.

Two phases of column tests were completed, using 30 cm columns and 1.5 m columns at different operating parameters.

Agglomeration will be conducted with raffinate solution and concentrated sulphuric acid at the rate of 15–30 kg/t. Later in the proposed mine life, addition of NaCl in the agglomerate is assumed to be used at the rate of 15 kg/t to improve sulphide oxidation during the resting period. Resting time without salt addition is forecast at about 2–3 days. When salt is added, a resting time of 15–30 days will be required. The chloride leaching process is proposed for the later mine plan with the chloride base level defined by the use of seawater and the chloride present in the mineralized material to support the recovery of some of the copper present in the sulphide subzones.

A trade-off analysis between heap height and the area needed for a crush heap leach pad was conducted to determine the preferred combination and leaching time (residence time). The analysis suggested that a 4m high heap pad with a total leaching area of 500,000 m<sup>2</sup> was the preferred configuration. This combination would result in a leach cycle of 95 days.

An irrigation rate of 12L/hr/m<sup>2</sup> add by sprinklers was recommended for the crush heap leaching process.

The oxidized mineralization subzones (BROC, CRIS and WAD) are planned to have three days of resting time and 92 days of irrigation, completing a leaching cycle of 95 days. The sulphide mineralization subzones (MIX and ENR) will have 30 days of resting time and 110 days of irrigation, to complete a leaching cycle of 140 days.

For the first part of the 2020 PEA process plan (Years 0 to 5), MIX and ENR mineralization will be mixed with WAD and treated as if they were oxides without the need of salt addition. The latter part of the PEA process plan (Years 6 to 12), oxide and sulphide subzones are planned to be processed in separate leach pad modules.

It is estimated that the plant will operate with high dissolved impurity levels, including chloride (63–73 g/L), iron (40 g/L) and sulphates (200 g/L). As a result, an SX plant with two washing stages was considered for the 2020 PEA, to avoid impurities to report to electrowinning.

### ***ROM Leach***

The ROM feed will predominantly be WAD material, which is forecast to achieve a 40% total copper recovery.

The ROM material is recommended to be stacked in 10-m layers, with a leaching cycle of six months, 10 g/L of sulphuric acid in irrigation and a continuous application rate of 5 L/hr/m<sup>2</sup> using drippers.

### ***Mineral Resource Estimation***

Estimation was conducted using commercially available Leapfrog and GEMS software. The primary support for the Mineral Resource estimate is data collected from the 2016, 2017 and 2018 drill programs. All samples without a grade value in the database were eliminated prior to resource modelling. Values labelled <0.001% were changed to 0.001% for both CuT and CuS.

Lithology, structure, and mineralization were interpreted on approximately 50 m-spaced cross-sections that were oriented northeast, northwest, and east–west at 1:1,000 scale. The mineralization interpretations are used as the

domains for resource estimation. The domains are brochantite, chrysocolla, enriched, wad  $CuT \geq 0.1\%$ , wad  $CuT < 0.1\%$ , and chalcopyrite. Samples from the database were coded based on the 3D solid codes, based on the solid that contained the sample centroid.

A review of the sample lengths was conducted to determine if compositing was warranted. This check showed that only three samples within the modelled solids had a length of  $< 1$  m. All the remaining samples were 2 m in length. No compositing was conducted as a result. Review of CuT and CuS domain boundaries indicated that all contacts should be treated as hard boundaries. Grade capping was used in all domains to restrict outlier CuT and CuS assay values. In addition, a 5 m search ellipse was used during estimation to locally restrict the samples with grades above the cap value. Prior to estimation, all SG outliers were removed from the 562 SG determinations available. Average SG values were assigned to each of the estimation domains.

Correlograms were computed for five zones considered to be structurally separated (Tarso, Atahualpa, Atahualpa–La Atomica, La Atomica and Marimaca) to provide search distances to be used in estimation. A percentage model was run in GEMS for each mineralized domain. The block size was 5 m x 5 m x 5 m in size, rotated to N 40° E to match the geological section interpretations. The remaining blocks below the surface topography were coded as waste. Grade was interpolated using ordinary kriging (OK) and a series of four passes. Pass 1 resulted in Measured Mineral Resources, Pass2 in Indicated, and Pass 3 in Inferred. All blocks estimated in the fourth pass were considered unclassified. Model validation used a combination of visual inspection, a nearest-neighbour (NN) analysis, and trend analyses.

Reasonable prospects of eventual economic extraction were addressed by applying a resource pit shell defined using Whittle software and the parameters outlined in Table 1. Pit slope angles were derived from a study carried out by Ingeroc S.A, (Ingeroc) in 2019.

Table 1: Pit Shell Input Parameters

Item	Unit	Value
Mining cost	US\$/t	2.00
Heap leach process cost (including G&A and SX/EW cost)	US\$/t	9.00
ROM process cost including G&A	US\$/t	2.50
Selling cost	US\$/lb Cu	0.07
Heap leach recovery	%	76
ROM recovery	%	40
Pit slope angle	Degrees	44–46
Cu price	US\$/lb Cu	3.00

### ***Mineral Resource Statement***

Mineral Resources and Mineral Reserves are reported in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May 2014; the 2014 CIM Definition Standards) and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines 2019 edition (2019 CIM Best Practice Guidelines). Mineral Resources are reported on a 100% basis. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The Qualified Person for the estimate is Mr Luis Oviedo, CMC, an NCL employee. Mineral Resources are provided in Table 2.

Areas of uncertainty that may materially impact the Mineral Resource estimates include: changes to long-term copper price and exchange rate assumptions; changes in local interpretations of mineralization geometry and continuity of mineralized zones; changes to geological and grade shape and geological and grade continuity assumptions; changes to interpretations of the structural zones; changes to the density values applied as averages to the estimated domains; changes to metallurgical recovery assumptions; changes to the input assumptions used to derive the conceptual open pit used to constrain the estimate; changes to the cut-off grades applied to the estimates; variations in geotechnical, hydrogeological and mining assumptions; forecast dilution; and changes to environmental, permitting and social license assumptions.

Table 2: Mineral Resource Statement

Classification	Tonnes (t x 1,000s)	Grade		Contained Metal	
				CuT	CuS
		CuT (%)	CuS (%)	Tonnes	Tonnes
				(kt)	(kt)
<i>Measured</i>					
Brochantite	10,890	0.76	0.55	82	60
Chrysocolla	4,918	0.59	0.45	29	22
Enriched	1,176	0.75	0.17	9	2
Mixed	475	1.02	0.26	5	1
Wad	3	0.27	0.17	0	0
Wad GT 0.1 %	3,260	0.34	0.2	11	7
<b>Total Measured</b>	<b>20,721</b>	<b>0.66</b>	<b>0.44</b>	<b>136</b>	<b>92</b>
<i>Indicated</i>					
Brochantite	24,719	0.68	0.49	167	121
Chrysocolla	9,581	0.5	0.37	48	36
Enriched	3,468	0.69	0.14	24	5
Mixed	1,177	0.86	0.21	10	2
Wad	36	0.26	0.14	0	0
Wad GT 0.1%	10,686	0.32	0.18	34	19
<b>Total Indicated</b>	<b>49,666</b>	<b>0.57</b>	<b>0.37</b>	<b>284</b>	<b>184</b>
<i>Measured and Indicated</i>					
Brochantite	35,609	0.7	0.51	250	181
Chrysocolla	14,499	0.53	0.4	77	58
Enriched	4,644	0.7	0.15	33	7
Mixed	1,652	0.9	0.22	15	4
Wad	38	0.26	0.14	0	0
Wad GT 0.1%	13,945	0.32	0.19	45	26
<b>Total Measured and Indicated</b>	<b>70,387</b>	<b>0.6</b>	<b>0.39</b>	<b>420</b>	<b>276</b>
<i>Inferred</i>					
Brochantite	17,618	0.63	0.42	111	74
Chrysocolla	9,978	0.47	0.33	47	33
Enriched	2,193	0.63	0.13	14	3
Mixed	3,661	0.63	0.15	23	6
Wad	43	0.27	0.09	0	0
Wad GT 0.1%	9,521	0.31	0.17	30	16
<b>Total Inferred</b>	<b>43,015</b>	<b>0.52</b>	<b>0.31</b>	<b>224</b>	<b>132</b>

1. Mineral Resources are reported using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Mr Luis Oviedo, CMC, an NCL employee. Mineral Resources have an effective date of January 15, 2020 and are reported on a 100% basis.
2. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
3. Mineral Resources are reported within a constraining pit shell developed using Whittle™ software. Input assumptions include a copper price of US\$3.00/lb, mining recovery of 100%, metallurgical recoveries of 76% for CuT leaching and 40% for Cu ROM leaching, a mining

cost of US\$ 2.00/t, processing costs of US\$9.0/t for leach processing and US\$2.50/t for the ROM process. General and administrative costs are included in the processing costs.

4. Base case Mineral Resources are reported using a 0.22% total copper (CuT) grade. Tonnages contained in the chalcopyrite subzone are not included in the tabulation.
5. Wad GT0.1% unit corresponds to the “high grade Wad”, which was separated from the low-grade Wad to refine the geological model, better reflecting the grade distribution within the deposit.
6. Mineral Resource contained copper estimates have been rounded as required by reporting guidelines.

Table 3: Mineral Resource Estimate

Cut-off grade (% CuT)	Measured			Indicated			Measured + Indicated			Inferred		
	Mineral kt	CuT (%)	CuS (%)	Mineral kt	CuT (%)	CuS (%)	Mineral kt	CuT (%)	CuS (%)	Mineral kt	CuT (%)	CuS (%)
0.60	9,272	1.00	0.65	18,375	0.91	0.58	26,727	0.95	0.61	12,182	0.90	0.48
<b>0.50</b>	<b>11,397</b>	<b>0.91</b>	<b>0.61</b>	<b>23,285</b>	<b>0.83</b>	<b>0.53</b>	<b>34,682</b>	<b>0.85</b>	<b>0.56</b>	<b>16,926</b>	<b>0.80</b>	<b>0.44</b>
0.40	14,403	0.81	0.55	30,600	0.74	0.48	45,003	0.76	0.50	23,607	0.70	0.40
<b>0.30</b>	<b>17,865</b>	<b>0.72</b>	<b>0.49</b>	<b>40,253</b>	<b>0.64</b>	<b>0.42</b>	<b>58,118</b>	<b>0.67</b>	<b>0.44</b>	<b>33,410</b>	<b>0.60</b>	<b>0.35</b>
<b>0.22</b>	<b>20,721</b>	<b>0.66</b>	<b>0.44</b>	<b>49,666</b>	<b>0.57</b>	<b>0.37</b>	<b>70,387</b>	<b>0.60</b>	<b>0.39</b>	<b>43,015</b>	<b>0.52</b>	<b>0.31</b>
0.18	22,072	0.63	0.42	54,109	0.54	0.35	76,181	0.57	0.37	47,164	0.49	0.29
0.10	23,087	0.61	0.41	57,619	0.52	0.33	80,706	0.54	0.35	50,641	0.47	0.27

1. CuT means total copper and CuS means acid soluble copper.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. Does not include primary sulphides.
4. For detailed information, refer to the Corporation’s news release titled “Coro Announces Substantial Increase in Resources; Development Studies Underway” from December 2, 2019.
5. Technical and economic parameters included: copper price US\$3.00/lb; mining cost US\$2.00/t; HL processing cost including G&A US\$9.00/t; ROM processing cost including G&A US\$2.50/t; selling cost US\$0.07/lb; heap leach recovery 76% of CuT; ROM recovery 40% of CuT; pit slope angle 44-46°.

