Coro Mining Corp.

(A Development Stage Company)
Consolidated Financial Statements
December 31, 2009 and 2008
(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 26, 2010

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Auditors' Report

To the Shareholders of Coro Mining Corporation

We have audited the consolidated balance sheets of **Coro Mining Corporation** (the "Company") as at December 31, 2009 and 2008 and the consolidated statements of loss and deficit, exploration expenditure, comprehensive loss, and cash flow for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and 2008 and the results of its operations and its cash flow for the years then ended in accordance with Canadian generally accepted accounting principles.

Signed "PricewaterhouseCoopers LLP"

Chartered Accountants
Vancouver, B.C.
March 26, 2010

Coro Mining Corp.

Consolidated Balance Sheets

As at December 31, 2009 and 2008

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

	2009 $000's	2008 $000's
Assets		
Current assets		
Cash and cash equivalents (note 11)	2,116	351
Accounts receivable and prepaid expenses	77	77
	2,193	428
Property, plant and equipment (note 4)	647	710
Mineral property interests (note 5)	18,053	15,862
Investments (note 6)	2,279	1,163
	23,172	18,163
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	386	877
Future income tax liability (note 9)	1,401	1,251
	1,787	2,128
Shareholders' Equity		
Common Shares (note 7)	37,682	33,085
Contributed Surplus (note 7)	2,694	1,652
Accumulated other comprehensive income	475	475
Deficit	(19,466)	(19,177)
	21,385	16,035
	23,172	18,163

Nature of operations and going concern (note 1)
Commitments (notes 5 and 14)

Approved by the Board of Directors

"Alvin Jackson"
Director

"Robert Watts"
Director

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

Coro Mining Corp.

Consolidated Statements of Loss, Comprehensive Loss and Deficit

For the years ended December 31, 2009 and 2008

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

Expenditures	**2009 $000's**	**2008 $000's**
Net Exploration Expenditures	787	3,173
(Statement of Exploration and Development Expenditures)		
Other Expenses (Income)		
Corporate costs	639	1,244
Depreciation and amortization	43	82
Foreign exchange gain	(365)	(117)
Gain on disposal of subsidiary (note 6)	-	(1,290)
Gain on warrants revaluation (note 6)	(328)	-
Interest income	(19)	(116)
Stock-based compensation	305	275
Write down of deferred costs (note 15)	-	3,983
	275	4,325
Loss for the year before equity earnings	1,062	7,498
Equity loss & dilution gains (note 6)	(773)	210
Loss and comprehensive loss (income) for the year	289	7,708
Deficit – beginning of year	19,177	11,469
Deficit – end of year	19,466	19,177
Basic and diluted loss per share	$0.00	$0.20
Weighted average shares outstanding (000's)	77,459	37,119

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

Coro Mining Corp.

Consolidated Statements of Exploration Expenses

For the years ended December 31, 2009 and 2008

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

	2009 $000's	2008 $000's
Expenditures		
Exploration Expenditures (note 3)		
Administration costs	223	464
Consulting, labour & professional fees	195	1,530
Drilling & trenching	201	9
Property investigations	110	387
Property acquisition costs	25	715
Travel & accommodation	33	68
	787	3,173
Development Expenditures		
Engineering & infrastructure	3	699
Environmental	140	351
General & administration	1,019	1,353
Geology	234	507
Metallurgy	26	98
Mine planning	-	12
Property acquisition costs	769	1,351
	2,191	4,371
Total Exploration & Development Expenditures	2,978	7,544
Costs Capitalized	(2,191)	(4,371)
Net Exploration Expenditures	787	3,173

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, 2009 and 2008

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

	2009 $000's	2008 $000's
Cash flows from operating activities		
Net loss for the year	(289)	(7,708)
Items not affecting cash		
Depreciation and amortization	43	82
Equity losses & dilution gains	(773)	210
Foreign exchange gain	(97)	(156)
Gain on disposal of subsidiary	-	(1,290)
Stock-based compensation	305	275
Gain on warrants valuation	(343)	
Write down of investment (note 6)	-	264
Write down of deferred expenditures (note 15)	-	3,983
	(1,154)	(4,340)
Change in non-cash operating working capital		
(Increase) decrease in accounts receivable & prepaids	-	128
Decrease in accounts payable & accruals	(168)	(430)
	(1,322)	(4,642)
Cash flows from financing activities		
Issuance of common shares (net of issue costs)	5,416	2,594
	5,416	2,594
Cash flows from investing activities		
Cerro Negro Acquisition (note 15)	-	(3,371)
Net purchase of investments	-	(242)
Property, plant and equipment	(1)	-
Mineral property interests	(2,328)	(3,673)
	(2,329)	(7,626)
Increase (decrease) in cash and cash equivalents	1,765	(9,674)
Cash and cash equivalents - beginning of year	351	10,025
Cash and cash equivalents - end of year	2,116	351

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

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.

