Coro Mining Corp.

(A Development Stage Company)
Consolidated Financial Statements
December 31, 2010 and 2009
(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 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"
Chief Executive Officer

"Damian Towns"
Chief Financial Officer

March 28, 2011

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March 28, 2011

Independent Auditor's Report

To the Shareholders
of Coro Mining Corp.

We have audited the accompanying consolidated financial statements of Coro Mining Corp. and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2010 and 2009 and the consolidated statements of loss, comprehensive loss and deficit, cash flows and changes in shareholders' equity for the years then ended, and the related notes including a summary of significant accounting policies.

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 Canadian generally accepted accounting principles, 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 audit 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, 2010 and 2009 and the results of their operations and their cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Signed "PricewaterhouseCoopers LLP"
Chartered Accountants
Vancouver, British Columbia

Coro Mining Corp.

Consolidated Balance Sheets

As at December 31, 2010 and 2009

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

	2010 $(000's)	**2009** $(000's)
Assets		
Current assets		
Cash and cash equivalents (note 12)	7,985	2,116
Accounts receivable and prepaid expenses	84	77
Investments (note 7)	8,979	-
	17,048	2,193
Property, plant and equipment (note 5)	625	647
Mineral property interests (note 6)	22,848	18,053
Investments (note 7)	-	2,279
	40,521	23,172
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	577	386
Future income tax (note 10)	276	-
	853	386
Future income tax liability (note 10)	2,396	1,401
	3,249	1,787
Shareholders' equity (note 8)		
Common Shares	42,090	37,682
Contributed Surplus	3,266	2,694
Accumulated other comprehensive income ("AOCI")	475	475
Deficit	(8,559)	(19,466)
	37,272	21,385
	40,521	23,172

Commitments (notes 6 and 15)
Subsequent Events (note 16)

Approved by the Board of Directors

"Robert Watts"
Director

"Rod Webster"
Director

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

Coro Mining Corp.

Consolidated Statements of Income (Loss), Comprehensive Income (Loss) and Deficit

For the years ended December 31, 2010 and 2009

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

Expenditures	**2010 $(000's)**	**2009 $(000's)**
Exploration expenditures (note 4)		
Administration costs	199	223
Consulting, labour & professional fees	253	195
Drilling & trenching	225	201
Property investigation	276	110
Property acquisition costs	48	25
Travel & accommodation	49	33
	1,050	787
Other expenses (income)		
Corporate costs	871	639
Depreciation and amortization	20	43
Foreign exchange gain	(378)	(365)
Gain on disposal of shares (note 7)	(4,814)	-
Gain on warrants revaluation (note 7)	(1,821)	(328)
Unrealized gain on held-for-trading investment (note 7)	(5,795)	-
Interest income	(12)	(19)
Stock-based compensation	218	305
	(11,711)	275
Earnings (loss) before tax and equity earnings	10,661	(1,062)
Future income tax expense (note 10)	(276)	-
Equity loss & dilution gains (note 7)	522	773
Earnings (loss) and comprehensive income (loss) for the year	10,907	(289)
Deficit – beginning of year	19,466	19,177
Deficit – end of year	8,559	19,466
Basic earnings (loss) per share	$0.11	$(0.00)
Fully diluted earnings (loss) per share	$0.09	$(0.00)
Weighted average shares outstanding (000's) basic	99,094	77,459
Weighted average shares outstanding (000's) diluted	118,547	84,738

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

Coro Mining Corp.