### ***Mining Methods***

Open pit mining is contemplated, using equipment conventional to the industry.

The open pit area was divided into three geotechnical zones, with pit slope angles that range from 42–52°. Mining dilution, based on a cut-off grade of 0.2% CuT is assumed to be 2.3% for tonnes, and a contained copper loss of 4.6% will result.



Eight pit phases are planned. Phase 1 targets the material with the highest grade in the central area, down to 920masl. Phases 2 and 3 are successive expansion to the north, down to 960masl and 870masl, respectively. Phase 4 is an almost independent pit at the northern area of the deposit with an exit to the north and a connection with Phase 3 for exiting to the primary crusher to the south. This phase will extend to the 890masl. Phase 5 is an expansion to the west of the main pit, to 830masl. Phases 6 and 7 are final expansions to the south and west, respectively to 890masl and 830masl. Phase 8 corresponds to the final expansion of the north pit, to 880masl.

A road width of 30 m was selected to accommodate trucks up to 190t. NCL used a 10% road gradient which is common in the industry for this type of truck. The 2020 PEA mine plan is designed with 10 m benches stacked to 20 m (i.e. double benching) for the geotechnical Zone 1 (East wall). Mining costs are based on blasting 10 m benches for every material type. Additional 20 m wide safety berms were included in the design when the slope height exceeds 150 m, in accordance with geotechnical recommendations.

Table 4: Pit Shell Input Parameters

Item	Unit	Value
Copper Price	US\$/lb	3.0
Mine	US\$/t mined	2.10
Mineralized material haulage	US\$/t processed	0.48
Crush Heap Leach	US\$/t processed	4.33
Crush Heap Leach	US\$/lb	0.25
G&A	US\$/t processed	2.00
ROM Dump Leach	US\$/t ROM	2.54
ROM Dump Leach	US\$/lb	0.25
Selling Cost	US\$/lb	0.07

The mine plan was tailored toward a copper cathode production rate of 40,000 t/y. An initial pre-stripping period of 4.0 Mt would be required to expose sufficient mineralised material to start commercial production in Year 1. The mineralised material mined during pre-stripping will be stockpiled in the stockpile area and will make up part of the Year 1 plant production. The total stockpiled for later re-handling during Year 1 will amount to 139 kt, plus 32 kt of low-grade material. The pre-stripping period will be approximately three months. Three separate mining rates will be used during commercial production. An initial three-year period will mine at a rate of 14.5 Mt/y. This will be followed by a two-year period that will mine at a rate of 18.54 Mt/y, which will meet the initial plant throughput capacity of 5.4 Mt/y. To meet the second plant throughput capacity rate of 9.0 Mt/y a total mining rate of 23.5 Mt/y is required for the remainder of the mine life.

Two waste rock storage facilities area (WRSFs), will be located to the west (WSFN) and south(WSFS) of the pit. A ROM pad area was designed in a flat valley, located in between the WRSFs, where the ROM leach process will take place. The leaching of this low-grade material is planned in 10 m lifts. The mine plan assumes that 42.3 Mt are placed in the facility. The life of mine (“LOM”) plan stockpiles low-grade material for later re-handling at the end of the LOM to the primary crusher for crush leaching. The low-grade stockpile was designed at the toe of the WSFS and will accommodate 1.3 Mt.

The drilling equipment will consist of diesel units capable of drilling 7<sup>7</sup>/<sub>8</sub>” diameter holes in all material types.

The major equipment was selected based on the mine production schedule, nine months of pre-production and approximately 12 years of commercial mining operations. The pre-production period will include an initial pioneering period estimated at six months for preparing initial roads and bench openings and storage material facilities, followed by a pre-stripping period estimated to be three months long. The total material mined during pre-stripping will be 4 Mt. Re-handling of material will be required in Year 1 for material mined during pre-stripping to meet the plant feed requirements. The mining operation will use 22 m<sup>3</sup> hydraulic excavators, 23 m<sup>3</sup> front-end-loaders and trucks with a capacity of 150 t. This type of equipment can achieve the required productivity for an annual total material movement of 23.5 Mt. The fleet will be complemented with drill rigs for material delineation. Auxiliary equipment will include track dozers, wheel dozers, motor graders and a water truck. The mine fleet will also include the necessary equipment to re-handle the material from the stockpiles to the primary crusher. This operation will be carried out using a front-end loader and the same 150 t trucks used in the open pit.

## Recovery Methods

The Marimaca Project will operate a conventional salt acid leaching process consisting of a comminution circuit, crush leach (HL) and ROM leach facilities, SX and EW to produce Grade-A copper cathodes. All leaching will be performed using seawater-based process solutions, with sulphuric acid and salt addition to both acid-leach the copper oxide mineralization and chloride-leach the sulphide copper mineralization sent to crush heap leaching.

Water devoid of chloride for SX/EW requirements will be provided by a dedicated reverse osmosis (RO) plant. The brine RO plant reject stream will be recovered as process water, hence providing additional chloride to the process and making full use of all available water to meet process needs.

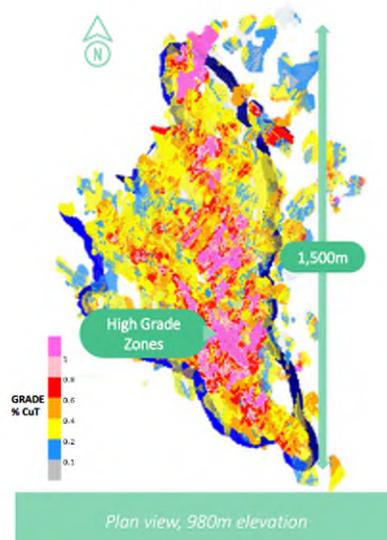
The SX plant was designed to operate with high levels of chloride present in the pregnant leach solution (PLS) and includes two organic washing stages that will allow for a low and manageable transfer of chloride to EW through entrainment.

As explained in the sections before the mine plan assumes two mining phases. Phase 1 will run from Year 1 to Year 5 will see primarily oxide mineralization being sent to the crush heap leach at a processing capacity of 5.4 Mt/y. This initial period is expected to see minimal mining of sulphide copper mineralization. The second mine phase will run from Year 6 to Year 12 and assumes that 9 Mt/y of mineralization will be sent to the crush heap leach. The material will still be dominated by oxide copper minerals, but there will be a higher proportion of sulphide copper mineralization, including mixed oxide-sulphide mineralization. Phase 2 of the mine plan requires an expansion of the crushing and leaching facilities. However, the other plant facilities such as the SX/EW units are sized for Phase 2 capacity from the start.

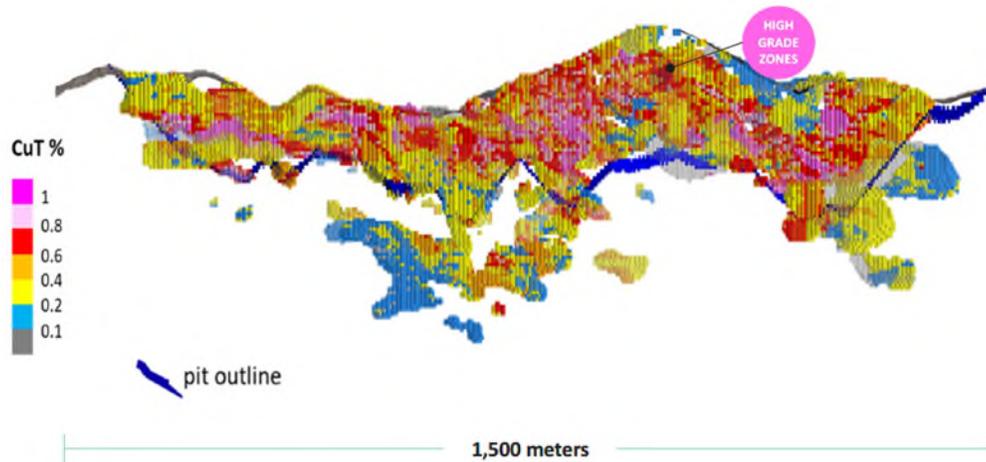
The addition of salt is only considered necessary for Phase 2 of the mine plan; chloride build up in the leaching solutions is considered sufficient to enhance recovery from the minor copper sulphide fractions during the first stage of the mine plan.

Facilities for copper cathode production will have a nominal capacity of 40,000 t/y Cu. Full cathode production will be achieved during the first phase of the mine plan from processing high-grade mineralized material. The second phase will treat lower-grade mineralization, requiring a capacity increase to meet the proposed cathode production tonnage from the EW circuit. The design considers an installed power capacity of 30 MVa, with a peak power consumption of 155 GWh per year occurring at year 6 when the second phase starts. Water requirements are 1,612,000 m<sup>3</sup>/y for phase 1 and 2,558,000 m<sup>3</sup>/y for phase 2.

The assumed mine life is 12 years. The strip ratio of the mine plan is 0.84:1, with the favourable geometry of the ore body reducing the strip. Mineralization that will be sent to the crush heap leach facility will be crushed at the crushing plant, totals 88,586 kt of copper-bearing mineralization over the LOM.



For phase 1 of the mine plan, which includes a lower capacity first year due to ramp-up considerations, an average of 5,130 kt/y of feed will be delivered during that five year period, at an average copper grade is 0.78%. High grade zones typically shorten payback periods and improve early years head grade delivered to leach pads. Phase 2 will average of 8,991 kt/y including a final year of slightly lower feed at an average copper grade of 0.49%. Recoveries will be about 79% for the first phase of the mine plan, reducing to approximately 74% on average during the second stage.



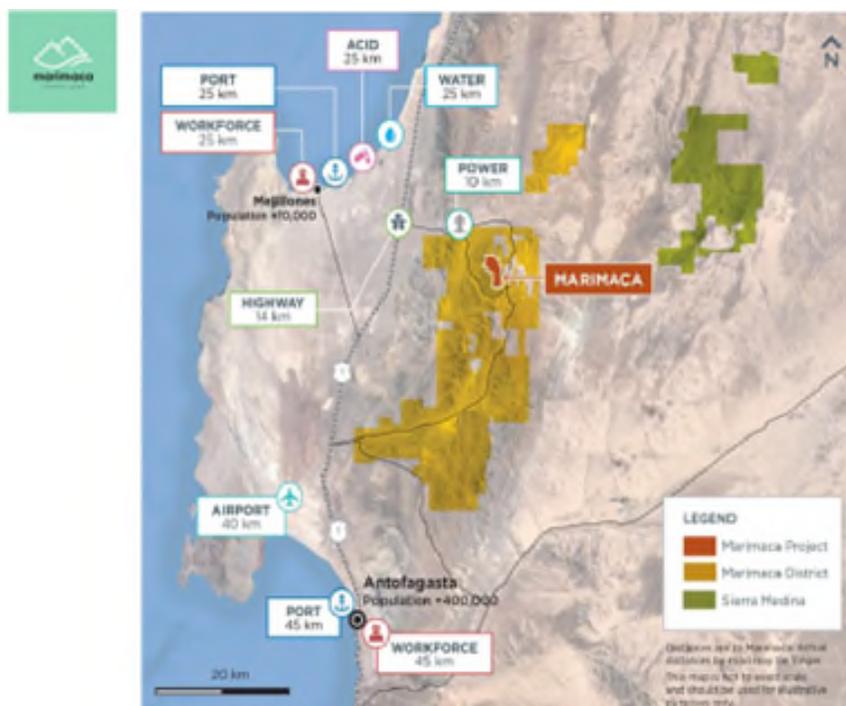
The crush heap leach plant is designed to process a nominal of 5,400kt/y for phase 1 of the mine plan, equivalent to a daily balance tonnage of 14,795 t/d (with 365 d/y), consistent with the mine plan for Year 2 to Year 5. For phase 2 (year 6 to 12) nominal capacity will be 9,000 kt/y, equivalent to a daily balance tonnage of 24,658 t/d.