At December 31, 2009, the Company had cash and cash equivalents of $2.1 million, a working capital of $1.8 million and a deficit of $19.5 million. The funds on hand are not considered to be sufficient to meet the Company's corporate, administrative, exploration and development activities including an option payment (note 5) for the next twelve months. Additional financing will be required to meet the Company's obligations as they fall due. Because of this uncertainty, there is significant doubt about the ability of the company to continue as a going concern. Additional information related to liquidity is set out in note 14.

The Company's ability to continue operations and exploration activities is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

These consolidated financial statements do not include the adjustments that would be necessary should the company be unable to continue as a going concern. Such adjustments could be material.

2 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 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.

Estimates, risks and uncertainties
The preparation of financial statements in conformity with Canadian 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, estimated future income taxes, and the availability of financing and various operational factors.

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

2 Significant accounting policies (continued)

Foreign currency translation
The Company has a US dollar measured 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 measured 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 measured currency are included in net income for the year.

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.

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

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 approximately 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.

2 Significant accounting policies (continued)

Loss per share
Loss per share is calculated using the weighted average number of shares outstanding during the year. Diluted 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. Basic and diluted loss per share is the same as the effect of the exercise of outstanding options and warrants would be 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.

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 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.

Recent Accounting Pronouncements

Financial Instruments – Disclosures
The CICA amended Section 3862 in 2009, “Financial Instruments – Disclosures,” requires to include additional disclosure requirements about fair value measurements of financial instruments and to enhance liquidity risk disclosures. Adoption of this standard did not have a significant effect on the financial statements.

Goodwill and Other Intangible Assets:
The Canadian Institute of Chartered Accountants (“CICA”) issued CICA Handbook Section 3064 “Goodwill and Intangible Assets” which the Company adopted, effective January 1, 2009. The new requirements of Section 3064 are for recognition, measurement, presentation and disclosure. Section 3064 replaces Section 3062, “Goodwill and Other Intangible Assets”. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. There was no significant impact upon adoption of this new accounting standard on the consolidated financial statements.

2 Significant accounting policies (continued)

Business Combinations:
In January 2009, the CICA issued Handbook Section 1582, "Business Combinations", which replaces Section 1581, "Business Combinations", and provides 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.

The new Section requires that all business acquisitions be measured at the full fair value of the acquired entity at the acquisition date even if the business combination is achieved in stages, or if less than 100 percent of the equity interest in the acquire entity is owned at the acquisition date. The measurement of equity consideration given in a business combination will no longer be based on the average of the fair value of the shares a few days before and after the day the terms and conditions have been agreed to and the acquisition announced, but rather at the acquisition date. Subsequent changes in fair value of contingent consideration classified as a liability will be recognized in earnings and not as an adjustment to the purchase price.

Restructuring and other direct costs of a business combination are no longer considered part of the acquisition accounting. Instead, such costs will be expensed as incurred, unless they constitute the costs associated with issuing debt or equity securities. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. The Company will early adopt this new standard effective January 1st, 2010 and expects that its adoption will have no significant impact on the consolidated financial statements.

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". These two Sections are the equivalent to the corresponding provisions of International Accounting Standard 27, "Consolidated and Separate Financial Statements" (January 2008). 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 will adopt this new standard effective January 1st, 2010 and expects that its adoption will have no significant impact on the consolidated financial statements.

Mining Exploration Costs:
In March 2009, the CICA issued EIC 174, "Mining Exploration Costs" whereby the EIC reached a consensus that a mining enterprise that has not established mineral reserves objectively and, therefore, may not have a basis for preparing a projection of the estimated future net cash flow from the property, is not precluded from considering exploration costs to have the characteristics of property, plant and equipment. The EIC also provided guidance in determining whether an impairment of capitalized costs have incurred. The release of EIC-174 had no significant impact on the consolidation financial statements.

