

Coro Announces Conclusions of Strategic Review

April 19, 2018 - Coro Mining Corp. (“Coro” or the “Company”) (TSX Symbol: COP) is pleased to announce that it has concluded its strategic review which has identified a funding solution for SCM Berta and a decision to focus its strategy on advancing its flagship Marimaca project.

Highlights

- Coro to focus on its flagship Marimaca project.
- With the objective of minimising future value dilution for Coro shareholders in relation to Marimaca, future funding for SCM Berta to be raised at the SCM Berta level, not the Coro corporate level.
- Binding term sheet agreed with Greenstone Resources to provide US\$12 million financing to SCM Berta.
- Coro to retain a minimum 25% equity interest in SCM Berta following a further Greenstone investment.
- US\$2 million convertible loan to Coro from Greenstone Resources to provide working capital for the Marimaca development strategy.

Luis Tondo President and CEO of Coro, commented: *“The strategic review has concluded that the Marimaca project offers significant upside potential and represents the greatest opportunity to create value for Coro shareholders. Consequently, the Board of Directors has agreed to focus on the exploration, further development and financing of this flagship project. The Company has agreed US\$12m financing with Greenstone that will provide a long-term funding solution and future for the SCM Berta operations without financial recourse to Coro. Coro will retain an interest in the existing SCM Berta operation and will have the opportunity to participate in the future capital development of the project as it is further de-risked. With a renewed focus, we now look forward to completing the Feasibility Study and finalising the additional exploration plan for Marimaca, and will provide further updates to shareholders in the coming weeks.”*

SCM Berta Strategic Review

The strategic review, previously announced on February 27, 2017 has been concluded. The review considered a variety of short and long-term options for SCM Berta with the following objectives:

- Reducing operating costs and risks.
- Minimising Coro’s ongoing funding exposure to SCM Berta.
- Securing upside exposure in the future of the Berta mine (“Berta”) and Nora SX-EW plant (“Nora”) for Coro shareholders.

Significant operational improvements have been achieved at SCM Berta over the last 9 months, with production for the month of March 2018 at 335 tonnes of copper cathode, the highest monthly production to date (production for the first quarter 2018 of 828 tonnes). Additional operational improvements have been identified through the strategic review that could potentially increase monthly production to 400 tonnes per month, at an approximate capital cost of US\$2 million over a minimum three-month period.



Notwithstanding the achieved and potential operational improvements, it is expected that SCM Berta will remain a higher cost and higher risk operation due to the requirement to haul Pregnant Leach Solution (“PLS”) 60-kilometres from Berta to Nora by truck. It is the view of the Board that SCM Berta will not receive environmental approval for the construction of the earlier proposed pipeline to transport PLS between Berta and Nora. Consequently, one of the major outcomes of the strategic review is that the optimal technical and financial solution for SCM Berta is likely to be the installation of a new 5,000 tonne per year SX-EW circuit at Berta, which would provide the following benefits:

- Remove the need to truck PLS and ore between Berta and Nora.
- Allow the project to leach ore conventionally to 4g/L improving recoveries to an estimated 75%.
- Reduce operating cash costs.
- Reduce operational safety and environmental risk.

A new SX-EW plant at Berta is expected to cost approximately US\$8 million and take approximately eight months to construct once detailed engineering has been completed and an environmental permit obtained, which is expected to take between eight and twelve months.

With the deployment of the additional capital, SCM Berta intends to continue its current operations while the permitting regime and timetable for the proposed new Berta SX-EW plant is confirmed. However, depending on the operational performance and the copper price, a decision may be taken to put the operation on care and maintenance while the permit is obtained to build the new SX-EW plant at Berta. This would require a further injection of funding to suspend operations and settle outstanding creditors, maintain the core senior operational team and ensure ongoing regulatory compliance. As detailed below, participation in any further funding will be solely at Coro's discretion.

Once the new Berta SX-EW plant is operational, the strategic review identified the potential for Nora to process copper from the El Jote deposit. The El Jote concession was optioned by SCM Berta in May 2016 and is located 30-kilometers north west of Nora. It is anticipated that it should be possible to construct and operate a pipeline between El Jote and Nora without the permitting challenges associated with the current SCM Berta operations. Further work is required to confirm this potential option including a 43-101 compliant resource and feasibility study.