Total copper cathode production is estimated to be approximately 430kt of cathodes during the LOM, which includes both copper metal recovered from the heap leach and the ROM leach.

### ***Project Infrastructure***

Planned infrastructure will include:

- Road network: The road network includes connections from the open pit to the WRSFs, main processing area, crush leach facilities, ROM leach facilities, maintenance complex, and administrative facilities.
- Processing plants: Crushing plant, agglomeration plant, and SX/EW facilities, tank farm, as well as salt and acid storage system.
- Conveyor systems: Overland conveyor from the agglomeration plant to the heap leach pad area, a transfer conveyor with tripper car, mobile (grasshopper) and radial stacking conveyors.
- Heap leach facilities: On/off acid heap, irrigation system, drainage system for pregnant leach solution (PLS) and intermediate leach solution (ILS) and process ponds.
- ROM leach facilities: Permanent acid heap, irrigation system and a drainage system.
- Solutions ponds and pumping system: PLS, ILS and raffinate ponds, emergency ponds for the spent rock (ripios) and crush leach facilities and a seawater pond
- WRSFs: Two facilities, north and south
- Administration building: Offices for mine management and supervisory staff, human resources, accounting, procurement, information technology, and safety staff.
- Maintenance workshop: Truck shop, warehouse, and laboratory.
- Electrical substation: For the main 110 kV line,
- Fuel storage: Tank farm with storage tanks.
- Process control system
- Communications system
- Water supply: potable and process.



Note: Figure prepared by Marimaca Copper, 2020.

Power will be taken from the national grid. The most convenient connection would be with the 110 kV line that follows the B240 road and is about 7 km north of the proposed plant site. For the purposes of the 2020 PEA it was assumed that a tap-off from that line will be permitted. A 7 km, 110 kV line will be built from the tap-off point to the main substation, which will be placed close to the SX/EW plant. From the main substation power will be distributed to the user centers via 23 kV overhead lines.

The water demand is assumed to be supplied by Aguas de Antofagasta S.A. (ADASA), a major Chilean water supplier, are at an expected rate of 1,612,000 m<sup>3</sup> /y year for phase 1. phase 2 will need 2,558,000 m<sup>3</sup> /y. The make-up water is considered to be extracted by ADASA from an existing seawater pipeline, which also follows the B-240 road. ADASA will deliver the water into Marimaca’s seawater pond. A reverse RO plant will be required to produce the water quality needed in the SX/EW facilities, and a second RO plant will be installed for the administration building.

The installation of an operational man camp is not considered in this PEA due to the proximity of the project to Mejillones and Antofagasta; it is assumed that the majority of the workforce will come from these cities. The Marimaca Project is within 25 km of the Port of Mejillones and within 40 km of Antofagasta, which will ensure access to the airport and no requirement for housing or site accommodation for the workforce. The Corporation will implement high standards of safety to mitigate risks and ensure the health, safety and wellbeing of employees.

### ***Environmental, Permitting and Social Considerations***

#### **(i) Environmental Considerations**

The Corporation received an Environmental Impact Declaration (“DIA” in the Spanish acronym) in July 2018. The main infrastructure approved in this DIA included: mine pit, WRSF, mineralization stockpile, auxiliary installations (shops, offices, waste management, etc.), and an explosives magazine. The original Marimaca Project considered mineral extraction from the Marimaca 1-23 Claims Project (Marimaca 1-23) and the use of the existing processing plants and auxiliary installations in the Rayrock facilities (Ivan Plant).

Baseline studies for the Marimaca 1-23 DIA were completed within a surface area of 147 ha. This comprised the original Marimaca 1-23 Claims Project area, and depending on the study, additionally covered the area representing an indirect effects study area. Baseline studies included the following:

- Physical environment: climate, meteorology, air quality, noise, natural hazards, soils, hydrology, hydrogeology.
- Biotic environment: fauna and flora.
- Human environment: setting, heritage, archaeology; and visual landscape.

The 2020 PEA represents an expansion of the original Marimaca 1-23 Claims Project and assumes construction of a new processing plant and auxiliary facilities to be located 5 km west of the proposed open pit. This change was evaluated in a 2020 Options Study performed by GEM Gestion y Economia Minera Ltda and it was preferred over the existing Ivan Plant facilities because of the shorter distance to the mine and from Mejillones. The plant complex will include a crushing plant, leach pads, and ripios facilities and is estimated to occupy approximately 281 ha of surface area. In addition, the project will increase the mine pit footprint, which translates into an increase in tonnage processed and a surface area of the mine of 257 ha. This new configuration will require an environmental permit via a new Environmental Impact Assessment (EIA) or DIA. The Chilean authorities may require that existing baseline studies be updated for a new DIA or EIA; and based on the type of document, the amount of information needed will differ. Should the project require an EIA, additional studies will be needed to account for seasonal differences and the need for one year's worth of data for air emissions monitoring. There are uncertainties that will need to be addressed to confirm DIA or EIA. The expansion of the pit and WRSFs will need to be considered with respect to any additional impact to the surrounding environment. Traffic studies may be required to understand potential disruptions in Mejillones or Antofagasta and or increases in air and noise emissions.

The original Marimaca 1-23 Claims Project received approval for various Environmental Sectorial Permits, (PAS in the Spanish acronym) for infrastructure and activities approved in the 2018 Marimaca 1-23 DIA. The Marimaca Project will also require various PAS that will have to be included in the new DIA or EIA document. The PAS will have to be amended or renewed based on the new Marimaca Project areas and/or installations, and some will have to be updated with the modifications to the pit and WRSFs in the mine area.

The Marimaca Project as described in the 2020 PEA will have to identify and classify the Sectorial Permits (PS in the Spanish acronym) needed along with critical path permits. Among the critical permits are those approved by the mining, water, and roads authorities that have long approval timelines, complex level of technical studies/data required or that have pre-requisites that could impact the Marimaca Project schedule. To date, the Corporation has not submitted applications for the approved Marimaca Project installations.

The Corporation operates in an environmentally responsible manner, to minimize impacts of its activities, and where possible, aims to improve and enhance the environment in which it operates. The Corporation considers sustainable practices in exploring, developing and producing to be a priority.

#### (ii) Closure and Reclamation Planning

The Marimaca Project will require a Closure Plan, approved by the Mining Authority (Sernageomin) and regulated by Supreme Decree N°41/2012. The Closure Plan will specify closure measures defined through risk assessment and will include an estimate of the closure costs. The Closure Plan will consider all the facilities included in the approved Environmental documents as per Sernageomin's Methodology Guide.

The Closure Plan will have to be approved before operation starts and a bond will have to be delivered to the Government of Chile during the first year of operation. The Closure Plan approval is preceded by obtaining all mining permits from Sernageomin, including those for the WRSFs, process plant, and open pits (mine operation). To date, the Corporation has not obtained permits for mine operation, the process plant, or the WRSFs.

No closure and salvage costs have been considered at this stage.

#### (iii) Social Considerations

The area of influence of the Marimaca Project, the Antofagasta Region, and particularly the communities and cities of Mejillones and Antofagasta. The land is predominantly government owned or controlled. There are no indigenous lands or territories of any kind being claimed in the Marimaca Project area. The closest indigenous community (Atacama La Grande) is more than 150 km from the Marimaca Project area. Formal community consultations have not occurred.

The Corporation values the trust and support of local communities and will endeavour to work collaboratively with such communities to deliver shared value. The Corporation is committed to employing locally, upskilling its workforce and respecting cultures while promoting diversity and inclusion.

### ***Markets and Contracts***

No formal marketing studies were completed as part of this preliminary economic assessment and as of the effective date, no definitive contracts are in place for purchase of the copper produced or supply of the acid required at Marimaca.

Copper cathode is a common commodity that is traded in transparent and liquid markets. The value of the product is high in relation to their mass and volume and freight costs are not therefore a fundamental driver of expenditure.

Accordingly, for the purpose of the 2020 PEA, it is appropriate to assume that the product can be sold and at standard market rates.

### ***Capital Cost Estimates***

Capital costs were estimated from a variety of sources including derivation from first principles, equipment quotes and factoring from actual costs incurred in the construction of other similar facilities. Costs are estimated in US dollars to an accuracy of  $\pm 25\%$  which is equivalent to an AACE International, Class 4 Estimate.

Capital costs are summarised in Table 5 and show initial costs of US\$284.7 million, with sustaining costs of US\$66 million, for a LOM total capital cost of US\$350.7 million.

Table 5: Estimated Capital Cost

<b>Estimated Capital Costs</b>	<b>Costs (US\$M)</b>
Mining Equipment	14.0
Mine Development	9.2
Crushing & Agglomeration	22.7
Leaching	43.5
SX-EX Plant	81.1
Infrastructure (incl acid tanks, power supply, buildings)	14.7
Total Direct Costs	185.1
Indirect Costs	42.6
Contingency	56.9
Total Initial Capital Cost	284.7
LOM Sustaining Capital (including indirect costs)	66.0
<b>Total Life of Mine Capital</b>	<b>350.7</b>

### ***Operating Cost Estimates***

All operating costs are presented in US dollars. Operating cost estimates are accurate to within  $\pm 25\%$ . An overall contingency was not explicitly included in the operating cost estimate, yet it does consider contingencies for specific cost contributors to allow for at-present unspecified miscellaneous details, such as electrical consumption of minor auxiliary equipment (sump pumps, dust suppression, maintenance equipment, services).

The operating costs are estimated C1 cash costs over the life of mine, at an average of US\$1.22/lb. C1 cash costs consist of mining costs, processing costs, site G&A and transport charges and royalties. All in sustaining costs (“AISC”) are estimated at an average of US\$1.29/lb. AISC includes cash costs plus sustaining capital.

Table 6 summarises the LOM average C1 operating costs, including mining, processing and general and administrative (G&A) costs. Average operating cost is US\$8.68/t of processed mineralized material (ROM and crush

leach); offsite transport and royalties is US\$0.11/t of processed mineralized materials. Operating costs consider crush leach tonnes sent to the crusher and subsequent crush leach processing, as well as ROM leaching; ROM mineralized material haulage costs to ROM facility are included in the mining haulage cost.

