Coro Mining Corp.

(An Exploration Stage Company)
Consolidated Financial Statements
December 31, 2012
(Expressed in U.S. dollars, except where indicated)

Management's Responsibility for Financial Reporting

The consolidated financial statements of Coro Mining Corp. and the information contained in the annual report have been prepared by and are the responsibility of the Company's management. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) in Canada, which requires International Financial Reporting Standards, and, where appropriate, reflect management's best estimates and judgements based on currently available information.

Management has developed and is maintaining a system of internal controls to obtain reasonable assurance that the Company's assets are safeguarded, transactions are authorized and financial information is reliable.

The Company's independent auditors, PricewaterhouseCoopers LLP, who are appointed by the shareholders, conduct an audit in accordance with Canadian generally accepted auditing standards. Their report outlines the scope of their audit and gives their opinion on the consolidated financial statements.

The Audit Committee of the Board of Directors meets periodically with management and the independent auditors to review the scope and results of the annual audit, and to review the consolidated financial statements and related financial reporting matters prior to approval of the consolidated financial statements.

"*Alan Stephens*"
President and Chief Executive Officer

"*Damian Towns*"
Chief Financial Officer

February 27, 2013

February 27, 2013

Independent Auditor's Report

To the Shareholders of Coro Mining Corporation

We have audited the accompanying consolidated financial statements of Coro Mining Corp. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2012 and December 31, 2011 and the consolidated statement of loss and comprehensive loss, shareholders' equity and cash flow for the years ended December 31, 2012 and December 31, 2011, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Coro Mining Corp. and its subsidiaries as at December 31, 2012 and December 31, 2011 and their financial performance and their cash flows for the years ended December 31, 2012 and 2011 then ended in accordance with International Financial Reporting Standards.

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Emphasis of matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the corporation's ability to continue as a going concern.

Signed "PricewaterhouseCoopers LLP"

Chartered Accountants
Vancouver, British Columbia

Coro Mining Corp.

Consolidated Statement of Financial Position

As at December 31, 2012 and 2011

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

	2012 $000's	2011 $000's
Assets		
Current assets		
Cash and cash equivalents (note 4)	2,086	11,965
Accounts receivable and prepaid expenses	47	76
Investments (note 5)	19	479
	2,152	12,520
Property, plant and equipment (note 6)	622	629
Mineral property interests (note 7)	29,824	27,115
	32,598	40,264
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	297	519
Shareholders' equity		
Common Shares (note 8)	51,656	51,650
Contributed Surplus	5,317	3,986
Accumulated other comprehensive income ("AOCI")	534	342
Deficit	(25,206)	(16,233)
	32,301	39,745
	32,598	40,264

Nature of operations and going concern (note 1)
Commitments (note 14)
Subsequent events (note 15)

Approved by the Board of Directors

"Robert Watts" — Director

"Alvin Jackson" — Director

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

Coro Mining Corp.

Consolidated Statement of Loss and Comprehensive Loss

For the year ended December 31, 2012 and 2011

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

Expenditures	2012 $000's	2011 $000's
Exploration expenditures (note 3)	6,646	3,006
Corporate and Other Costs		
Depreciation and amortization	26	22
Finance income	(62)	(102)
Foreign exchange loss (gain)	31	121
Legal and filing fees	74	114
Other corporate costs	302	407
Realized (gain) on disposal of shares & warrants (note 5)	(253)	(5,622)
Salaries and management fees	751	656
Share-based payments expense	1,116	1,544
Unrealized loss on held-for-trading investment (note 5)	342	7,608
	2,327	4,748
Loss before taxes	8,973	7,754
Deferred income tax (recovery) expense	-	(281)
Loss for the year	8,973	7,473
Other comprehensive income		
Foreign currency translation adjustment	(192)	(11)
Loss and comprehensive loss for the year	8,781	7,462
Basic & diluted loss per share ($ per share)	$0.06	$0.06
Weighted average shares outstanding (000's) basic	138,283	135,170

Coro Mining Corp.