Consolidated Statements of Shareholders' Equity

For the years ended December 31, 2010 and 2009

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

	Common shares					
	No. of shares #	Amount $(000's)	Deficit $(000's)	Contributed Surplus $(000's)	AOCI $(000's)	Shareholders' equity $(000's)
Balance – December 31, 2008	38,562,773	33,086	(19,177)	1,651	475	16,035
Issue of shares – private placements (note 8)	40,908,636	2,328	-	1,275	-	3,603
Issuance costs	-	(67)	-	-	-	(67)
Warrants exercised	11,095,000	2,335	-	(455)	-	1,880
Stock-based compensation (note 9)	-	-	-	223	-	223
Net loss for the year	-	-	(289)	-	-	(289)
Balance – December 31, 2009	90,566,409	37,682	(19,466)	2,694	475	21,385
Issue of shares – private placement (note 8)	12,500,000	3,796	-	425	-	4,221
Share issued for mineral properties	150,000	48	-	-	-	48
Issuance costs	-	(70)	-	-	-	(70)
Warrants exercised	2,580,454	629	-	(88)	-	541
Options exercised	50,000	5	-	-	-	5
Stock-based compensation (note 9)	-	-	-	235	-	235
Net earnings for the year	-	-	10,907	-	-	10,907
Balance – December 31, 2010	105,846,863	42,090	(8,559)	3,266	475	37,272

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

Coro Mining Corp.

Consolidated Statements of Cash Flows

For years ended December 31, 2010 and 2009

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

	2010 $(000's)	2009 $(000's)
Cash flows from operating activities		
Earnings (loss) for the year	10,907	(289)
Items not affecting cash		
Depreciation and amortization	20	43
Unrealized gain on held-for-trading investments (note 7)	(7,616)	(328)
Future income tax expense (note 10)	276	-
Equity losses & dilution gains (note 7)	(522)	(773)
Shares issued for mineral properties	48	-
Unrealized foreign exchange gain	(83)	(112)
Gain on disposal of shares (note 7)	(4,814)	-
Stock-based compensation	218	305
	(1,566)	(1,154)
Change in non-cash operating working capital		
Increase in accounts receivable & prepaids	(7)	-
Decrease in accounts payable & accruals	(12)	(168)
	(1,585)	(1,322)
Cash flows from financing activities		
Issuance of common shares (net of issue costs)	4,697	5,416
	4,697	5,416
Cash flows from investing activities		
Proceeds from sale of shares (note 7)	6,252	-
Property, plant and equipment	4	(1)
Mineral property interests	(3,499)	(2,328)
	2,757	(2,329)
Increase in cash and cash equivalents	5,869	1,765
Cash and cash equivalents - beginning of year	2,116	351
Cash and cash equivalents - end of year	7,985	2,116

1 Nature of operations

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.

At December 31, 2010, the Company had cash and cash equivalents of $8.0 million, working capital of $16.2 million and a deficit of $8.6 million.

In January & February 2011, the Company received $5.4 million in proceeds from warrant exercised. In addition to this, on March 1, 2011, the Company received $5.4 million in proceeds from the disposition of 2,069,300 shares and 1,525,000 warrants in Valley High Ventures Ltd. (“VHV”).

2 Changes in accounting policies

Business Combinations

In January 2009, the CICA issued Handbook Section 1582, “Business Combinations”, which replaced Section 1581, “Business Combinations”, and is the equivalent to International Financial Reporting Standards 3, “Business Combinations” (January 2008). The new Section expands the definition of a business subject to an acquisition and establishes significant new guidance on the measurement of consideration given, and the recognition and measurement of assets acquired and liabilities assumed in a business combination.

Consolidated Financial Statements and Non-controlling Interests:

In January 2009, the CICA issued Handbook Section 1601, “Consolidated Financial Statements” and Section 1602, “Non-controlling Interests”, which together replace Section 1600, “Consolidated Financial Statements”. Section 1602 applies to the accounting for non-controlling interests and transactions with non-controlling interest holders in consolidated financial statements. The new Sections require that, for each business combination, the acquirer measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. The new Sections also require non-controlling interest to be presented as a separate component of shareholders’ equity.

Under Section 1602, non-controlling interest in income is not deducted in arriving at consolidated net income or other comprehensive income. Rather, net income and each component of other comprehensive income are allocated to the controlling and non-controlling interests based on relative ownership interests. The Company adopted these new standards effective January 1, 2010; adoption had no impact on the consolidated financial statements.