Table 6 Operating Costs

Operating Cost	US\$/t mineral Processed	US\$/lbCu Processed
Mining	3.19	0.44
Processing	4.95	0.69
Site G&A	0.54	0.07
Transport & Royalties	0.11	0.02
<b>TOTAL</b>	<b>8.79</b>	<b>1.22</b>

### *Economic Analysis*

#### (i) Cautionary Statement

The 2020 PEA is preliminary in nature, and is partly based on Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the 2020 PEA based on these Mineral Resources will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The results of the economic analyses discussed in this section represent forward-looking information as defined under Canadian securities law. The results depend on inputs that are subject to several known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those presented herein.

Information that is forward-looking includes the following:

- Mineral resource estimates
- Assumed commodity prices and exchange rates
- Proposed mine production plan
- Projected mining and process recovery rates
- Assumptions as to mining dilution
- Capital cost and proposed operating cost estimates
- Assumptions about environmental, permitting, and social risks

Additional risks to the forward-looking information include:

- Changes to costs of production from what is assumed
- Unrecognised environmental, permitting or social risks
- Unanticipated reclamation expenses
- Unexpected variations in quantity of mineralised material, grade or recovery rates
- Geotechnical considerations during mining being different from what was assumed
- Failure of mining methods to operate as anticipated
- Failure of plant, equipment or processes to operate as anticipated
- Changes to assumptions as to the availability of electrical power, and the power rates used in the operating cost estimates and financial analysis
- Ability to maintain the social licence to operate
- Accidents, labour disputes and other risks of the mining industry
- Changes to interest rates
- Changes to tax rates

Calendar years used in the financial analysis are provided for conceptual purposes only. Permits still must be obtained in support of operations; and approval to proceed is still required from the Board.

(ii) Methodology Used

An economic model was developed to estimate annual pre-tax and post-tax cash flows and sensitivities of the project based on an 8% discount rate. It must be noted that tax estimates involve complex variables that can only be accurately calculated during operations and, as such, the after-tax results are approximations. A sensitivity analysis was performed to assess the impact of variations in metal prices, initial capital cost, total operating cost, discount rate and grade. The economic analysis was run on a constant dollar basis with no inflation.

A base case copper price of US\$3.15/lb is based on consensus analyst estimates and recently published economic studies.

The economic analysis was performed using the following assumptions:

- Construction starting January 1, 2023
- Construction costs capitalised by 30% and 70% in Year -2 and Year -1 respectively
- Commercial production starting (effectively) on January 1st, 2025, with first revenue and expensed costs in Year +1
- Mine life (LOM) of 12 years
- Cathode premium of US\$100/t of copper
- Cost estimates in constant 2020 United States dollars with no inflation or escalation
- 100% ownership with 0.5% royalty payable on mineralized materials mined from the Marimaca 1-2 claims and a 1% royalty payable on mineralized materials mined from the La Atomica claims
- Capital costs funded with 100% equity (no financing costs assumed)
- Copper is assumed to be sold in the same year it is produced
- No contractual arrangements for refining currently exist
  - At the effective date of this Report, the project was assumed to be subject to the following tax regime:
- The Chilean corporate income tax system consists of 27% income tax.
- Total undiscounted tax payments are estimated to be US\$430 million over the life of mine.

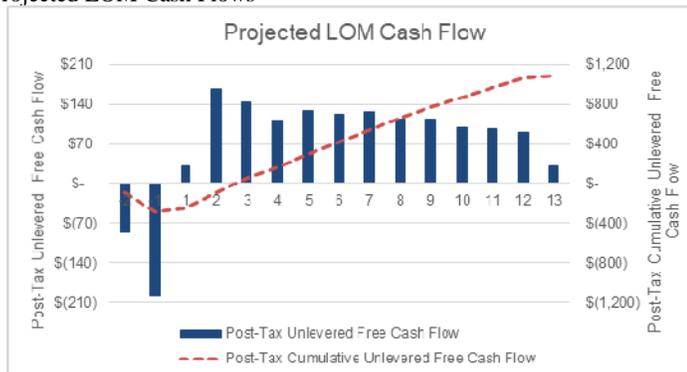
(iii) Results

The economic analysis was performed assuming an 8% discount rate. The pre-tax NPV discounted at 8% is US\$757 million; the internal rate of return IRR is 39.9%; and payback period is 2.4 years. On an after-tax basis, the NPV discounted at 8% is US\$524 million or approximately C\$10.80 per share on an unfunded basis (calculated using an exchange rate of 0.75 and 64.4 million shares on issue); the IRR is 33.5%; and the payback period is 2.6 years.

(iv) Sensitivity Analysis

A sensitivity analysis was conducted on the base case pre-tax and after-tax NPV and IRR of the Marimaca Project, using the following variables: metal prices, initial capital costs, total operating cost, and discount rate. The analysis revealed that the Marimaca Project is most sensitive to revenue attributes such as copper price followed by operating cost and capital cost.

Figure 2: Projected LOM Cash Flows



Note: Figure prepared by Ausenco, 2020.

Table 7: Copper Price Sensitivity Summary

Copper Price US\$/Lb	Post-Tax NPV8% Base Case (US\$)	Post-Tax NPV8% Capital cost (-10%) (US\$)	Post-Tax NPV8% Capital cost (+10%) (US\$)	Post-Tax NPV8% Operational cost (-10%) (US\$)	Post-Tax NPV8% Operational cost (+10%) (US\$)	IRR Base Case
\$2.85	\$408	\$434	\$381	\$455	\$360	28.6%
\$3.00	\$466	\$492	\$439	\$514	\$418	31.1%
\$3.15	\$524	\$551	\$498	\$572	\$476	33.5%
\$3.30	\$582	\$609	\$556	\$630	\$535	35.7%
\$3.45	\$640	\$667	\$614	\$688	\$592	37.9%

### CONSOLIDATED CAPITALIZATION

There have been no material changes in the Corporation's capital structure on a consolidated basis since September 30, 2020, the date of the Corporation's most recent financial statements.

Prior to giving effect to the Offering, the Corporation has 64,441,072 Common Shares issued and outstanding. Assuming no exercise of the Over-Allotment Option, and without taking into account the exercise of any Warrants or Compensation Warrants, there will be 4,000,000 Warrants and (assuming no sales to President's List buyers and no sales to the Greenstone Group or the Tembo Group) 240,000 Compensation Warrants issued and outstanding following completion of the Offering.

### DESCRIPTION OF SECURITIES BEING DISTRIBUTED

#### Units

Each Unit consists of one Common Share and one half of one Warrant.

The Common Shares and the Warrants comprising the Units will separate following the closing of the Offering. Each whole Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Common Share at an exercise price of \$4.10 per Common Share at any time on or before 5:00 p.m. (Vancouver time) on the date that is 24 months from the Closing Date, after which time the Warrants will be void and of no value.

#### Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without par value of which, as of November 27, 2020, 64,441,072 Common Shares were issued and outstanding as fully paid and non-assessable.

Holders of Common Shares are entitled to receive notice of and attend all meetings of shareholders of the Corporation and are entitled to cast one vote per Common Share on all matters to be voted upon at all such meetings. Holders of Common Shares are entitled to receive such dividends if, as and when declared by the Board. Holders of Common Shares also have rights to the net assets of the Corporation after payment of debts and other liabilities, upon dissolution or winding up of the Corporation, on a pro rata basis. The Common Shares do not carry any preemptive, subscription, conversion or redemption rights, nor do they contain any sinking or purchase fund provisions.

The Corporation has not declared any dividends or distributions on the Common Shares since our incorporation. Any future determination to pay dividends or make distributions will be at the discretion of the Board and will depend on our capital requirements, financial performance and such other factors as the Board considers relevant.

## Warrants

The Warrants will be governed by the terms of a warrant indenture (the “**Warrant Indenture**”) to be dated as of the Closing Date between the Corporation and Computershare Trust Company of Canada (the “**Warrant Agent**”), as warrant agent. The following provides a summary of certain provisions, but does not purport to be complete. This discussion is subject, in its entirety, to the detailed provisions of the Warrant Indenture, which will be filed by the Corporation under its corporate profile on SEDAR at [www.sedar.com](http://www.sedar.com) following the closing of the Offering. A register of holders will be maintained at the principal offices of the Warrant Agent in Toronto, Ontario.

The Common Shares and the Warrants comprising the Units will separate following the closing of the Offering. Each whole Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Common Share at an exercise price of \$4.10 per Common Share at any time on or before 5:00 p.m. (Vancouver time) on the date that is 24 months from the Closing Date, after which time the Warrants will be void and of no value.

The Warrant Indenture provides for adjustment in the number of Common Shares issuable upon the exercise of the Warrants and/or the exercise price per Common Share upon the occurrence of certain events, including:

- (i) the issuance of Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Warrants);
- (ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;
- (iv) the fixing of a record date for the issue of rights, options or warrants to all or substantially all of the holders of the Common Shares under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the “current market price”, as defined in the Warrant Indenture, for the Common Shares on such record date; and
- (v) the fixing of a record date for the making of a distribution to all or substantially all of the holders of the Common Shares of securities of any class other than Common Shares, whether of the Corporation or any other entity, or rights, options or warrants to acquire shares or securities exchangeable or convertible into any such shares, evidences of indebtedness, or any property or other assets.

The Warrant Indenture will also provide for adjustments in the class and/or number of securities issuable upon exercise of the Warrants and/or exercise price per security in the event of the following additional events: (a) reclassifications of the Common Shares or a capital reorganization of the Corporation (other than as described in clauses (ii) or (iii) above), (b) consolidations, amalgamations, arrangements, mergers or other business combinations of the Corporation with or into another entity (other than consolidations, amalgamations, arrangements, mergers or other business combinations that do not result in any reclassification of the Common Shares or a change or exchange of the Common Shares into other securities), or (c) a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, in which case each holder of a Warrant which is thereafter exercised will receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Warrants prior to the event.

The Corporation will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Common Shares issuable upon exercise of the Warrants, at least ten business days prior to the record date or effective date, as the case may be, of such events.

No fractional Common Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Prior to the exercise of their Warrants, holders of Warrants will not have any rights which a holder of Common Shares would have and in particular will not be entitled to dividend payments, if declared, or have any voting rights.

From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy of Warrants representing not less than 25% of the aggregate number of Warrants then outstanding and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of Warrants represented at the meeting that voted on such resolution or (ii) adopted by an instrument in writing signed by the holders of not less than 66⅔% of the aggregate number of all then outstanding Warrants.

The Warrants and the underlying Common Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing such Common Shares be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Corporation has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Corporation; provided, however, that a holder who is either a Qualified Institutional Buyer at the time of exercise of the Warrants who purchased Units in the Offering directly, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that are a part of those Units.

**The Corporation has not applied and does not intend to apply to list the Warrants on the TSX or any other securities exchange. There is no market through which the Warrants may be sold and purchasers may not be able to resell Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See “Risk Factors”.**

#### PRIOR SALES

The following tables set forth the details regarding all issuances of Common Shares and securities convertible into Common Shares during the 12-month period prior to the date of this Prospectus.