Consolidated Statements Shareholders' Equity

For the year ended December 31, 2012 and 2011

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

	Common shares					
	No. of shares #	**Amount** $000's	**Contributed Surplus** $000's	**AOCI** $000's	**Deficit** $000's	**Shareholders' equity** $000's
Balance – January 1, 2011	105,846,863	42,090	3,266	331	(8,760)	36,927
Warrants exercised (note 9)	30,705,404	8,393	(1,076)	-	-	7,317
Options exercised (note 9)	1,716,667	1,167	(284)	-	-	883
Share-based payments (note 9)	-	-	2,080	-	-	2,080
Comprehensive income (loss)	-	-	-	11	(7,473)	(7,462)
Balance – December 31, 2011	138,268,934	51,650	3,986	342	(16,233)	39,745
Balance – January 1, 2012	138,268,934	51,650	3,986	342	(16,233)	39,745
Warrants exercised	-	-	-	-	-	-
Options exercised (note 9)	25,000	6	(2)	-	-	4
Share-based payments (note 9)	-	-	1,333	-	-	1,333
Comprehensive (loss) income	-	-	-	192	(8,973)	(8,781)
Balance – December 31, 2012	138,293,934	51,656	5,317	534	(25,206)	32,301

Coro Mining Corp.

Consolidated Statement of Cash Flow

For the year ended December 31, 2012 and 2011

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

	2012 $000's	2011 $000's
Cash flows from operating activities		
(Loss) for the year	(8,973)	(7,473)
Items not affecting cash		
Deferred income tax (recovery) expense	-	(281)
Depreciation and amortization	26	22
Gain on disposal of shares and warrants (note 5)	(253)	(5,622)
Share-based payment expense	1,116	1,544
Unrealized loss on held-for-trading investments	342	7,608
	(7,742)	(4,202)
Change in non-cash operating working capital		
Decrease (increase) in receivables & prepaids	23	7
(Decrease) increase in accounts payable & accruals	(18)	35
	(7,737)	(4,160)
Cash flows from financing activities		
Issuance of common shares (net of issue costs)	4	8,200
	4	8,200
Cash flows from investing activities		
Proceeds from sale of investments	383	6,595
Property, plant and equipment (net)	(27)	(32)
Mineral property interests	(2,682)	(6,559)
	(2,326)	4
Effect of exchange rate changes on cash	180	(64)
(Decrease) Increase in cash and cash equivalents	(9,879)	3,980
Cash and cash equivalents - beginning of year	11,965	7,985
Cash and cash equivalents - end of year	2,086	11,965

1 Nature of operations and Going Concern

Coro Mining Corp. (the "Company" or "Coro") and its subsidiaries are engaged in the exploration and development of base and precious metal projects in the Latin American countries of Chile and Argentina. The Company was incorporated on September 22, 2004 and commenced activities in 2005. The Company's registered office is Suite 2610, Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, Canada.

Going concern
These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business. For the year ended December 31, 2012, the Company reported a loss of $9.0 million and as at that date had a net working capital balance of $1.9 million and an accumulated deficit of $25.2 million. The Company also has property payments due on certain properties (note 14). In February 2013, the Company announced the sale of the Chacay property for $2.5 million plus a 1.5% Net Smelter Royalty ("NSR"), the sale is subject to title due diligence and is expected to close by March 25, 2013. The Company is also pursuing a number of additional financing alternatives.

The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from loans, equity financings or through other arrangements. The success of such initiatives cannot be assured. These conditions and events cast significant doubt on the validity of the going concern assumption.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

2 Significant accounting policies

Basis of Presentation
These financial statements have been prepared in accordance with IFRS. These financial statements include all adjustments, of a normal recurring nature, considered necessary by management to fairly present the financial position, results of operations and cash flows of the Company. These financial statements were authorized for issue by the Board of Directors on February 27, 2013.

Consolidation
These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries; Sea to Sky Holdings Ltd., Minera Cielo Azul Ltda., Minera San Jorge S.A., Inversiones Cielo Azul Ltda., 0904213 BC LTD., Sky Dust Holdings Limited, Machair Investments Ltd., and Minera Coro Chile Ltda. All intercompany transactions, balances, income and expenses have been eliminated on consolidation.

Estimates, risks and uncertainties
The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ from those estimates.

In applying its accounting policy for costs incurred during the development phase the Company must determine whether the criteria for capitalization have been met. The most difficult and subjective estimate is whether a project will generate probable future economic benefits. Management considers all appropriate facts and

2 Significant accounting policies (continued)

circumstances in making this assessment including historical experience, expected market demand, costs and future economic conditions.