3 Significant accounting policies

Principles of consolidation

The consolidated financial statements include the assets, liabilities and results of the Company and its subsidiaries. The effects of transactions between entities in the consolidated group are eliminated. Where control of an entity is obtained during a financial year, its results are included in the consolidated statements of income (loss), comprehensive loss and deficit from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control exists.

3 Significant accounting policies (continued)

Estimates, risks and uncertainties

The preparation of financial statements in conformity with Canadian General Accepted Accounting Principles GAAP 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.
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. Investment valuation estimated future income taxes, and the availability of financing and various operational factors.

Foreign currency translation

The Company has a US dollar measurement currency. The temporal method of translation is used to translate foreign currency transactions and the financial statements of foreign subsidiaries, which are considered financially and operationally integrated, into the Company's measurement currency. The temporal method is applied as follows:

(i) Monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date;
(ii) Non-monetary assets and liabilities, and equity are translated at historical rates; and
(iii) Revenue and expense items are translated at the rate of exchange prevailing at the time of the transaction or at average exchange rates during the period as appropriate.

Gains and losses on re-measurement to the measurement currency are included in net income for the year.

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 trade and recorded in the Consolidated Balance Sheet at fair value. Changes in fair value are recorded in the Consolidated Statement of Loss, Comprehensive Loss and Deficit.

c) Investments
Investments in public company shares are held for trading and measured at fair value on the balance sheet. Gains or losses are recognized in net income for the year in which it arises.

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 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.

3 Significant accounting policies (continued)

Investments
Investments in companies over which Coro has significant influence are accounted for using the equity method.

Property, plant and equipment
Property, plant and equipment are recorded at cost less accumulated depreciation and amortization. Depreciation is calculated over the estimated useful lives of the assets. Vehicles are depreciated on a straight-line basis over 7 years. Computer equipment is depreciated on a declining balance basis at a rate of 45%.

Mineral properties and deferred exploration costs
Exploration and property evaluation costs relating to non-specific projects or properties are expensed in the period incurred. Significant property acquisition costs are capitalized. When management has established that a resource exists, exploration and development costs relating to specific properties are deferred until the project to which they relate is sold, abandoned, impaired or placed into production.

Asset impairment
The Company performs impairment tests on property, plant and equipment and mineral properties when events or circumstances occur which indicate the assets may not be recoverable.

Where information is available and conditions suggest impairment, estimated future net cash flows for each project are calculated using estimated future prices, proven and probable reserves and resources, and operating, capital and reclamation costs on an undiscounted basis. When estimated future cash flows are less than the carrying value, the project is considered impaired. Reductions in the carrying value of each project are recorded to the extent the carrying value exceeds the discounted estimated future cash flows. Where estimates of future net cash flows are not available and where conditions suggest impairment, management assesses whether the carrying value can be recovered.

Earnings (loss) per share
Earning (loss) per share is calculated using the weighted average number of shares outstanding during the year. Diluted earning (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 year. 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
The Company uses the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and liabilities are recognized for temporary differences 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. The amount of future tax assets recognized is limited to the amount that is more likely than not to be realized. Future income tax assets and liabilities are monetary; accordingly future tax balances denominated in other then US dollars are translated into US dollars using the exchange rate at the balance sheet date.

Stock-based compensation
The Company applies the fair value method of accounting for stock options. The fair value of options is determined using an option pricing model that takes into account, as of the grant date, the exercise price, the

3 Significant accounting policies (continued)

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.