Date of Issue	Type of Security	Number of Securities	Exercise Price per Security
April 21, 2020	Stock Options	440,000	\$1.25
September 25, 2020	Stock Options	2,150,000	\$3.20

#### TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSX under the symbol “MARI”. The following table shows the high and low trading prices, as well as the trading volume for the Common Shares on the TSX for the 12-month period indicated. Figures presented for periods prior to the Share Consolidation have been adjusted to give effect to the Share Consolidation:

Month	High (\$)	Low (\$)	Volume
October 2019	2.25	2.00	1,240,500
November 2019	2.25	2.00	428,300
December 2019	2.00	1.75	11,133,200
January 2020	1.75	1.50	3,692,400
February 2020	1.75	1.50	8,615,700
March 2020	1.50	1.00	6,563,500
April 2020	1.50	1.00	351,100
May 2020	1.75	1.25	410,200
June 2020	1.99	1.47	904,700
July 2020	3.10	1.76	1,095,700
August 2020	3.70	2.63	751,600

Month	High (\$)	Low (\$)	Volume
September 2020	3.44	2.89	393,300
October 2020	3.54	3.17	350,100
November 1 – 27, 2020	3.71	3.10	607,000

On November 27, 2020, the last day on which the Common Shares traded prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was \$3.30.

### USE OF PROCEEDS

The gross proceeds to be received by the Corporation from the sale of Units under the Offering will be \$25,200,000. The net proceeds to be received by the Corporation, after deducting the Underwriters' Commission (assuming no sales to President's List buyers and no sales to the Greenstone Group and the Tembo Group) and after deducting the expenses of the Offering (estimated to be \$400,000), will be approximately \$23,288,000. The Corporation intends to use the net proceeds of the Offering to repay outstanding indebtedness of approximately \$8.3 million under the Working Capital Facility (as defined below) and to complete additional exploration, mining and engineering studies and metallurgical test work at the Marimaca Project.

The Corporation believes that the net proceeds of the Offering (assuming no exercise of the Over-Allotment Option and no sales to President's List buyers, the Greenstone Group and the Tembo Group) will be adequate to finance its planned expenditures to the end of 2021. The approximate amount of the net proceeds to be allocated to these uses is as follows:

Use of Proceeds	Total Funds
Repayment of Working Capital Facility	\$8.3 million
Exploration Activities	\$4.0 million
Feasibility Study (including engineering studies)	\$1.0 million
Property Payments / Option Payments	\$5.5 million
General and Administrative Expenses	\$4.5 million
<b>TOTAL</b>	<b>\$23.3 million</b>

If the Over-Allotment Option is exercised in full, the net proceeds to be received by the Corporation, after deducting the Underwriters' Commission (assuming no sales to President's List buyers and no sales to the Greenstone Group and the Tembo Group) and after deducting the expenses of the Offering (estimated to be \$400,000), will be approximately \$26,841,200.

The Underwriters' Commission payable to the Underwriters is equal to 6.0% of the gross proceeds of the Offering, other than gross proceeds on (a) up to \$2.5 million of sales made to President's List purchasers, on which a reduced fee of 3.0% will be paid to the Underwriters, and (b) sales made to the Greenstone Group and the Tembo Group, in respect of which no fee will be paid to the Underwriters. Assuming no exercise of the Over-Allotment Option, the Corporation currently anticipates that President's List buyers will subscribe for \$2.5 million of Units in the aggregate, the Greenstone Group will subscribe for approximately \$14.4 million of Units in the aggregate and the Tembo Group will subscribe for approximately \$1.9 million of Units in the aggregate, resulting in an aggregate reduction in the Underwriters' Commission of \$1.1 million (and a corresponding increase in net proceeds from approximately \$23.3 million to approximately \$24.4 million). If the Over-Allotment Option is exercised in full, the Corporation currently anticipates that the Greenstone Group will subscribe for approximately \$2.2 million of additional Units, resulting in an aggregate reduction in the Underwriters' Commission of approximately \$130,000 (and a corresponding increase in net proceeds from approximately \$26.8 million to approximately \$28 million).

#### Repayment of Working Capital Facility

The Corporation intends to use approximately US\$6.4 million (\$8.3 million) of the net proceeds of the Offering to fully repay outstanding indebtedness under its unsecured working capital facility dated March 5, 2020 (the "**Working Capital Facility**") with Greenstone Resources II, L.P. and Tembo Capital Mining Fund II LP (together, the "**Lenders**"), pursuant to which the Lenders agreed to lend up to US\$6.0 million to the Corporation to fund the Corporation during the COVID-19 pandemic. The Working Capital Facility has a 12-month term and bears interest

at 12% per annum. The proceeds of the Working Capital Facility were used by the Corporation to fund its exploration and development plans for the Marimaca Project.

Both Greenstone Resources II, LP and Tembo Capital Mining Fund II LP are insiders of the Corporation. Greenstone II Resources L.P. and certain of its affiliates (collectively, the “**Greenstone Group**”) own 16,037,680 Common Shares (representing approximately 24.9% of the issued and outstanding Common Shares) and Tembo Capital Mining Fund II LP and certain of its affiliates (collectively, the “**Tembo Group**”) own 10,577,161 Common Shares (representing approximately 16.5% of the issued and outstanding Common Shares).

## **Marimaca Project**

### *Exploration Focus*

The Corporation's principal objective over the next twelve months is to continue testing the exploration potential of the Marimaca Project and its surrounds by conducting additional exploration at several high priority exploration targets it has developed. Based on available budgets, the Corporation has prioritized exploration as its primary strategic objective, ahead of the completion of a full feasibility study for the Marimaca Project.

Consistent with this objective, the Corporation has set an initial budget of \$4.0 million for exploration work, focusing on reconnaissance, geophysical exploration and drilling programs within its land package.

### *Feasibility Study Preparation*

The Corporation is already well advanced in its technical assessment of the Marimaca Project having completed multiple phases of metallurgical testing, significant resource drilling and other technical studies. The Technical Report includes recommendation that the Corporation progress to a feasibility study for Marimaca Project, including a detailed option trade-off study to ensure that consideration is given to alternative development strategies which may further enhance the value of the Marimaca Project. The Technical Report also includes a recommendation that the Corporation complete an additional phase of metallurgical testing to further refine and optimize design parameters for the Project and to conduct infill drilling in furtherance of a feasibility study and determination of mineral reserves. The authors of the Technical Report estimate the total cost of completing these activities, completing the full Feasibility Study, to be approximately US\$10-12 million.

Consistent with the recommendations set forth in the Technical Report, and with the Corporation's own prioritization of exploration drilling over the completion of a full feasibility study, the Corporation's principal objectives related to advancing a feasibility study over the next twelve months are the completion of additional metallurgical testwork and options studies in preparation for the full Feasibility Study, for which the Corporation has set an initial budget of \$1.0 million. These work programs will assist the Corporation to advance the recommendations set forth in the Technical Report. Luis A. Tondo (Chief Executive Officer) and Sergio Rivera (Vice President of Exploration), each of whom is an employee of the Corporation and a Qualified Person under NI 43-101, have recommended that the Corporation undertake these studies in furtherance of the recommendations set forth in the Technical Report.

### *Option Payments*

To ensure that the Corporation retains beneficial ownership of the Marimaca Project, the Corporation intends to exercise its rights under the Corporation option agreements relating to the Marimaca Project, require the payment of approximately \$5.5 million in option payments by the end of 2021.

Notwithstanding that the Corporation intends to spend the net proceeds of the Offering as stated above, there may be circumstances, including due to COVID-19, where for sound business reasons the Corporation determines that a reallocation of funds may be deemed prudent or necessary, in which case, the Corporation may spend the net proceeds of the Offering on such reallocated basis. Accordingly, management of the Corporation will have broad discretion in the application of the proceeds of the Offering. See “*Risk Factors*”.

## **Negative Operating Cash Flow**

The Corporation had negative operating cash flow for the year ended December 31, 2019 and the three and nine months ended September 30, 2020. If the Corporation continues to have negative cash flow into the future, net

proceeds may need to be allocated to fund this negative cash flow. At September 30, 2020, the Corporation had a cash balance of approximately US\$2.8 million, a working capital balance of approximately negative US\$8.3 million and current liabilities as of the date hereof of approximately US\$4.6 million. From January 1, 2020 to September 30, 2020, the Corporation had an average monthly cash operating expenditure rate of approximately US\$138,000 per month (exclusive of expenditure on exploration and evaluation activities, which are adjusted to reflect the Company's workplan and budget).

The average monthly cash expenditures described above include care and maintenance costs, which have been reduced by 75% in the third quarter of 2020 (approximately US\$207,000) compared to the same period in 2019 (approximately US\$789,000) as a result of cost-cutting initiatives and the deconsolidation of RSC. Taking into account the above factors, the Corporation anticipates that cash operating expenditures over the next 12 months (exclusive of exploration and evaluation activities) will be approximately US\$1.65 million (US\$138,000 month). Additional expenses for exploration and evaluation activities will be incurred in accordance with the Company's workplan described above. Following completion of the Offering and repayment of the Working Credit Facility, the Corporation believes it will have sufficient capital to finance its operating expenditures and planned activities to advance the Marimaca Project to the end of 2021.

The Corporation anticipates that it will continue to have negative cash flow from operating activities in future periods until commercial production is achieved at the Marimaca Project. See "*Note Regarding Forward-Looking Statements*" and "*Risk Factors*".

## PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Corporation has agreed to sell and the Underwriters have severally agreed to purchase, on the Closing Date, all but not less than all of the Units offered hereunder at the Offering Price, for gross proceeds of \$25,200,000 million payable in cash to the Corporation against delivery of the Units, subject to compliance with all necessary legal requirements and to the terms and conditions of the Underwriting Agreement. The Offering Price was determined by negotiation between the Corporation and the Lead Underwriter, on its own behalf and on behalf of the other Underwriters, with reference to the prevailing market price of the Common Shares. The obligations of the Underwriters under the Underwriting Agreement are several (and not joint nor joint and several), are subject to certain closing conditions and may be terminated at their discretion on the basis of "material change out", "disaster out", "regulatory out" and "breach out" provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement. The Underwriters may, in connection with the Offering and in their discretion, form a selling group consisting of one or more other licensed dealers, brokers and investment dealers (referred to herein as the "**Selling Firms**") to offer the Units for sale and may receive subscriptions for the Units from the Selling Firms.

The Underwriters propose to offer the Units to the public initially at the Offering Price. After the Underwriters have made a reasonable effort to sell the Units at the Offering Price, the Underwriters may decrease the Offering Price of the Units. The sale by the Underwriters of Units at a price of less than the Offering Price will have the effect of reducing the compensation realized by the Underwriters by the amount that the aggregate price paid by the purchasers for the Units is, less than the gross proceeds paid by the Underwriters for the Units. Any such reduction will not affect the proceeds to the Corporation.

In connection with the Offering, the Corporation has agreed to pay the Underwriters an Underwriters' Commission equal to 6.0% of the gross proceeds of the Offering, other than gross proceeds on (i) up to \$2.5 million of sales made to President's List purchasers, on which a reduced fee of 3.0% will be paid to the Underwriters, and (ii) sales made to the Greenstone Group and the Tembo Group, in respect of which no fee will be paid to the Underwriters. As additional consideration, the Corporation will issue to the Underwriters such number of Compensation Warrants as is equal to 3.0% of the total number of Units sold under the Offering, provided, however, that (i) the percentage of Compensation Warrants issued in respect of up to \$2.5 million of sales made to President's List purchasers will be reduced to 1.5% and (ii) no Compensation Warrants will be issued in respect of sales to the Greenstone Group and the Tembo Group. Each Compensation Warrant will entitle the holder thereof to purchase one Common Share, at the Offering Price, at any time prior to 5:00 p.m. (Vancouver time) on the date that is 24 months following the Closing Date. This Prospectus qualifies the issuance of the Compensation Warrants (including Compensation Warrants granted in connection with any exercise of the Over-Allotment Option) and the distribution of the Common Shares issuable upon exercise of thereof.