3 Exploration expenditures

							2009
Exploration Expenditures ($000's)	**Flores**	**Talca**	**Andrea**	**General**	**Llancahue**	**Chacay**	**Total**
Administration costs	20	19	6	176	-	2	223
Consulting, labour & professional fees	24	26	43	19	64	18	195
Drilling & trenching	-	-	46	-	85	69	201
Property investigations	-	31	39	12	3	25	110
Property acquisition costs	-	-	25	-	-	-	25
Travel & accommodation	2	8	8	5	3	6	33
Total exploration expenditure	**46**	**84**	**168**	**212**	**156**	**121**	**787**

						2008
Exploration Expenditures ($000's)	**Flores**	**Talca**	**Andrea**	**General**	**Mexico**	**Total**
Administration costs	22	2	4	369	67	464
Consulting, labour & professional fees	165	35	24	1,086	220	1,530
Drilling & trenching	9	-	-	-	-	9
Property investigations	204	76	49	38	20	387
Property acquisition costs	515	-	100	-	100	715
Travel & accommodation	7	4	9	19	29	68
Total exploration expenditure	**922**	**117**	**186**	**1,512**	**436**	**3,173**

[1] The Company's Mexican subsidiary was disposed of on September 26, 2008.

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

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.

Talca, Chile
Near the town of Talca, in South Central Chile, the Company has staked approximately 15,500 hectares. The Company had entered into an agreement with Freeport-McMoran Exploration Corp. ("Freeport") whereby they committed to set an exploration program to earn up to a 70% interest in the various Talca properties. Freeport subsequently withdrew from the agreement.

Llancahue, Chile
The Llancahue property is located within the Talca Belt Prospect Area. The Llancahue property was a part of the agreement with Freeport.

3 Exploration expenditures (continued)

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.

General, Chile:

General exploration activity in Chile includes non-direct or non-incremental costs associated with the Cerro Negro in 2008. [1]

4 Property, plant and equipment

			2009			**2008**
	Cost ($000's)	Accumulated amortization	Net $ (000's)	Cost	Accumulated Amortization	Net $ (000's)
Equipment	240	(130)	110	277	(104)	173
Land	537	-	537	537	-	537
Total	777	(130)	647	814	(104)	710

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

5 Mineral property interests

San Jorge $(000's)	**2009**	**2008**
Opening balance	15,862	11,491
Acquisition costs / options payments[1]	769	1,351
Development expenditures[2]	1,422	3,020
Closing balance	18,053	15,862

[1] Included within the 2009 acquisition costs is the assumption of a future income tax liability of $269,000 (2008: $473,000).

[2] Included within mineral property interests is an IVA receivable in Argentina of $624,000. Due to the uncertainty surrounding the timing of collectability and the absolute amount to be realized, the Company views the IVA as a cost of developing the San Jorge project. During 2009, the Company recovered $10,883 and credited this amount against development expenditures.

San Jorge, Argentina:

The San Jorge copper-gold project is located in Argentina, approximately 110km northwest from Mendoza, and approximately 250km 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.

5 Mineral property interests (continued)

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. 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 current terms of the agreement require payments as follows: $500,000 in May 2009 (paid); $2,000,000 in May 2010, $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.

6 Investments

	2009 $(000's)	**2008 $(000's)**
Equity Investment – 9,140,353 Valley High Shares.	1,936	1,163
Derivative Investment – 1,525,000 Valley High Warrants (deemed fair market value)	343	-
	2,279	**1,163**

Investment in Valley High

On September 26, 2008, the Company sold its Mexican properties to Valley High Ventures Ltd. ("Valley High") for 8,140,353 common shares of Valley High. Coro recognized a gain on disposal of the Mexican assets as a result of previously expensing its exploration costs in Mexico. The Company has recorded its investment in Valley High as an equity investment. In December 2008, the Company recorded a $264,000 write-down of its Valley High investment as the decline in market value below cost was considered to be other than temporary.

For the year ended December 31, 2009, the Company recorded equity losses of $120,000 (2008: $nil) and dilution gains of $893,000 (2008: $210,000).

6 Investments (continued)

In December 2009, Coro sold 3,050,000 common shares of Valley High at a price of CA$0.45 and concurrently subscribed for 3,050,000 units at a price of CA$0.45. Each unit consists of one common share and one-half of one transferable common share purchase warrant. Each full warrant will entitle the holder to purchase one common share of Valley High at a price of CA$0.65 for a period of 18 months from December 24, 2009. The Company has accounted for this transaction as a share per unit swap and has 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 the Black-Scholes model to determine the fair value of the warrants as at December 31, 2009 recognized a gain of $107,000.

As of December 31, 2009 the Company held 9,140,353 shares (2008: 9,140,353). Additionally, the Company held 1,525,000 warrants (2008: nil) representing approximately 20.6% (2008: 30%) of the issued and outstanding shares of Valley High. The market value of the Valley High common shares was CA$2.7 million at December 31, 2009.