4 Exploration expenditures

							December 31, 2010
$(000's)	**Andrea**	**Chacay**	**Flores**	**Llancahue**	**General**	**Talca**	**Total**
Administration costs	1	4	40	2	149	3	199
Consulting, labour & professional fees	-	131	39	-	83	-	253
Drilling & trenching	-	223	-	-	-	3	226
Property investigations	-	196	39	13	18	10	276
Property acquisition costs	-	-	48	-	-	-	48
Travel & accommodation	-	19	14	2	9	4	48
Total exploration expenditure	**1**	**573**	**180**	**17**	**259**	**20**	**1,050**

							December 31, 2009
$(000's)	**Andrea**	**Chacay**	**Flores**	**Llancahue**	**General**	**Talca**	**Total**
Administration costs	6	2	20	-	176	19	223
Consulting, labour & professional fees	44	18	24	64	19	26	195
Drilling & trenching	46	69	-	86	-	-	201
Property investigations	39	25	-	3	12	31	110
Property acquisition costs	25	-	-	-	-	-	25
Travel & accommodation	8	7	2	3	5	8	33
Total exploration expenditure	**168**	**121**	**46**	**156**	**212**	**84**	**787**

Andrea, Chile:
In May 2009, the Company decided to terminate its option over the Andrea property.

Chacay, Chile
The Chacay property is located 12km southeast of Teck Resources Limited's Relincho copper project, and 50km east of the city of Vallenar in the III Region of Chile. The property is subject to a 2% net profits interest.

Flores, Chile:
The Flores project comprised the Barreal Seco Deposit and the Salvadora and Celeste properties. In February 2009, the Company terminated its option over the Barreal Seco and Salvadora properties, but has retained its interest in Celeste.

4 Exploration expenditures (continued)

Talca, Chile
Near the town of Talca, in south central Chile, the Company staked approximately 15,500 hectares.

Llancahue, Chile
The Llancahue property is located within the Talca Belt Prospect Area.

General, Chile:
General exploration activity in Chile includes non-direct or non-incremental costs associated with any project. Among general exploration the Company also holds the Gloria property in Chile.

5 Property, plant and equipment

($000`s)	December 31, 2010	December 31, 2009
Land	537	537
Equipment	244	240
Total	781	777
Accumulated depreciation	(156)	(130)
Net book value as at December 31	625	647

In 2006, the Company purchased a surface rights covering the San Jorge project. The land was acquired for a total cost of $537,000. The purchase remains subject to final registration by the Argentine authorities.

6 Mineral property interests

San Jorge $(000's)	2010	2009
Opening balance	18,053	15,862
Engineering	56	3
Environmental	80	140
General & administration[2]	1,294	1,019
Geology	288	234
Metallurgy	-	26
Acquisition costs / options payments[1]	3,077	769
Closing balance	**22,848**	**18,053**

[1] Included within the 2010 acquisition costs is the assumption of a future income tax liability of $1,077 (2009: $269).

[2] Included within mineral property interests is a Value Added Tax ("IVA") receivable in Argentina of $547,000 (2009: $624,000). Due to the uncertainty surrounding timing and collectability, the Company views the IVA as a cost of developing the San Jorge project. During 2010, the Company recovered $200,000 (2009: $11,000) and credited this amount against development expenditures.

6 Mineral property interests (continued)

San Jorge, Argentina:

The San Jorge copper-gold project is located in Argentina, northwest of Mendoza, and northeast of Santiago, Chile. The Company is proceeding with a flotation-only project and submitted an Environment Impact Study ("EIS") to provincial authorities in Mendoza in September 2008.

In 2006, the Company entered into an option agreement, subsequently amended in June 2008 and January 2009, to purchase 100% of the San Jorge project, by acquiring the outstanding shares of Minera San Jorge. Initially, under the option agreement, the Company paid a total of $1,000,000 in cash and issued a total of 1,000,000 shares. The terms of the agreement require payments as follows: $500,000 in May 2009 (paid), $2,000,000 in May 2010 (paid), $4,000,000 in May 2011, $5,000,000 in May 2012, and $5,000,000 in May 2013, less the aggregate deemed value of the 1,000,000 common shares of Coro previously issued. If, after May 10, 2011, the Company completes a bankable feasibility study on either the heap leachable copper resources or the sulphide copper resources, or a combination of both, the Company shall pay the balance of any amounts owing within six months from the date of completion of the bankable feasibility study.