Pursuant to the terms of the Underwriting Agreement, the Corporation has agreed to reimburse the Underwriters for up to \$100,000 of expenses incurred in connection with the Offering, including legal fees, and to indemnify the Underwriters, and their respective affiliates and its and their respective directors, officers, employees, agents and shareholders, against certain liabilities and expenses.

The Corporation has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Underwriters, for a period of 30 days from and including the Closing Date, to purchase up to 1,200,000 additional Units at the Offering Price to cover over-allotments, if any, and for market stabilization purposes. Alternatively, the Over-Allotment Option may be exercised by the Underwriters in respect of (i) additional Common Shares at a price of \$2.98; (ii) additional Warrants at a price of \$0.339 (with each half Warrant priced at \$0.17) or (iii) any combination of Units, Common Shares and/or Warrants, so long as the aggregate number of Common Shares which may be issued under the Over-Allotment Option does not exceed 1,200,000 and the aggregate number of Warrants which may be issued under the Over-Allotment Option does not exceed 600,000. If the Over-Allotment Option is fully exercised in respect of Units, the total number of Units sold under the Offering will be 9,200,000 the total price to the public will be \$28,980,000, the total Underwriters' Commission (assuming no sales to President's List buyers and no sales to the Greenstone Group or the Tembo Group) will be \$1,738,800, and the total net proceeds to the Corporation (before deducting the estimated expenses of the Offering) will be \$27,241,200. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Unit, Common Shares and/or Warrants issuable upon exercise of thereof. A purchaser who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Corporation has received conditional approval to list all of the Offered Shares on the TSX. Such listing will be subject to the Corporation fulfilling the applicable listing requirements of the TSX.

**The Corporation has not applied and does not intend to apply to list the Warrants on the TSX or any other securities exchange. There is no market through which the Warrants may be sold and purchasers may not be able to resell Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See "Risk Factors".**

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including: (a) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (b) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (c) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on the TSX or otherwise.

The Corporation has agreed in favour of the Underwriters that it will not, without the consent of the Lead Underwriter (not to be unreasonably withheld or delayed), issue any Common Shares or securities convertible into or exchangeable for Common Shares during the period ending 90 days following the Closing Date other than as contemplated herein or in conjunction with (i) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Corporation and other share compensation arrangements; (ii) the exercise of outstanding convertible securities; (iii) obligations of the Corporation in respect of existing agreements; (iv) the issuance of securities by the Corporation in connection with *bona fide* asset or shares acquisitions in the normal course of business; or (v) the issuance of Common Shares, or securities convertible into or exchangeable for Common Shares, having an issue price or exercise price, as the case may be, representing no less than a 20% premium to the Offering Price.

Each Underwriter has agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable U.S. federal and state securities laws, it will not offer or sell the Units at any time to, or for the account or benefit of, any person in the United States or any U.S. Person as part of its distribution. The Underwriting Agreement permits the Underwriters, acting through its United States broker-dealer affiliate, , to offer and resell the Units that they

have acquired pursuant to the Underwriting Agreement in the United States and to, or for the account or benefit of U.S. Persons, that are Qualified Institutional Buyers in compliance with Rule 144A under the U.S. Securities Act and applicable U.S. state securities laws. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Units outside the United States to non-U.S. Persons only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Common Shares and Warrants comprising the Units that are offered or sold to, or for the account or benefit of, a person in the United States or a U.S. Person, and any Common Shares issued upon the exercise of such Warrants, will be “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will be subject to restrictions to the effect that such securities have not been registered under the U.S. Securities Act or any applicable state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Warrants and the Common Shares issuable on exercise thereof have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Common Shares issuable on exercise thereof be registered or delivered to an address in the United States unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Corporation has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Corporation; provided, however, that a holder who is a Qualified Institutional Buyer at the time of exercise of the Warrants who purchased Units in the Offering directly, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that are a part of those Units.

Tamesis Partners LLP is not registered as an investment dealer in any Canadian jurisdiction and, accordingly, will not, directly or indirectly, sell or solicit offers to sell the Units in Canada.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units to, or for the account or benefit of, a person in the United States or a U.S. Person. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Common Shares or Warrants included in the Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with exemptions from registration under the U.S. Securities Act and applicable state securities laws.

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of McCarthy Tétrault LLP, Counsel to the Corporation, and Stikeman Elliott LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act, as of the date hereof, generally applicable to an investor who acquires the Common Shares or Warrants included in the Units as beneficial owner pursuant to this Prospectus and who, at all relevant times, for the purposes of the Tax Act (i) acquires and holds such Common Shares or Warrants (collectively, referred to as the “**Securities**”) as capital property; and (ii) deals at arm’s length with the Corporation and each of the Underwriters, and is not affiliated with the Corporation or any of the Underwriters (a “**Holder**”). For the avoidance of doubt, all references to “Common Shares” in section includes any Common Shares issued on the exercise of the Warrants, unless the context otherwise requires.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof and counsel’s understanding of the current administrative policies and practices of the Canada Revenue Agency (the “**CRA**”) published by it in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and assumes that the Tax Proposals will be enacted substantially as proposed. However, no assurances can be given that the Tax Proposals will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or the CRA’s administrative policies or practices, whether by legislative, governmental, administrative or judicial decision or action, nor does it take into account any provincial, territorial or foreign income tax legislation or considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

**This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular**

**Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.**

#### *Acquisition of Common Shares and Warrants*

In acquiring the Units, Holders will be acquiring ownership of the Common Shares and Warrants represented by such Units. The Common Shares and Warrants represented by Units are separate properties and, accordingly, a Holder who acquires Units pursuant to this Prospectus will be required to allocate the purchase price paid for such Unit on a reasonable basis between the Common Shares and Warrants included therein in order to determine the cost to such Holder of such Common Shares and Warrants for the purposes of the Tax Act.

For its purposes, the Corporation has advised counsel that, of the \$3.15 purchase price for each Unit, it intends to allocate \$2.98 to each Common Share and \$0.17 to each one-half of a Warrant included therein. Although the Corporation believes that this allocation is reasonable, it is not binding on the CRA or on a Holder, and the CRA may not be in agreement with such allocation. Counsel express no opinion with respect to such allocation.

#### *Adjusted Cost Base of a Common Share*

For the purpose of determining the adjusted cost base to a Holder of each Common Share comprising a part of a Unit acquired pursuant to this Prospectus, the cost of such Common Share will be averaged with the adjusted cost base of all Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

#### *Exercise of Warrants*

No gain or loss will be realized by a Holder of a Warrant upon the exercise of a Warrant to acquire a Common Share. When a Warrant is exercised, the Holder's cost of the Common Share acquired pursuant to the exercise thereof will be equal to the adjusted cost base of the Warrant to such Holder, plus the amount paid on the exercise of the Warrant. For the purpose of computing the adjusted cost base to a Holder of each Common Share acquired on the exercise of a Warrant, the cost of such Common Share must be averaged with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the exercise of the Warrant.

### **Holders Resident in Canada**

The following section of this summary is generally applicable to a Holder who, for the purpose of the Tax Act and any applicable tax treaty or convention, is or is deemed to be resident in Canada at all relevant times (a "**Resident Holder**"). A Resident Holder whose Common Shares might not otherwise qualify as capital property may, in certain circumstances, make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Common Shares, and every other "Canadian security" (as defined in the Tax Act), held by such Resident Holder in a taxation year of the election and all subsequent taxation years to be capital property. This election does not apply to Warrants. **Holders should consult with their own tax advisors regarding this election.**

This summary does not apply to a Resident Holder (a) that is a "financial institution" for purposes of the mark-to-market rules contained in the Tax Act; (b) that is a "specified financial institution", as defined in the Tax Act; (c) that reports its "Canadian tax results" within the meaning of the Tax Act in a currency other than Canadian currency; (d) that has entered or will enter into a "derivative forward agreement", as defined in the Tax Act, with respect to the Securities; (e) an interest in which is a "tax shelter" or "tax shelter investment", each as defined in the Tax Act; (f) that is exempt from tax under Part I of the Tax Act; or (g) that receives dividends on the Common Shares under or as part of a "dividend rental arrangement", as defined in the Tax Act. **Such Holders should consult with their own tax advisors with respect to an investment in Units.**

Additional considerations, not discussed herein, may be applicable to a Resident Holder that is a corporation resident in Canada, and is, or becomes, or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Units, controlled by a non-resident person or, by a group of non-resident persons that do not deal with each other at arm's length, for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. **Such Holders should consult their tax advisors with respect to the consequences of acquiring Units.**

### *Expiry of Warrants*

In the event of the expiry of an unexercised Warrant, a Resident Holder will generally realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "*Capital Gains and Capital Losses*".

### *Dividends*

A Resident Holder will be required to include in computing its income for a taxation year any "taxable dividends" (as defined in the Tax Act) received or deemed to be received on the Common Shares.

In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from "taxable Canadian corporations" (as defined in the Tax Act). Taxable dividends received from a taxable Canadian corporation which are designated by such corporation as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act. There may be limitations on the ability of the Corporation to designate dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain, to the extent and under the circumstances specified in the Tax Act. Resident Holders that are corporations are urged to consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" or a "subject corporation", as defined in the Tax Act, may be liable to pay a tax under Part IV of the Tax Act (which generally is refundable, subject to the detailed rules of the Tax Act) on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing the Holder's taxable income for the taxation year.

### *Dispositions of Securities*

A Resident Holder who disposes of or is deemed to have disposed of a Common Share (other than a disposition to the Corporation, unless purchased by the Corporation in the open market in the manner in which shares are normally purchased by any member of the public in the open market) or Warrant (other than on the exercise of a Warrant) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of the Common Share or Warrant immediately before the disposition or deemed disposition. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "*Capital Gains and Capital Losses*".

### *Capital Gains and Capital Losses*

A Resident Holder will generally be required to include in computing its income for the taxation year, one-half of the amount of any capital gain (a "**taxable capital gain**") realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year against taxable capital gains realized in such year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such shares or on shares substituted therefor to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or trust. **Resident Holders to whom these rules may be relevant should consult their own tax advisors.**

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a tax (which is generally refundable, subject to the detailed rules of the Tax Act) on its “aggregate investment income” (as defined in the Tax Act) for the year, which will include taxable capital gains.

#### *Minimum Tax*

In general terms, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares, or realizes a capital gain on the disposition or deemed disposition of Securities, may be liable for alternative minimum tax under the Tax Act. **Resident Holders that are individuals should consult their own tax advisors in this regard.**

#### **Holders Not Resident in Canada**

The following section of this summary is generally applicable to a Holder who, for the purposes of the Tax Act and any applicable tax treaty or convention, at all relevant times (i) is not and is not deemed to be a resident in Canada; and (ii) does not use or hold, and is not deemed to use or hold, the Common Shares or Warrants in connection with, or in the course of carrying on, a business in Canada (a “**Non-Resident Holder**”).