Realization of the Company's assets and liabilities is subject to risks and uncertainties, including reserve and resource estimation, future copper and other base and precious metal prices, estimated costs of future production, changes in government legislation and regulations, estimated deferred income taxes, the availability of financing, and various operational factors.

Foreign currency translation

The functional currency of the parent company, Coro Mining Corp., is the Canadian dollar. The functional currency of the Company's Chilean and Argentinian's subsidiaries is the U.S. dollar. The presentation currency of the Company is the U.S. dollar.

The financial statements of the parent company are translated into U.S. dollars for presentation purposes as follows: assets and liabilities at the closing rate at the date of the consolidated statements of financial position, income and expenses at the average rate of the period (as this is considered a reasonable approximation to actual rates) and shareholders' equity components at a historical rate. All resulting changes are recognized in other comprehensive income as cumulative translation adjustments.

Transactions in currencies other than the functional currency of an entity are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Foreign currency translation differences are recognized in the statement of loss.

Financial instruments

a) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash on hand and other short-term investments with initial maturities of less than three months. Cash and cash equivalents are classified as loans and receivables.

b) Derivative instruments

Derivative instruments, including warrants to purchase shares of other companies, are held for trading and recorded on the balance sheet at fair value. Changes in fair value are recorded in the statement of loss.

c) Investments

Investments in public company shares are held for trading and measured at fair value on the balance sheet. Changes in fair value are recorded in the statement of loss.

d) Accounts receivable

Accounts receivable are classified as loans and receivables and are recorded at amortized cost using the effective interest rate method, which upon their initial measurement is approximately equal to their fair value. Subsequent measurement of receivables is at amortized cost.

e) Accounts payable

Accounts payable and accrued liabilities are classified as other financial liabilities and are measured at amortized cost using the effective interest rate method.

2 Significant accounting policies (continued)

Property, plant and equipment
Property, Plant and Equipment are recorded at cost less accumulated depreciation. Depreciation is calculated over the estimated useful lives of the assets. Vehicles are depreciated on a straight-line basis over 5 years. Computer and office equipment is depreciated on a declining balance basis at a rate of 45% and 33% respectively.

Exploration and evaluation costs
Exploration and evaluation costs include costs to acquire the rights to explore, geological studies, exploratory drilling and sampling and directly attributable administrative costs. Exploration and evaluation costs relating to non-specific projects or properties or those incurred before the Company has obtained legal rights to explore an area are expensed in the period incurred.

Exploration and evaluation costs are recognized as mineral property interests when management has established that a resource exists and that the costs can be economically recovered. Once the technical feasibility and commercial viability of the extraction of resources from a particular mineral property has been determined, exploration and evaluation assets are reclassified to mine properties within property, plant and equipment.

Proceeds from the sale of properties or cash proceeds received from option payments are recorded as a reduction of the related mineral property interest.

Asset impairment
The Company performs impairment tests on mineral property interests, when events or circumstances occur which indicate the assets may not be recoverable. Impairment assessments are carried out on project by project basis with each project representing a single cash generating unit.

When impairment indicators are identified, an impairment loss is recognized for any amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Loss per share
Loss per share is calculated using the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share is calculated using the treasury stock method whereby all in the money options and warrants are assumed to have been exercised at the beginning of the year and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period. In periods of loss, basic and diluted loss per share are the same, as the effect of the exercise of outstanding options and warrants is anti-dilutive.

Income taxes
Deferred income tax is recognized using the liability method on temporary differences arising between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax assets are recognized only to the extent that it is probable that future profit will be available against which such assets can be utilized.

2 Significant accounting policies (continued)

Share-based payments
The Company applies the fair value method of accounting for stock options granted to employees and others providing similar services. The fair value of options is determined using a Black-Scholes option pricing model that takes into account, as of the grant date, the exercise price, the expected life of the option, the current price of the underlying stock and its expected volatility, expected dividends on the stock, and the risk-free interest rate over the expected life of the option. Cash consideration received from employees on exercise of options is credited to common shares along with the original grant date fair value of the options exercised. The Company expenses the fair value of stock options granted over the vesting period with the corresponding credit to contributed surplus.

Future accounting pronouncements
Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. The Company does not believe that these standards will have a significant impact on its reported results or financial position.

(i) IFRS 9, *Financial Instruments,* was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. The effective date of IFRS 9 is January 1, 2015.