Conclusion of Strategic Review

Coro's original strategy was to utilize the cash flows from the SCM Berta operations to finance the development of Marimaca. The Board realizes that the value creation for shareholders will be greatest with the further exploration and exploitation of the Marimaca project which continues to increase in scale and potential. Recently, the company has announced an increase of 103% in the Measured and Indicated NI43-101 compliant resources at Marimaca (see news release April 12, 2018). The ongoing operational challenges at SCM Berta and their associated funding requirements have challenged the original strategy and risk diluting the potential value creation at Marimaca for Coro shareholders going forward.

Consequently, the Strategic Review has concluded that Coro will now focus on its flagship Marimaca project, and that all financing for the SCM Berta operations will be at the SCM Berta project level. A consequence of this decision is that Coro's interest in the SCM Berta operations will be diluted.



SCM Berta Financing

Coro has agreed a binding term sheet with Greenstone Resources II, L.P. (“Greenstone”), an affiliate of Coro’s largest shareholder Greenstone Resources LP (“Greenstone”), whereby it will invest up to US\$12 million directly in SCM Berta (“Greenstone Investment”).

Use of Proceeds

This Greenstone Investment will provide the necessary capital to secure the future of the SCM Berta operation and minimize Coro’s ongoing financial exposure, while allowing Coro to focus its attention and financial resources on its flagship Marimaca project.

The Greenstone Investment will be used for the following:

- Reduction in creditors to achieve a normal operating / working capital level.
- Capital expenditure for decreasing operating costs and increasing efficiencies, notably, to replace anode and cathode plates, increase acid storage, install additional control systems, purchase critical spares and other sustaining capital projects.
- Payment of environmental bonds.
- Engineering and permitting for the new Berta SX-EW plant.
- Drilling, test work and option payments at El Jote.
- Initial upfront payment as part of an agreement to acquire the 35% interest in SCM Berta held by ProPipe.

Greenstone Investment Terms

The Greenstone Investment will be structured as a secured convertible loan into Coro’s 100% owned subsidiary Minera Coro Chile Limitada (“MCC”) which currently holds a 65% shareholding in SCM Berta. Of the US\$12 million Greenstone Investment, an initial US\$9 million will be advanced immediately, with a maturity date of 125 days. A further US\$3 million is available for drawdown during this period.

MCC Reorganisation & ProPipe Acquisition

The Greenstone Investment was conditional on acquiring ProPipe’s 35% shareholding in SCM Berta (“ProPipe Acquisition”) for an initial upfront payment of US\$0.75 million, with three future instalments of US\$0.5 million falling 12, 18 and 24 months after the initial payment. The initial upfront payment of US\$0.75 million will be funded by Greenstone as part of the initial US\$9 million Greenstone Investment.

Following the ProPipe Acquisition, a restructuring of debt owing to and from Coro, MCC and SCM Berta and the possible creation of a newly incorporated entity to hold the shares of MCC (the “MCC Reorganisation”) and conversion of the full US\$12 million Greenstone Investment (the “Conversion”), Coro would own 25% and Greenstone 75% of MCC, which in turn would own 100% of SCM Berta.

The MCC Reorganisation must be completed within 60 days (“MCC Reorganisation Deadline”) following the initial drawdown of US\$9 million convertible loan. The loan will be secured against the shares directly in MCC, SCM Berta and the shareholder loan claim against SCM Berta and not at the Coro corporate level. Security for the convertible loan must be registered within 10-days of the drawdown of the convertible loan. Upon the occurrence of an event of default (as defined in the binding term sheet and which includes failure to obtain



disinterested shareholder approval, as discussed in more detail below), MCC would be required to repay the loan, failing which Greenstone would have the option to enforce its security.

Interest will accrue monthly at the MCC level at a rate of 15% per annum only from the MCC Reorganisation Deadline until either conversion or the maturity date in the event that the MCC Reorganisation Deadline is not met and is payable in cash by MCC.

As part of the Greenstone Investment, Coro has agreed to provide management services to MCC and SCM Berta through a services agreement which will in time allow for a reduction in operating overheads for the Company by allocating resources between the Marimaca and the SCM Berta operations.