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere. **Such Non-Resident Holders should consult their own tax advisors.**

#### *Dividends*

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder on Common Shares will be subject to withholding tax under the Tax Act at a rate of 25% on the gross amount of the dividend, unless the withholding rate is reduced under the provisions of an applicable income tax treaty or convention. For example, under the Canada-United States Tax Convention (1980), as amended (the “Treaty”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the United States for purposes of the Treaty and entitled to the full benefits under the Treaty (a “**U.S. Holder**”) is generally reduced to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a corporation beneficially owning at least 10% of the Corporation’s voting shares). **Non-Resident Holders are urged to consult their own tax advisors to determine their entitlement to relief under an applicable income tax treaty.**

#### *Dispositions of Common Shares and Warrants*

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Common Share or a Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Common Share or Warrant, as applicable, constitutes or is deemed to constitute “taxable Canadian property” to the Non-Resident Holder for purposes of the Tax Act, and is not “treaty-protected property” (as defined in the Tax Act).

Provided the Common Shares are listed on a “designated stock exchange”, as defined in the Tax Act (which currently includes the TSX), at the time of disposition, the Common Shares generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition the following two conditions are met concurrently: (i) one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder does not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships owned 25% or more of the issued shares of any class or series of shares of the Corporation; and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of (a) real or immovable property situated in Canada, (b) “Canadian resource property” (as defined in the Tax Act), (c) “timber resource property” (as defined in the Tax Act), or (d) an option in respect of, an interest in, or for civil law rights in, property described in any of (a) through (c), whether or not such property exists. In the case of the Warrants, Warrants may be “taxable Canadian property” to a Non-Resident Holder at a particular time: (a) the Non-Resident Holder holds Warrants that provide such Non-Resident Holder with the right to acquire 25% or more of the outstanding Common Shares and the requirement in paragraph (ii) above is satisfied at that time, or (b) at any time in the previous 60 months the Non-Resident Holder held shares of the Corporation at that time that satisfy the requirement in paragraph (i) above and the requirement in paragraph (ii) above is satisfied at that time.

Notwithstanding the foregoing, a Common Share or Warrant may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain limited circumstances.

A Non-Resident Holder's capital gain (or capital loss) in respect of a disposition of Common Shares or Warrants that constitute or are deemed to constitute taxable Canadian property to a Non-Resident Holder (and are not "treaty-protected property" as defined in the Tax Act) will generally be computed in the manner described above under the subheading "Holders Resident in Canada — Disposition of Securities" as though the Non-Resident Holder were a Resident Holder. **Non-Resident Holders whose Common Shares or Warrants are taxable Canadian property should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them.**

## EMERGING MARKET DISCLOSURE

### *Ownership of Property Interests and Assets*

With respect to the Corporation's exploration activities, mining concessions and exploration permits, as well as other customary and routine permits obtained from time to time in the ordinary course, are required for the Corporation to be able to carry on business in Chile.

In order to satisfy itself of its ownership of its property interests in Chile, the Corporation has, among other things: (i) obtained and reviewed title opinions from certain local law firms in Chile; (ii) conducted searches in Chile as they relate to its property interests; (iii) applied for and obtained the granting of mining concessions according to the procedure established by the Chilean Mining Code and (iv) reviewed, negotiated and executed various agreements with third parties relating to the acquisition and/or transfer of certain mining titles and concessions.

The Corporation regularly takes legal advice from counsel with extensive experience working with mining properties in Chile and who is abreast of all current Chilean legal requirements, and specifically as they apply to the Corporation's activities. The Corporation also relies on the oversight by Qualified Persons who have conducted a review of its Chilean activities and external consultants who are engaged by the Corporation in connection with the Corporation's permitting, licensing and regulatory approval application process, to confirm it has all material permits, licenses and other regulatory approvals needed to carry on its activities.

The Corporation is not aware of any material restrictions against foreign investment in Chilean mining companies, nor any material legal requirements imposed on foreign ownership of Chilean mining companies.

### *Control by Corporation over Subsidiaries*

As noted from the corporate structure chart above under *The Corporation – General*, the Corporation has subsidiaries in Chile (the "**Chilean Subsidiaries**"). Chilean law requires foreign companies operating in Chile to have local operating subsidiaries.

The Corporation has the following direct or indirect subsidiaries, all of which are 100% beneficially owned by the Corporation, with the exception of Rising Star Copper Ltd. ("**RSC**") and its subsidiaries, including Sociedad Contractual Minera Berta ("**SCM Berta**"). RSC is 75% owned by Greenstone Resources II, L.P. following the Conversion (as defined below).

With the exception of RSC its subsidiaries, including SCM Berta, all of the Chilean Subsidiaries of the Corporation are wholly-owned subsidiaries over which the Corporation has complete control. The directors on the boards and officers of its wholly-owned Chilean Subsidiaries are all members of the Corporation's senior management team, which ensures that the Corporation has appropriate control and direction over such Chilean Subsidiaries. RSC is 75% owned by Greenstone Resources II, L.P. and was deconsolidated from the Corporation's financial statements and operating results effective as of June 30, 2020.

The Corporation also maintains and uses corporate controls to ensure that a process and mechanism of approvals is maintained and followed for the disbursement of corporate funds and operating capital and to ensure that investment decisions are reviewed and approved by the Board.

The Corporation is of the view that there are no material risks associated with its corporate structure and that any risks are effectively managed based on the controls described above.

### *Banking Matters in Chile*

The Corporation conducts its banking in Chile through banks of international repute, which are subject to international standards. All material disbursements of corporate funds and operating capital to the Chilean Subsidiaries are reviewed and approved by the Board or its designees and are based upon pre-approved budget expenditures.

The Corporation adheres to Canadian and Chilean laws. The Corporation has a Business Code of Conduct that specifically addresses the Corruption of Foreign Public Officials Act (Canada) that is required to be followed by all directors, officers and employees.

### *Board and Management Experience in Chile and Board and Management Visits to Chile*

A number of members of the Board and management have experience doing business and operating in Chile. All directors of the Corporation have visited the Corporation's operations in Chile. The directors have met with the senior management team in Chile on numerous occasions and there is continuous engagement between the Board and the management team. Furthermore, the directors are made aware of the local business practices in Chile as part of periodic business updates and risk reviews. The Corporation's directors and executive officers are also advised by experienced legal advisers in Chile and are made aware of new developments in the legal regime and new requirements that come into force from time to time. Any material developments are then discussed by the Corporation's senior management and at the board level.

### *Language Consideration*

Certain of the Corporation's directors and executive officers are either fluent or conversant in Spanish. Local business in Chile is conducted largely in Spanish and the members of the Corporation's management team located in Chile who deal directly with employees in Chile and external consultants are all native or fluent Spanish speakers. In addition, the senior management team and the Corporation's advisors in Chile are fluent in English. Therefore, there is no material language barrier.

### *The Corporation's Communication Strategy in Chile*

The Corporation's communication strategy in Chile includes having representatives of the Corporation formally meet with stakeholders as required in the context of the status of the Corporation's activities. Stakeholder engagement activities will progress as the Corporation progresses its milestone activities. The Corporation values transparent corporate governance and strives to ensure appropriate checks and balances are carried out to safeguard ownership at all levels of the business and provide accountability to stakeholders.

### *Access to Books and Records*

The Corporation's corporate records are maintained at its registered and records office at 666 Burrard Street, Suite 2500 Vancouver, British Columbia. The Corporation's operational agreements and documents are maintained at the its principal office in Chile at Suite 1504, Cerro el Plomo 5420, Las Condes, Santiago, 7560742, Chile. There are no restrictions on the Board's ability to access books and records. In addition to hard copy form, books and records are available electronically.

## **RISK FACTORS**

**An investment in the Units is subject to certain risks. Investors should carefully consider the risk factors set forth below and under the heading "Risk Factors" in the Annual Information Form which is incorporated into and forms part of this Prospectus. In addition, investors should carefully review and consider all other information contained in and incorporated by reference in this Prospectus.**

### **Discretion in the Use of Proceeds**

The Corporation currently intends to allocate the net proceeds of the Offering as described under "Use of Proceeds". However, management will have discretion concerning the use of proceeds of the Offering as well as the timing of their expenditures and may elect to allocate the net proceeds other than as described under "Use of Proceeds" if they believe it would be in the Corporation's best interest to do so, including if necessary to mitigate the impact of COVID-

19. As a result, investors will be relying on the judgment of management as to the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations may suffer.

### **Potential Dilution and Future Sales or Issuance of Securities**

The Corporation's notice of articles allow it to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as established by the Board of Directors, in many cases, without the approval of the Corporation's shareholders. The Corporation may issue additional Common Shares in subsequent offers (including through the sale of securities convertible into or exchangeable for Common Shares) and on the exercise of stock options or other securities exercisable for Common Shares, including the Warrants and Compensation Warrants. The Corporation cannot predict the size of future issuances of securities or the effect, if any, that future issuances and offerings of securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares, investors will suffer dilution to their voting power and the Corporation may experience dilution in its earnings per share.

### **Pre-Emptive Rights**

Pursuant to an Investor Rights Agreement dated December 19, 2019 between the Corporation and certain members of the Greenstone Group, the Greenstone Group has a pre-emptive right to participate in future financings of the Corporation, including without limitation the Offering, on a 57.3% basis. Pursuant to a Subscription Agreement dated August 3, 2018 between the Corporation and a member of the Tembo Group, the Tembo Group has a pre-emptive right to participate in future financings of the Corporation, including without limitation the Offering, on a 16.5% basis.

If the Greenstone Group and/or the Tembo Group wish to exercise such pre-emptive rights (collectively, the "**Pre-Emptive Rights**") but are unable to participate in the Offering due to timing or other constraints, the Corporation may be required, subject to compliance with applicable securities laws and stock exchange rules, to issue additional units to the Greenstone Group or the Tembo Group on substantially the same terms as the Units issued pursuant to this Prospectus. Sales or issuances of substantial numbers of such units pursuant to the exercise of Pre-Emptive Rights may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of such units, investors will suffer dilution to their voting power and the Corporation may experience dilution in its earnings per share.

### **Market Price of Securities**

There can be no assurance that an active market for the Common Shares will be sustained after the Offering. Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Securities of companies with small capitalization have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These risk factors included global economic developments and market perceptions of the attractiveness of certain industries. There can be no assurance that continuing fluctuations in price will not occur. In addition, from time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Common Shares for reasons unrelated to the Corporation's performance.

Other factors unrelated to the performance of the Corporation that may have an effect on the price of Common Shares include the following: lessening in trading volume and general market interest in the Corporation's securities may affect a purchaser's ability to trade significant numbers of Common Shares; and the size of the Corporation's public float may limit the ability of some institutions to invest in the Corporation's securities. If an active market for the Common Shares does not continue, the liquidity of a purchaser's investment may be limited and the price of the Common Shares may decline below the Offering Price. If such a market does not continue, purchasers may lose their entire investment in the Common Shares.

The price per Common Share may be adversely affected by a variety of factors relating to the Corporation's business, including fluctuation in the Corporation's operating and financial results, the result of any public announcement made by the Corporation and the Corporation's failure to meet analysts' expectations. Additionally, the value of the Common Shares is subject to market value fluctuations based upon factors that influence the Corporation's activity and changes in interest and currency rates.