(ii) IFRS 10, *Consolidated Financial Statements*, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(iii) IFRS 11, *Joint Arrangements*, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in jointly controlled entities.

(iv) IFRS 12, *Disclosure of Interests in Other Entities*, establishes disclosure requirements for interests in other entities, including subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosures that address the nature of, and risks associated with, an entity's interests in other entities.

2 Significant accounting policies (continued)

(v) IFRS 13, *Fair Value Measurement*, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

(vi) There have been amendments to existing standards, including IAS 27, *Separate Financial Statements* (IAS 27), and IAS 28, *Investments in Associates and Joint Ventures* (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

(vii) IAS 1, *Presentation of Financial Statements*, has been amended to require entities to separate items presented in OCI into two groups, based on whether or not items may be recycled in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately.

3 Exploration expenditures

							For the year ended December 31, 2012
$000's	**Berta**	**Chacay**	**El Des**	**El Inca**	**Payen**	**General**	**Total**
Consulting, labour & professional fees	608	9	78	32	15	118	860
Drilling & trenching	1,749	-	324	409	-	-	2,482
General & admin	17	6	1	6	-	791	821
Property investigation	355	36	94	10	61	87	643
Property acquisition	800	-	200	201	500	-	1,701
Travel & accommodation	49	11	24	6	8	41	139
Total exploration expenditure	**3,578**	**62**	**721**	**664**	**584**	**1,037**	**6,646**

							For the year ended December 31, 2011
$000's	**Berta**	**Chacay**	**El Des**	**El Inca**	**Payen**	**General**	**Total**
Consulting, labour & professional fees	8	179	-	-	-	145	332
Drilling & trenching	409	740	-	-	-	62	1,211
General & admin	4	18	-	-	-	711	733
Property investigation	224	138	-	-	-	60	422
Property acquisition	201	-	-	-	-	25	226
Travel & accommodation	4	53	-	-	-	25	82
Total exploration expenditure	**850**	**1,128**	**-**	**-**	**-**	**1,028**	**3,006**

3 Exploration expenditures (continued)

Berta, Chile
In June 2011, Coro entered into an option agreement to acquire the Berta Property. Coro may acquire 100% of the Berta property for total cash consideration of $6 million. This consideration is to be paid in the following staged option payments: $1.0 million (paid); $1.5 million in June 2013; $3.5 million in June 2014. In addition, a 1.5% NSR is payable on any sulphide copper production together with any by-product metals. The Company has also staked a land position around the optioned property.

Chacay, Chile
The Company owns a 100% interest in the Chacay property. The property is subject to a 2% net profits interest, which is capped at $2million. In February 2013, the Company announced the sale of the Chacay property (note 15).

El Desesperado ("El Des"), Chile
In February 2012, the Company entered into an option agreement to acquire 100% of the El Des property, in Chile for total cash consideration of $13 million. This consideration is to be paid in the following option payments; $0.7 million (paid - $0.5 million in February 2013); $1.3 million in February 2014; $3 million in February 2015; and $8 million in February 2016. In addition, a 1.9% sales royalty is payable on any production from the property. Coro has a first right of refusal on the sales royalty.

El Inca, Chile
In August 2012, the Company entered into an option agreement to acquire 100% of the El Inca property, in Chile, for total cash consideration of CA$10 million ($0.2 million paid). In January 2013, the Company terminated its option on El Inca.

Payen, Chile:
In October 2012, the Company entered into an option agreement to acquire the Payen property in Chile for total cash consideration of $17 million. This consideration is to be paid in the following option payments: $0.5 million (paid); $0.5 million in October 2013; $1.0 million in October 2014; $2 million in October 2015; and $13 million in October 2016.

General, Chile
General exploration activity in Chile includes property evaluation and other exploration costs. It also includes costs associated with the wholly owned Celeste, Gloria, Llancahue and Talca properties, and the El Tapao property which was held under option. The Company could have acquired the El Tapao property by making four annual payments of $25,000 ($25,000 paid), followed by a final payment of $1.0 million in May 2015. In May 2012, the Company terminated its option on El Tapao.