The payments in 2010 and thereafter totalling $16,000,000 will be treated as an advance payment on either: (a) the existing obligation to pay $0.02 per pound on the mineable proven and probable copper sulphide reserves upon commencement of commercial production or (b) the existing obligation to pay $0.025 per pound on the mineable proven and probable heap leachable copper reserves upon commencement of commercial production.

In addition, Coro has agreed to pay a net smelter return production royalty of 1.5% on all non-copper production from the San Jorge project.

For any production of copper in excess of that derived from the total mineable, proven and probable heap leachable reserves and the mineable, proven and probable sulphide reserves the Company agreed to pay (i) $0.015 per pound of copper contained in ore processed by a mill, 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 contained in ore placed on leach pads, in excess of the total pounds of copper contained in the mineable, proven and probable heap leachable reserves.

7 Investments

$(000's)	**2010**	**2009**
Held for trading – 3,290,353 VHV shares (a)	6,814	-
Derivative Investment – 1,525,000 VHV warrants (deemed fair market value) (b)	2,165	343
VHV – equity accounted investment (a)	-	1,936
	8,979	**2,279**

Investment in Valley High

a) On September 26, 2008, the Company sold its Mexican properties to VHV for 8,140,353 common shares of VHV. The Company also acquired an additional 1,000,000 VHV shares by way of a private placement. The Company initially recorded its investment in VHV as an equity investment as it exercised significant influence.

7 Investments (continued)

For the year ended December 31, 2010, the Company recorded equity losses of $729,000 (2009: $120) and dilution gains of $1,251,000 (2009: $893,000) in respect of VHV. The dilution gains occurred as VHV issued shares to outside parties.

In November 2010, the Company sold 5,850,000 common shares of VHV at a price of CA$1.10 for gross proceeds of CA$6,435,000, recognizing a gain on disposal of $4,814,000. As at December 31, 2010, the Company owns 5.4% interest in VHV.

As a result of the sale of 5,850,000 common shares and the significant decrease in ownership, the Company no longer equity accounts for its investment and treats it as held for trading. Subsequent to year end, the Company disposed of an additional 2,069,300 shares and 1,525,000 warrants of VHV (note 16).

b) In December 2009, Coro sold 3,050,000 common shares of VHV at a price of CA$0.45 and concurrently subscribed for 3,050,000 units at a price of CA$0.45. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. Each full warrant entitles the holder to purchase one common share of VHV at a price of CA$0.65 for a period of 18 months from December 24, 2009. The Company accounted for this transaction as a share for unit swap and recognized a net gain of $222,000 in connection with the 1,525,000 warrants received.

As the warrants are a derivative instrument, the Company is required to record the warrants at fair value with changes in fair value recorded in the statement of loss. The Company uses a Black-Scholes model to determine the fair value of the warrants. As at December 31, 2010 the Company recognized a gain of $1,821,000 (2009: $106,000). Subsequent to year end the Company disposed of the warrants (note 16).

8 Equity accounts

Common shares

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

Issued
a) In June 2010, the Company issued 12,500,000 units at CA$0.36. Each unit was comprised of one share and one half of a non-transferable warrant. Each whole warrant entitles the holder to purchase one common share of Coro for a period of two years at a price of $0.50 for the first year and $0.65 thereafter.

The fair value of the warrants was calculated using the Black-Scholes model assuming an average volatility of 78%, a risk-free rate of 1.45%, a nine-month expected life and no annual dividends.

b) In January 2009, the Company issued 27,272,727 units at CA$0.11. Each unit was comprised of one common share and one transferable common share purchase warrant, with each warrant exercisable to acquire one common share until January 2011, subject to earlier forced exercise, at an exercise price of CA$0.18 until January 2010 and an exercise price of CA$0.20 thereafter.

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

8 Equity accounts (continued)

The fair value of the warrants was calculated using the Black-Scholes model assuming a volatility of 78%, a risk free rate of 1.00%, a two-year expected life and no annual dividends.

c) In February 2009, the Company issued 13,635,909 units at CA$0.11. Each unit was comprised of one share and one transferable common share purchase warrant, with each warrant exercisable to acquire one common share until February 2011, subject to earlier forced exercise, at an exercise price at CA$0.18 until February 2010 and an exercise price of CA$0.20 thereafter.