The market value of the Common Shares may also be affected by the Corporation's financial results and political, economic, financial, and other factors that can affect the capital markets generally, the stock exchanges on which the Common Shares are traded and the market segment of which the Corporation is a part.

### **No Current Market for Warrants**

The Warrants constitute a new issue of securities of the Corporation. There is currently no market through which the Warrants may be sold and purchasers of Units may not be able to resell the Warrants purchased under this Prospectus. The Warrants do not confer any rights of common share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Common Shares at a fixed price for a limited period of time. Following completion of the Offering, the market value of the Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants will equal or exceed their imputed offering price. There can be no assurance that the market price of the Common Shares will ever equal or exceed the exercise price of the Warrants and, consequently, whether it will ever be profitable for holders of the Warrants to exercise the Warrants.

**A large number of Common Shares may be issued and subsequently sold upon the exercise of the Warrants. The sale or availability for sale of the Warrants or other securities convertible in Common Shares may depress the price of the Common Shares.**

To the extent that purchasers of Warrants sell Common Shares issued upon the exercise of those Warrants, the market price of the Common Shares may decrease due to the additional selling pressure in the market. The risk of dilution from issuances of Common Shares underlying the Warrants that may be issued pursuant hereto may cause shareholders to sell their Common Shares, which could further contribute to any decline in the Common Share market price.

Any downward pressure on the price of Common Shares caused by the sale of Common Shares issued pursuant to the exercise of Warrants could encourage short sales by third parties. In a short sale, a prospective seller borrows common shares from a shareholder or broker and sells the borrowed common shares. The prospective seller anticipates that the common share price will decline, at which time the seller can purchase common shares at a lower price for delivery back to the lender. The seller profits when the common share price declines because it is purchasing common shares at a price lower than the sale price of the borrowed common shares. Such short sales of Common Shares could place downward pressure on the price of the Common Shares by increasing the number of Common Shares being sold, which could lead to a decline in the market price of the Common Shares.

### **Negative Operating Cash Flow**

Given that none of the Corporation's properties have yet to enter commercial production and generate cash flow, the Corporation had negative operating cash flow for its financial year ended December 31, 2019 and the three and nine months ended September 30, 2020. To the extent that the Corporation has negative cash flow in future periods, the Corporation may need to deploy a portion of its cash reserves to fund such negative cash flow.

### **Potential Need for Additional Financing**

Despite the anticipated net proceeds from the Offering, the Corporation anticipates requiring additional financing, including through issue and sale of equity and/or debt securities or the sale of assets to satisfy its business objectives. There can be no assurance that the Corporation will be able to obtain necessary financing in a timely manner or on acceptable terms, if at all. If sufficient capital is not available, the Corporation may be required to delay the expansion of its business and operations, which could have a material adverse effect on the Corporation's business, financial condition, prospects or results of operations.

## **The Corporation's Material Assets are Located in Emerging and Developing Markets**

The Corporation's material asset, the Marimaca Project, is located in Chile, a jurisdiction considered to be an emerging market. As such, the Corporation is exposed to heightened levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, political unrest, military repression, crime, political instability, currency controls, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation and mining laws, regulations and policies, restrictions on foreign exchange and repatriation, and changing political conditions and governmental regulations relating to foreign investment and the mining business.

Chile has experienced political, social and economic unrest in the past and protestors have from time to time targeted foreign mining companies and their mining operations. Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the operations or profitability of the mining operations in these countries and consequently, the Corporation's ability to earn a return on these assets. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety and the rewarding of contracts to local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Failure by the operators to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation, cancellation or dispute of licenses or entitlements which could result in substantial costs, losses and liabilities in the future.

The Chilean economy has been characterized by frequent, and occasionally material, intervention by the Chilean federal government, which has often modified monetary, credit and other policies intending to influence Chile's economy. The Chilean government's actions to control inflation and effect other policy changes have involved wage and price controls, changes in existing, or the implementation of new, taxes and fluctuations of base interest rates. Actions taken by the Chilean federal government concerning the economy may have important effects on Chilean companies or companies with Chilean assets and on market conditions and the competitiveness of Chilean products abroad. In addition, actions taken by the Chilean state and local governments with respect to labor and other laws affecting operations may have an effect on the operations of the Marimaca Project and consequently on the Corporation.

The Corporation may also be materially adversely affected by any of the following factors which impacts may be exacerbated by the local government's actions in response to them:

- currency depreciations and other exchange rate movements;
- monetary policies;
- inflation rate fluctuations;
- economic and social instability;
- energy shortages or other changes in energy prices;
- interest rates;
- disasters at third party mineral projects;
- exchange rate controls and restrictions on remittances abroad;
- liquidity of the domestic capital and lending markets;
- tax policy, including international tax treaties; and
- other political, diplomatic, social and economic policies or developments in or affecting Chile.

Any negative impact on the Marimaca Project could impact its development and production and have a resulting negative impact on the Corporation.

## **Risks relating to the Enforcement of Judgments**

Many of the Corporation's directors, officers and applicable Qualified Persons as disclosed above are not citizens or residents of Canada and substantially all of the assets of these individuals are located outside of Canada. It may not be possible for shareholders to effect service of process against individuals who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of these individuals for violations of Canadian securities laws or otherwise, it may not be possible to enforce such judgment against those individuals not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims or otherwise in original actions

instituted outside Canada. Courts in other jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

Further, some of the Corporation's assets are located in emerging and developing markets and the Corporation may encounter difficulties enforcing judgments, whether domestic or foreign in these jurisdictions.

### **Public Health Crises such as COVID-19 and other Uninsurable Risks**

Events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. General global economic conditions seemingly unrelated to the Corporation or to the mining industry, including, without limitation, interest rates, general levels of economic activity, fluctuations in the market prices of securities, participation by other investors in the financial markets, economic uncertainty, national and international political circumstances, natural disasters, or other events outside of the Corporation's control may affect the activities of the Corporation directly or indirectly. In the course of development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. The Corporation's business, operations and financial condition could also be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. For example, the World Health Organization declared COVID-19 a pandemic in March 2020. The risks of public health crises such as COVID-19 to the Corporation's business include without limitation, the ability to gain access to government officials, the ability to continue drilling, the ability to raise funds, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, disruption of the Corporation's supply chains and other factors that will depend on future developments beyond the Corporation's control. In particular, the continued spread of the coronavirus globally, prolonged restrictive measures put in place in order to control an outbreak of COVID-19 or other adverse public health developments could materially and adversely impact the Corporation's business and the exploration and development of the Marimaca Project could materially slow down or the Corporation could be required to suspend its operations for an indeterminate period. There can be no assurance that the Corporation's personnel will not ultimately see its workforce productivity reduced or that the Corporation will not incur increased medical costs or insurance premiums as a result of these health risks. In addition, the coronavirus pandemic or the fear thereof could adversely affect global economies and financial markets resulting in volatility or an economic downturn that could have an adverse effect on the demand for copper and the Corporation's future prospects. Epidemics such as COVID-19 could have a material adverse impact on capital markets and the Corporation's ability to raise sufficient funds to finance the ongoing development of its material business. All of these factors could have a material and adverse effect on the Corporation's business, financial condition and results of operations. The extent to which COVID-19 impacts the Corporation's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. It is not always possible to fully insure against such risks, and the Corporation may decide not to insure such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Common Shares. Even after the COVID-19 pandemic is over, the Corporation may continue to experience material adverse effects to its business, financial condition and prospects as a result of the continued disruption in the global economy and any resulting recession. COVID-19 may also have the effect of heightening other risks and uncertainties disclosed and described in this Prospectus, the Annual Information Form and the Annual MD&A. To date, COVID-19 has not materially impacted the Corporation's operations, financial condition, cash flows and financial performance. In response to the outbreak, the Corporation has instituted operational and monitoring protocols to ensure the health and safety of its employees and stakeholders, which follow the advice of local governments and health authorities where it operates. The Corporation has adopted a work from home policy where possible. The Corporation continues to operate effectively whilst working remotely. The Corporation will continue to monitor developments of the pandemic and continuously assess the pandemic's potential further impact on the Corporation's operations and business.

**All statements regarding the Corporation's business should be viewed in light of these risk factors. Investors should consider carefully whether investment in the Units is suitable for them in light of the information in this Prospectus and in the documents incorporated by reference and their personal circumstances. Such information does not purport to be an exhaustive list. If any of the identified risks were to materialize, the Corporation's business, financial position, results and/or future operations may be materially affected. Additional risks and uncertainties not presently known to the Corporation, or which the Corporation currently deems not to be material, may also have an adverse effect upon the Corporation and the Units.**

## **LEGAL MATTERS**

Certain legal matters in connection with the Offering will be passed upon by McCarthy Tétrault LLP on behalf of the Corporation and by Stikeman Elliot LLP on behalf of the Underwriters. The aggregate number of securities of the Corporation directly or indirectly owned by partners and associates of McCarthy Tétrault LLP, as a group, and partners and associates of Stikeman Elliott LLP, as a group, as of the date of such opinion, represented less than 1% of the outstanding securities of the Corporation.

## **INTEREST OF EXPERTS**

Certain technical information relating to the Marimaca Project contained within this Prospectus is based on the Technical Report. The Technical Report was prepared by Robin Kalanchey (P. Eng.), of Ausenco, Francisco Castillo (Member of Chilean Mining Commission) of Ausenco, Scott Weston (P. Geo.) of Ausenco, Luis Oviedo (Member of Chilean Mining Commission) of NCL, Carlos Guzman (Fellow of the Australian Institute of Mining and Metallurgy) of NCL and Marcelo Jo (Member of Chilean Mining Commission) of Jo & Loyola Consultores de Procesos, each of whom is a Qualified Person under NI 43-101.

All other scientific and technical information in this Prospectus has been reviewed and approved by Luis A. Tondo (Chief Executive Officer) and Sergio Rivera (Vice President of Exploration), each of whom is an employee of the Corporation and a Qualified Person under NI 43-101.

Except for Mr. Tondo and Mr. Rivera, none of the above mentioned experts has any registered or beneficial interest, directly or indirectly, in any securities or other properties of the Corporation.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

PricewaterhouseCoopers LLP is the auditor of the Corporation and is independent within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

The Corporation's registrar and transfer agent for its Common Shares is Computershare Investor Services Inc. located at its principal offices in Vancouver, British Columbia and Toronto, Ontario, Canada.

## **PURCHASER'S STATUTORY RIGHTS**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus or any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the warrants were offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon the exercise of the Warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

## CERTIFICATE OF THE CORPORATION

DATED: November 30, 2020

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

(Signed) Luis Albano Tondo  
Chief Executive Officer

(Signed) Leonardo Araya Muñoz  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Petra Decher  
Director

(Signed) Tim Petterson  
Director

**CERTIFICATE OF THE UNDERWRITERS**

DATED: November 30, 2020

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

**CANACCORD GENUITY  
CORP.**

(Signed) Tom Jakubowski  
Managing Director, Global Head of  
Mining, Investment Banking

**BMO NESBITT BURNS INC.**

(Signed) Craig West  
Managing Director, Equity Capital Markets

**PARADIGM CAPITAL INC.**

(Signed) Andrew Partington  
Investment Banking