4 Supplemental cash flow information

Cash and cash equivalents comprise the following:

$000's	2012	2011
Cash	562	1,313
Cash equivalents	1,524	10,652
	2,086	**11,965**

5 Investments

$000's	2012	2011
Held for trading – Nil (2011 - 391,153) Levon shares	-	419
Held for trading – 152,632 (2011 - 152,632) Bearing shares	19	60
	19	**479**

On March 1, 2011, the Company received CA$5.4 million in gross proceeds from the disposition of 2,069,300 Valley High shares at a price of CA$1.81 and the disposition of 1,525,000 Valley High warrants at a price of CA$1.10.

On March 25, 2011, Levon Resources Ltd ("Levon") acquired all of the issued and outstanding shares of Valley High. Each Valley High shareholder received one Levon share and one-eighth of a share in Bearing Resources Ltd. ("Bearing"). Both Levon and Bearing are publicly traded companies.

In 2011, the Company received gross proceeds of CA$1.1 million from the disposition of 829,900 Levon shares at an average price of CA$1.34. In 2012, the Company received gross proceeds of CA$0.4 million from the disposition of 391,153 Levon shares at an average price of CA$0.98.

6 Property, plant and equipment

2012: $000's	Land	Plant and Equipment	Total
Cost			
January 1, 2012	537	243	780
Additions	-	27	27
Disposals	-	(58)	(58)
December 31, 2012	**537**	**212**	**749**
Accumulated depreciation			
January 1, 2012	-	(151)	(151)
Depreciation expense	-	(26)	(26)
Disposals	-	50	50
December 31, 2012	**537**	**(127)**	**(127)**
Net book value			
January 1, 2012	537	92	629
December 31, 2012	**537**	**85**	**622**

6 Property, plant and equipment (continued)

2011: **$000's**	**Land**	**Plant and Equipment**	**Total**
Cost			
January 1, 2011	537	244	781
Additions	-	32	32
Disposals	-	(33)	(33)
December 31, 2011	**537**	**243**	**780**
Accumulated depreciation			
January 1, 2011	-	(156)	(156)
Depreciation expense	-	(28)	(28)
Disposals	-	33	33
December 31, 2011	**-**	**(151)**	**(151)**
Net book value			
January 1, 2011	537	88	625
December 31, 2011	**537**	**92**	**629**

7 Mineral property interests

San Jorge $000's	**2012**	**2011**
Opening balance	27,115	20,109
Engineering	112	332
Environmental	255	786
Geology	223	357
Misc. development costs[1]	652	995
Property acquisition costs	1,250	4,000
Share-based compensation	217	536
	29,824	**27,115**

[1] Included within mineral property interests is a Value Added Tax ("IVA") receivable in Argentina of $511,000 (December 2011: $478,000). Due to the uncertainty surrounding timing and collectability, the Company views the IVA as a cost of developing the San Jorge project. During 2012, the Company recovered $nil (2011: $218,000) and credited this amount against mineral property interests.

7 Mineral property interests (continued)

San Jorge, Argentina:
In October 2012, the Company amended the San Jorge Purchase Agreement. The amended terms replace all of the existing obligations under the previous agreements. The amended terms require annual payments of $1.25 million (payable in quarterly installments), for 10 years, commencing on March 31, 2012 ($1.25 million paid). In addition a 7.5% NSR payable on all gold produced from the property. The annual payments are not payable when that payment is exceeded by the gold NSR payment. Coro may at any time, prepay the outstanding amount with a one-time payment equal to the net present value of the future payments, using a 5% discount rate. No other consideration, obligations, payments, or royalties are due, and Coro may withdraw from the Agreement at any time with no further obligation.

Under the previous agreements, the Company had paid $7.5 million and had a further $10 million was payable, less the aggregate value of the 1,000,000 common shares of Coro that had previously been issued. $16 million of the above payments above would have been treated as an advance payment on either: (a) the obligation to pay $0.02 per pound on the mineable proven and probable copper sulphide reserves or (b) the obligation to pay $0.025 per pound on the mineable proven and probable heap leachable copper reserves, both payable upon commencement of commercial production. In addition, a NSR production royalty of 1.5% on all non-copper production was payable. For any copper production in excess of that derived from the total mineable, proven and probable reserves the Company had agreed to pay (i) $0.015 per pound of copper produced in excess of the total pounds of copper contained in the mineable, proven and probable sulphide reserves and (ii) $0.02 per pound of copper produced in excess of the total pounds of copper contained in the mineable, proven and probable heap leachable reserves.