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

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.

Options

	2010		2009	
	Number of shares	**Weighted average exercise price CA$**	**Number of shares**	**Weighted average exercise price CA$**
Outstanding - January 1	6,038,733	0.39	2,319,900	1.04
Granted	540,000	0.52	4,535,000	0.16
Cancelled	(83,333)	0.33	(74,500)	0.59
Forfeited	(85,000)	0.15	(741,667)	1.23
Exercised	(50,000)	0.15	-	-
Outstanding – December 31	6,360,400	0.41	6,038,733	0.36

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

9 Share stock options and warrants (continued)

At December 31, 2010, 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	0.50	2-May-2011
	100,000	100,000	0.50	11-Jul-2011
	1,000,000	1,000,000	0.75	14-Feb-2011
	80,000	80,000	1.50	25-Sep-2011
	200,000	200,000	1.50	18-Oct-2011
	100,000	100,000	1.50	13-Feb- 2012
	80,000	80,000	1.50	20-Nov-2012
	133,800	108,800	1.40	3-Mar-2013
	1,600	1,600	1.36	16-May-2013
	3,650,000	2,155,000	0.15	6-Apr-2014
	425,000	241,667	0.22	16-Jun-2014
	490,000	-	0.52	29-Jan-2015
	50,000	-	0.58	9-Nov-2015
Total	6,360,400	4,117,067		

The majority of stock options vest over a 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:

	Warrants	Options
Risk-free interest rate	1.27% to 2.7%	0.47% to 4.33%
Options expected life	0.75 to 1.3 years	2 to 4.5 years
Expected volatility	78% to 128%	67% to 90%
Expected dividend	0%	0%

For the year ended December 31, 2010 total stock-based compensation expense was $235,142 (2009: $223,278) of which $18,000 (2009: $83,000) was capitalized.

9 Share stock options and warrants (continued)

Warrants

	2010		2009	
	Number of shares	**Weighted average exercise price CA$**	**Number of shares**	**Weighted average exercise price CA$**
Outstanding - January 1	30,963,636	0.25	1,150,000	2.07
Granted	6,249,999	0.50	40,908,636	0.25
Exercised	(2,580,454)	0.19	(11,095,000)	0.18
Expired	(150,000)	2.50	-	-
Outstanding – December 31	34,483,181	0.31	30,963,636	0.25

At December 31, 2010, the following warrants were outstanding:

	Number of Shares outstanding	**Exercise price CA$**	**Expiry Date**
	1,000,000	2.00	27-Aug-2011
	16,672,727	0.20	23-Jan-2011
	10,560,455	0.20	5-Feb-2011
	6,249,999	0.50	1-Jun-2012
Total	34,483,181	**0.31**	

10 Income taxes

	2010 $(000's)	**%**	**2009 $(000's)**	**%**
Earnings (loss) before tax	10,661	100	(1,062)	100
Income taxes at statutory rates	3,038	(28.5)	(319)	(31)
Difference in foreign tax rates	(67)	1	(44)	(4)
Non-deductible expenses	78	(1)	59	2
Non taxable capital gains	(1,822)	17	-	-
Effect of change in tax rates	68	(1)	63	1
Previously unrecognized tax losses	(1,019)	10	241	31
Future income tax expense	**276**	**2.6**	**-**	**-**

The significant components of the Company's future income tax liability are as follows:

	2010 $(000's)	**2009** $(000's)
Mineral property interest	(2,395)	(1,401)
Operating losses carried forward	7,983	7,288
Share issuance costs	124	209
Unrealized gain on VHV shares and warrants	(1,009)	-
Valuation allowance	(7,375)	(7,497)
Net future income tax liability	**(2,672)**	**(1,401)**

10 Income taxes (continued)

A portion of the future income tax liability is denominated in Argentine Pesos; accordingly, the Company recorded a foreign exchange gain of $78,000 (2009: $119,000) as a result of the depreciation of the Argentinean Peso against the U.S. dollar.