The Greenstone Investment considered the valuation of Coro's existing loans and equity in SCMB as being US\$4m.

Coro Funding Option

As part of the Greenstone Investment, Coro has also retained an option to fund US\$4 million into MCC for a period of 120 days. During this period the Company will be able to further assess the operational performance of SCM Berta and the progress with the Berta SX-EW plant permitting.

To the extent that Coro funds the US\$4 million, US\$3 million would be used instead of the US\$3 million undrawn Greenstone Investment, and US\$1million would be used to repay Greenstone such that the outstanding Greenstone Investment would be reduced from US\$9 million to US\$8 million. If this option is exercised, this would result post Conversion, in the shareholding of MCC being 50% Coro and 50% Greenstone.

Coro retains the option to fund MCC going forward in the event of the construction of the new SX-EW plant at Berta or the care and maintenance scenario. The valuation for Coro's share in MCC in a future fundraising would be a pre-money valuation of US\$4 million plus any funding advanced by Coro to MCC following the Greenstone Investment.

Related Party Matters

The proposed Greenstone Investment represents a related party transaction and conversion of the Greenstone Investment into an equity interest in MCC requires disinterested shareholder approval (being shareholders other than Greenstone). Irrevocable written consents to support the Greenstone investment have been received from shareholders representing 32% of the disinterested shareholders.

Evans and Evans has provided an opinion to the Committee of Independent Directors at Coro in relation to the proposed Greenstone Investment that states that the investment is fair, from a financial point of view, to the disinterested shareholders.

Greenstone US\$2 million convertible Loan to Coro

In addition to the Greenstone Investment, Coro has signed a convertible loan agreement with Greenstone for a US\$2 million convertible loan to Coro at the corporate level to cover ongoing working capital requirements including Marimaca project costs and associated corporate costs.

The convertible loan has a maturity date of the earlier of an equity raising by Coro of not less than US\$5 million and 30 January 2019. The US\$2 million is convertible into common shares of Coro at a price equal to the greater of: \$0.0895 (the volume-weighted average price of the Coro shares over the 5 trading



days prior to this announcement) and the Coro common share price of any equity raising by Coro of not less than US\$5 million. The convertible loan will attract interest of 12% for the first 6 months and 15% interest thereafter. The convertible loan agreement contains standard conditions and events of default.

Conditions Precedent and Timetable

The Company will call an annual general and special shareholders' meeting to, among other things, seek disinterested shareholder approval for the conversion of the Greenstone Investment into an equity interest in MCC. Information will be sent to shareholders in due course. It is anticipated that the annual general and special shareholders' meeting will be held towards the end of June 2018.

With a new focus on the Marimaca project, the Board recognises that new members with the right balance of skills and experience are needed to take the Company forward. The Nominating Committee of the Board is leading a search for new candidates and shareholders will be informed of progress in due course.

For further information please visit www.coromining.com or contact:

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This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Such forward-looking statements or information, include but are not limited to completion of the Greenstone Investment, including the conversion of such investment into an equity interest in MCC, completion of the ProPipe Acquisition, completion of the MCC Reorganization, the use of proceeds of the Greenstone Investment, any additional funding by Coro into MCC and the construction and operation of a new SX-EW plant at Berta. Forward-looking statements involve known and unknown risks, uncertainties and other factors which are beyond Coro's ability to predict or control and may cause Coro's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, satisfaction of the conditions precedent set out in the documents governing the Greenstone Investment, the ability of Coro to raise additional funds to complete an additional investment into MCC, Coro's discretion (with the prior approval of Greenstone) to reallocate the proceeds of the Greenstone Investment, the occurrence of unexpected financial obligations, fluctuations in the price of commodities; fluctuations in the currency markets; changes in national and local government, legislation, taxation, controls, regulations and political or economic developments; risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding); the presence of laws and regulations that may impose restrictions on mining and employee relations. . Such forward-looking statements are also based on a number of assumptions which may prove to be incorrect, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's documents filed from time to time with the securities regulators in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New



Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. Accordingly, readers should not place undue reliance on forward-looking statements. Coro undertakes no obligation to update publicly or otherwise revise any forward-looking statements contained herein whether as a result of new information or future events or otherwise, except as may be required by law.