In February 2011 the San Jorge project Environmental Impact Study was approved by the Provincial Government of Mendoza and the resulting Environmental Impact Declaration (“EID”) was submitted to the Provincial Legislature for ratification. On August 24, 2011, the Provincial Legislature of Mendoza voted against ratifying the Company’s EID. The Company identified this event as an impairment indicator in accordance with IFRS 6, Exploration for and Evaluation Resources in 2011. Accordingly, in 2011 the Company reviewed the various possible development alternatives and concluded that the probability weighted cash flow estimate from the project exceeded the carrying value of the investment at December 31, 2011 and therefore no impairment provision was necessary at that date.

In 2012, the Company continued to advance the San Jorge project through an alternative development scenario involving construction of a processing facility in the neighboring province of San Juan and is still considering legal remedies again the Province of Mendoza and certain individuals. In the event the Company is unable to secure government approval to advance the project, future impairment assessments may be required and resulting impairment provisions may be material.

The Company has not identified any further impairment indicators as of December 31, 2012.

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

8 Common shares

Authorized
The Company has an unlimited number of authorized common shares without par value.

Issued
In 2012, 25,000 options (2011: 1.7 million) and no warrants (2011: 30.7 million) were exercised. No other shares were issued in 2012 or 2011.

Capital risk management
The Company considers its common shares and options as capital. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. It is the Company's objective to safeguard its ability to continue as a going concern, so that it can continue to explore and develop its projects for the benefit of its stakeholders.

9 Share stock options and warrants

Options

The Company has a stock option plan that permits the granting of stock options to directors, officers, key employees and consultants. Terms and pricing of options are determined in accordance with the plan. A total of 10% of the issued and outstanding common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	2012		2011	
	Number of shares	Weighted average exercise price CA$	Number of shares	Weighted average exercise price CA$
Outstanding – January 1	7,728,333	0.74	6,360,400	0.41
Cancelled	-	-	-	-
Exercised	(25,000)	0.15	(1,716,667)	0.57
Expired	(196,667)	1.50	(525,400)	1.16
Forfeited	(58,333)	1.45	(200,000)	1.31
Granted	4,345,000	0.41	3,810,000	1.30
Outstanding	**11,793,333**	**0.60**	**7,728,333**	**0.74**

At December 31, 2012, the following stock options were outstanding:

	Number of options Outstanding	Number of options vested and exercisable	Exercise price CA$	Expiry Date
	50,000	50,000	1.40	2013
	3,033,333	3,033,333	0.15	2014
	425,000	325,000	0.22	2014
	455,000	455,000	0.52	2015
	2,935,000	1,965,001	1.45	2016
	550,000	366,667	0.39	2016
	4,095,000	1,134,996	0.41	2017
	100,000	33,333	0.30	2017
	150,000	-	0.25	2017
Total	**11,793,333**	**7,363,330**		

9 Share stock options and warrants (continued)

The majority of stock options vest over a two or three year period.

Option and warrant pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense for options and the fair value for warrants:

	Warrants	Options
Risk-free interest rate	1.45%	0.47% to 2.39%
Expected life	1.25 years	2 to 3.5 years
Expected volatility	79%	90% to 115%
Expected dividend	0%	0%

For the year ended December 31, 2012 total share-based compensation expense was $1,333,147 (2011: $2,079,951) of which $216,948 (2011: $536,254) was capitalized.

Warrants

	2012		2011	
	Number of shares	Weighted average exercise price CA$	Number of shares	Weighted average exercise price CA$
Outstanding – beginning of year	2,777,777	0.65	34,483,181	0.31
Issued	-	-	-	-
Exercised	-	-	(30,705,404)	0.23
Expired	(2,777,777)	(0.65)	(1,000,000)	(2.00)
Outstanding – end of year	**-**	**-**	**2,777,777**	**0.65**

At December 31, 2012, no warrants were outstanding.

10 Related party transactions

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

$000's	2012	2011
Short-term employee benefits	1,042	871
Share-based payments	795	1,215
Total key management personnel	**1,837**	**2,086**

11 Geographic segmented information

The Company operates in a single operating segment, mineral exploration and development. The following table provides the geographic information.