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. These losses will expire as follows:

$(000's)	Argentina	Canada	Chile	Total
Expiry Date				
2027	-	-	-	-
2028	-	-	-	-
Thereafter	-	2,430	21,071	23,501
Total	**-**	**2,430**	**21,071**	**23,501**

As the Company only has an option to acquire Minera San Jorge, any tax losses incurred prior to the completion of the option agreement have not been disclosed above. Argentina permits the double deduction of certain qualifying expenditures prior to filing a definitive feasibility study; as the Company has not completed its option to acquire Minera San Jorge, it has not recognized any tax benefit of this potential double deduction.

11 Related party transactions

For the year ended December 31, 2010, rent and administrative fees of $71,000 (2009: $34,000) were charged by Coro to VHV. As at December 31, 2010 and 2009, VHV owed $5,000 and $34,000 to the Company, respectively.

12 Supplemental cash flow information

Cash and cash equivalents comprise the following:

$(000's)	2010	2009
Cash	575	791
Cash equivalents	7,410	1,325
	7,985	**2,116**

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. 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, 2010, the Company's financial instruments measured at fair value on a recurring basis were the held-for-trading investments in VHV shares (classified as "Level 1") and VHV warrants (classified as "Level 2").

Fair Values
As at December 31, 2010, 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 Company has no financial assets classified as available-for-sale. VHV shares and warrants are held for trading. The warrants in VHV are marked-to-market using the fair value of the warrants as determined by a Black-Scholes Model.

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
As at December 31, 2010, a significant portion of the Company's cash and cash equivalents was held in Canadian dollars and was therefore subject to fluctuation against the U.S. dollar. If the Canadian dollar had weakened (strengthened) against the U.S. dollar, with all other variables held constant, by 100 basis points (one cent) at year end, net loss would have been $43,653 lower ($43,653 higher). Other comprehensive loss would have remained unchanged.

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.

Interest Rate Risk
The Company has no significant interest costs (income) and therefore has no significant interest rate risk.

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

13 Financial instruments (continued)

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.

14 Geographic segmented information

The following table illustrates the geographic location of the Company's assets.

$(000's)	Argentina	Canada	Chile	Total
December 31, 2010				
Earnings (loss)	-	11,942	(1,035)	10,907
Non-current assets	23,417	4	52	23,473
Total assets	**23,485**	**16,762**	**274**	**40,521**
December 31, 2009				
Earnings (loss)	-	581	(870)	(289)
Non-current assets	18,628	6	66	18,700
Total assets	**18,692**	**4,325**	**155**	**23,172**

15 Commitments

$(000's)	2011	2012	2013	Thereafter	Total
Lease commitments	36	-	-	-	36
Property option payments[1,2]	4,000	5,000	5,000	-	14,000
Total	4,036	5,000	5,000	-	14,036

[1] Excludes royalty payments and net profit interests (refer to note 4 and 6).
[2] The deemed value of 1,000,000 common shares is deductible from the final payment on San Jorge (refer to note 6 for full details of the option agreement)

16 Subsequent Events

San Jorge

In February 2011 the Company announced the approval of the San Jorge project Environmental Impact Study ("EIS") was approved by the Provincial Government of Mendoza and the resulting Environmental Impact Declaration ("EID") was submitted to the Provincial Legislature for ratification.

Warrant exercise

During January and February 2011, 27,233,182 warrants were exercised at a price of CA$0.20per share, for proceeds of CA$5.4 million.

Valley High Disposition

Subsequent to year end, the Company announced the disposal of 2,069,300 shares and 1,525,000 warrants in VHV for gross proceeds of $5.4 million. Subsequent to the disposal, Coro holds 1,221,053 VHV shares (approximately 2% of the issued and outstanding shares of VHV).