7 Equity accounts

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

	Number of shares (000's)	Shares ($000's)	Contributed Surplus ($000's)
Opening balance - January 1, 2008	36,209	30,159	882
Share issuances - 2008:			
Cash	2,020	2,516	-
Non-cash	333	478	-
Warrant issuances - 2008:			
Cash			354
Non-cash			41
Compensation expense - 2008	-	5	-
Share issuance expenses	-	(73)	375
Closing balance - December 31, 2008	38,562	33,085	1,652
Share issuances - 2009:			
Cash	52,004	4,208	-
Non-cash	-	455	(455)
Warrant issuances - 2009			
Cash	-	-	1,275
Non-cash	-	-	-
Share issuance expenses	-	(67)	-
Compensation expense - 2009	-	-	223
Closing Balance – December 31, 2009	90,566	37,682	2,694

7 Equity accounts (continued)

Share issuances
In January 2009, the Company issued 27,272,727 units at CA$0.11. Each unit comprised 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,

In February 2009, the Company issued 13,635,909 units at CA$0.11. Each unit comprised 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.

In August 2008, the Company issued 2,000,000 units at CA$1.50 by way of a private placement for working capital and general corporate purposes. Each unit comprised one common share and one half of one common share purchase warrant exercisable at CA$2.00 for a period of three years from the date of closing. A fair value of $354,000 was assigned to the 1,000,000 warrants issued in connection with the unit offering. In the third and fourth quarters of 2009, 11,095,000 warrants were exercised at an exercise price of CA$0.18 for gross proceeds of CA$1,997,100.

The fair value of the warrants was calculated using the Black-Scholes model for valuation assuming an average volatility of 128% on the underlying shares, a risk free rate of 1.27%, a two-year expected life and no annual dividends.

Capital disclosure
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.

8 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.

	2009		2008	
	Number of shares (000's)	**Weighted average exercise price CA$**	**Number of shares (000's)**	**Weighted average exercise price CA$**
Outstanding - January 1	2,319	1.04	2,630	0.99
Granted	4,535	0.16	282	1.40
Cancelled	(74)	0.59	-	-
Forfeited	(741)	1.23	(553)	1.09
Exercised	-	-	(20)	0.50
Expired	-	-	(20)	0.50
Outstanding – December 31	6,039	0.39	2,319	1.04

8 Share stock options and warrants (continued)

At December 31, 2009, the following stock options were outstanding:

	Number of options Outstanding	Number of options vested and exercisable	Exercise price CA$	Expiry Date
	150,000	66,666	0.50	2011
	1,000,000	666,665	0.75	2011
	280,000	93,334	1.50	2011
	180,000	86,667	1.50	2012
	133,800	83,800	1.40	2013
	1,600	1,600	1.36	2013
	3,868,333	1,094,995	0.15	2014
	425,000	83,333	0.22	2014
Total	6,038,733	2,177,060		

A 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	1.5 to 1.3 years	2 to 4.5 years
Expected volatility	90% to 128%	67% to 90%
Expected dividend	0%	0%

For the year ended December 31, 2009 total stock-based compensation expense was $223,000 (2008: $375,000) of which ($83,000) (2008:$100,000) was capitalized. The amount capitalized in 2009 is negative due to forfeitures during the year.

Warrants

	2009		2008	
	Number of shares (000's)	Weighted average exercise price CA$	Number of shares (000's)	Weighted average exercise price CA$
Outstanding - January 1	1,150	2.07	420	$2.25
Granted	40,909	0.25	1,150	2.07
Exercised	(11,095)	0.18	-	-
Expired	-	-	(420)	2.25
Outstanding – December 31	30,964	0.25	1,150	$2.07

8 Share stock options and warrants (continued)

At December 31, 2009, the following warrants were outstanding:

	Number of Shares Outstanding	Exercise price CA$	Expiry Date
	150,000	2.50	2010
	1,000,000	2.00	2011
	29,813,636	0.18	2011
Total	30,963,636	**0.21**	

In March 2008, the Company issued 150,000 warrants at an exercise price of CA$2.50 to its financial advisor for the Cerro Negro acquisition. The warrants are exercisable for a period of 2 years from the date of issue

In August 2008, the Company issued 1,000,000 warrants at an exercise price of CA$2.00 in conjunction with a unit offering (note 7). If the Company's common shares trade at an average price equal to or greater than CA$2.75 per share for 20 consecutive trading days, the warrants shall expire within 60 business days after written notice being provided to the warrant holders by the Company.