$000's	Argentina	Canada	Chile	Total
December 31, 2012				
Loss for the year	276	2,065	6,632	8,973
Non-current assets	30,387	3	56	30,446
Total assets	30,377	1,977	244	32,598
Total liabilities	54	68	175	297
December 31, 2011				
Loss for the year	258	4,230	2,985	7,473
Non-current assets	27,686	5	53	27,744
Total assets	27,957	12,083	224	40,264
Total liabilities	163	96	260	519

12 Income taxes

	2012 $(000's)	%	2011 $(000's)	%
Earnings (loss) before tax	(8,973)	100	(7,754)	100
Income tax (recovery) expense at statutory rates	(2,243)	(25)	(2,055)	(27)
Difference in foreign tax rates	(662)	(7)	(251)	(3)
Non-deductible expenses	420	4	493	6
Non-taxable portion of capital losses (gains)	(11)	-	258	3
Effect of change in tax rates	-	-	-	-
Unrecognized (recognized) tax losses	2,496	28	1,273	17
Deferred income tax (recovery) expense	**-**	**-**	**(282)**	**(4)**

The significant components of the Company's deferred income tax asset (liability) are as follows:

$(000's)	2012	2011
Deferred income tax assets		
Operating losses carried forward	7,859	7,595
Share issuance costs	13	21
	7,872	7,616
Deferred income tax liabilities		
Unrealized gain on held-for-trading investments	(2)	(47)
Recognized deferred tax liability	**-**	**-**
Unrecognized deferred tax assets	7,870	7,569

12 Income taxes (continued)

The Company has incurred non-capital losses that may be carried forward and used to reduce taxable income of future years in the countries indicated. The Company has tax losses of $5.7 million and $18.3 million, in Canada and Chile respectively that expire after 2027.

13 Financial instruments

Financial instruments include cash and any contracts that give rise to a financial asset to one party and a financial liability or equity instrument to another party. As at December 31, 2012, the Company's carrying values of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair values due to their short term to maturity.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

At December 31, 2012, the Company’s financial instruments measured at fair value on a recurring basis were the held-for-trading investment in Bearing shares (classified as “Level 1”).

Credit Risk
Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies.

Currency Risk
The Company’s significant subsidiaries are located in Chile and Argentina and the parent company is in Canada. As a result a portion of the Company’s accounts receivable, accounts payable and accruals are denominated in the Chilean Peso, Argentine Peso and Canadian Dollars and are therefore subject to fluctuation in exchange rates.

As the Company’s parent company functional currency is the Canadian dollar, a 100 basis point (one per cent) increase/ strengthening (decrease/ weakening) in the U.S. dollar at year end would have resulted in the net loss being $3,635 lower ($3,635 higher).

13 Financial instruments (continued)

Interest Rate Risk
The Company was exposed to interest rate risk on cash and cash equivalents held as at December 31, 2012. A 100 basis point (1%) increase or decrease in the interest rate in 2012 would have resulted in approximately a $70,250 change in the Company's reported loss for the year ended December 31, 2012 based on average cash holdings during the year

Liquidity Risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is reliant upon equity issuances as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash equivalents to capital and operating needs. For further information related to liquidity refer to note 1.

14 Commitments

The following table sets out the commitments of the Company as of December 31, 2012 and does not consider any subsequent events.

$000's	**2013**	**2014**	**2015**	**2016**	**2017**	**Thereafter**	**Total**
Operating leases	**122**	**54**	**-**	**-**		**-**	**176**
Property option payments[1]	**4,050**	**7,450**	**6,750**	**22,850**	**3,000**	**11,250**	**55,350**
San Jorge	1,250	1,250	1,250	1,250	1,250	5,000	11,250
Berta	1,500	3,500	-	-	-	-	5,000
El Des[1]	500	1,300	3,000	8,000	-	-	12,800
El Inca[2]	300	400	500	600	1,750	6,250	9,800
Payen	500	1,000	2,000	13,000	-	-	16,500
Total	**4,172**	**7,504**	**6,750**	**22,850**	**3,000**	**11,250**	**55,526**

[1] Excludes royalty payments and net profit interests (refer to note 3 and 4).
[2] Payments are denominated in CA$ and for the purposes of this table an exchange rate of CA$1:US$1 has been assumed. In January 2013, the Company terminated the El Inca option

15 Subsequent Events

In February 2013, the Company announced the sale of the Chacay Property, in III Region of Chile to Compania Minera Relincho SA, a subsidiary of Teck Resources Limited for $2.5 million cash plus a 1.5% NSR. The sale is subject only to title due diligence and is expected to close by March 25, 2013.