In January 2009, the Company issued 27,272,727 warrants associated with an offering to Benton Resources Corp (note 7). In February 2009, the Company issued 13,635,909 warrants associated with a unit offering (note 7). During the year, 11,095,000 warrants have been exercised at CA$0.18 per warrant.

9 Income taxes

	2009		2008	
	$000's	**%**	**$000's**	**%**
Loss before tax	1,062	100	$7,708	100
Income taxes at statutory rates	319	30	2,351	31
Difference in foreign tax rates	44	4	273	4
Non-deductible expenses	(59)	(6)	(125)	(2)
Change in tax rates	(63)	(6)	(86)	(1)
Unrecognized tax losses	(240)	(23)	(2,413)	(31)
Taxation expense	-	-	-	-

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

	2009 $000's	2008 $000's
Mineral property interest	1,401	$1,251
Operating losses carried forward	(7,288)	(5,709)
Share issuance costs	(209)	(418)
Valuation allowance	7,497	6,127
Net future income tax liability	1,401	1,251

9 Income taxes (continued)

As the future income tax liability is denominated in Argentine Pesos and considered a monetary liability, the Company recorded a foreign exchange gain of $119,000 (2008: $156,000) as a result of the depreciation of the Argentinean Peso against the U.S. dollar.

The Company has incurred non-capital losses of approximately $21.6 million. They 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	-	984		984
Thereafter	-	1,054	19,368	20,422
Total	-	2,038	19,368	21,406

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 recognized above. Argentina permits the double deduction of certain expenditures prior to filing a definitive feasibility study, as the Company has not completed its option to acquiring Minera San Jorge it has not recognised the tax benefit of this double deduction.

10 Related party transactions

($000's)	2009 $	2008 $
Valley High Ventures Ltd.	34	15
Mill House Mining Limited	-	94

For the year ended December 31, 2009, rent and administrative fees of $34,000 (2008: $15,000) were charged by Coro to Valley High.

11 Supplemental cash flow information

Non-cash investing activities included the future income tax liability under the San Jorge option agreement, for $269,000 (2008: $951,000).

Cash and cash equivalents comprise the following:

($000's)	2009 $	2008 $
Cash on hand and balances in bank	$791	$269
Short term deposits	1,325	82
	$2,116	$351

12 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. During 2009, CICA Handbook Section 3862, *"Financial instruments – Disclosures"*, was amended to require disclosures about the classification and fair value of financial instruments, including their classification within a hierarchy that prioritizes the inputs to fair value measurements. 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, 2009, the Company's financial instruments which are measured at fair value on a recurring basis were cash and cash equivalents (classified as "Level 1") and warrants (classified as "Level 2").

Fair Values
As at December 31, 2009, 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. Cash and cash equivalents and Valley High warrants are held for trading. The warrants in Valley High are marked to market using the fair value of the warrants as determined by the Black-Scholes Model with changes in fair value recorded in the statement of loss.

The Company's accounts receivable and accounts payable are designated as loans receivables.

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, 2009, a significant portion of the Company's cash and cash equivalents were held in Canadian dollars and were 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 $14,000 lower ($14,000 higher). Other comprehensive loss would have remained unchanged.

The Company's significant subsidiaries are located in Chile and Argentina and its Parent Company 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.

12 Financial Instruments (continued)

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 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. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future (note 1).

13 Geographic segmented information

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

	Argentina ($000's)	Canada ($000's)	Chile ($000's)	Total ($000's)
December 31, 2009				
Earnings (loss)	-	581	(870)	(289)
Property, plant & equipment	18,628	6	66	18,700
Total assets	18,692	4,325	155	23,172
December 31, 2008				
Earnings (loss)	-	(1,564)	(6,144)	(7,708)
Property, plant & equipment	16,441	28	103	16,572
Total assets	16,446	1,552	165	18,163

14 Commitments

$000's	2010	2011	2012	2013	Thereafter	Total
Lease commitments	94	36	-	-	-	130
Property option payments[1,2]	2,000	4,000	5,000	5,000	-	16,000
Total	2,094	4,036	5,000	5,000	-	16,130

[1] Excludes royalty payments and net profit interests (refer to note 3 and 5).
[2] The deemed value of 1,000,000 common shares is deductible from the final payment on San Jorge (refer to note 5 for full details of the option agreement)

15 Writedown of deferred expenditures – Cerro Negro

In February 2008, the Company entered into an option agreement to acquire 100% ownership of the Cerro Negro copper mine, located in Region V of Chile. The Company deferred direct and incremental costs associated with the Cerro Negro acquisition. On October 2, 2008 the Company announced that it had elected not to acquire Cerro Negro and therefore wrote off the deferred costs associated with the potential acquisition.