



**CORO**  
**MINING CORP.**

**Coro Mining Corp.**

(A Development Stage Company)

Consolidated Financial Statements

**Third Quarter – September 30, 2008**

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

# Coro Mining Corp.

Consolidated Balance Sheets

As at September 30, 2008 and December 31, 2007

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

	2008	2007
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,282	10,025
Accounts receivable and prepaid expenses	266	326
	<u>2,548</u>	<u>10,351</u>
<b>Property, plant and equipment</b> (note 5)	741	787
<b>Mineral property interests</b> (note 6)	15,945	11,491
<b>Other assets</b> (note 7)	1,536	16
	<u>20,770</u>	<u>22,645</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	2,719	1,664
	<u>2,719</u>	<u>1,664</u>
<b>Future income tax liability</b>	1,406	934
	<u>4,125</u>	<u>2,598</u>
<b>Shareholders' Equity</b>		
Equity accounts (note 8)	34,841	31,041
Accumulated other comprehensive income	475	475
Deficit	(18,671)	(11,469)
	<u>16,645</u>	<u>20,047</u>
	<u>20,770</u>	<u>22,645</u>

**Nature of operations and going concern** (note 1)

**Commitments** (note 3)

**Subsequent events** (note 11)

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 Statements of Loss and Deficit

### For the three and nine months ended September 30, 2008 and 2007

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
<b>Expenditures</b>	\$	\$	\$	\$
<b>Net Exploration Expenditures</b>				
(Statement of Exploration and Development Expenditures)	731	1,468	2,970	4,069
<b>Other Expenses (Income)</b>				
Corporate costs	308	242	1,025	693
Depreciation and amortization	20	30	66	64
Foreign exchange (gain) loss	(63)	(264)	44	(266)
Gain on disposal (note 7)	(1,193)	-	(1,193)	-
Interest income	(6)	(150)	(119)	(303)
Stock-based compensation	95	70	342	191
Writedown of deferred costs (note 4)	4,064	-	4,064	-
	3,225	(72)	4,229	379
<b>Loss for the period before equity earnings</b>	3,956	1,396	7,199	4,448
Equity loss (note 7)	3	-	3	-
<b>Loss for the period</b>	3,959	1,396	7,202	4,448
Deficit – beginning of period	14,712	8,662	11,469	5,610
Deficit – end of period	18,671	10,058	18,671	10,058
<b>Basic and diluted loss per share</b>	\$0.11	\$0.04	\$0.20	\$0.14
<b>Weighted average shares outstanding (000's)</b>	37,287	35,535	36,635	31,795

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

# Coro Mining Corp.

## Consolidated Statements of Exploration and Development Expenditures For the three and nine months ended September 30, 2008 and 2007 (Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
	\$	\$	\$	\$
<b>Expenditures</b>				
<b>Exploration Expenditures (note 3)</b>				
Administration costs	132	159	406	459
Consulting, labour & professional fees	477	261	1,393	925
Drilling & trenching	-	474	9	757
Property investigations	9	421	381	913
Property acquisition costs	100	100	715	892
Travel & accommodation	13	53	66	123
	<u>731</u>	<u>1,468</u>	<u>2,970</u>	<u>4,069</u>
<b>Development Expenditures (note 6)</b>				
Engineering & infrastructure	509	194	833	948
Environmental	316	26	474	130
General & administration	493	630	1,242	1,740
Geology	336	884	444	1,197
Metallurgy	3	169	98	392
Mine planning	(96)	27	12	60
Property acquisition costs	-	-	1,351	1,506
	<u>1,561</u>	<u>1,930</u>	<u>4,454</u>	<u>5,973</u>
<b>Total Exploration &amp; Development Expenditures</b>	<b>2,292</b>	<b>3,398</b>	<b>7,424</b>	<b>10,042</b>
Costs Capitalized	(1,561)	(1,930)	(4,454)	(5,973)
<b>Net Exploration Expenditures</b>	<b><u>731</u></b>	<b><u>1,468</u></b>	<b><u>2,970</u></b>	<b><u>4,069</u></b>

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

# Coro Mining Corp.

## Consolidated Statements of Comprehensive Loss

### For the three and nine months ended September 30, 2008 and 2007

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
	\$	\$	\$	\$
<b>Loss for the period</b>	3,959	1,396	7,202	4,448
<b>Other Comprehensive Loss (Income) (OCI)</b>				
Net loss (gain) on translation to reporting currency	-	(100)	-	(615)
<b>Comprehensive Loss</b>	<u>3,959</u>	<u>1,296</u>	<u>7,202</u>	<u>3,833</u>

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

# Coro Mining Corp.

## Consolidated Statements of Cash Flows

### For the three and nine months ended September 30, 2008 and 2007

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

	Three months ended September 30, 2008 \$	Three months ended September 30, 2007 \$	Nine months ended September 30, 2008 \$	Nine months ended September 30, 2007 \$
<b>Cash flows from operating activities</b>				
Net loss for the period	(3,959)	(1,396)	(7,202)	(4,448)
Items not affecting cash				
Depreciation and amortization	20	30	66	64
Equity loss	3	-	3	-
Gain on sale	(1,193)	-	(1,193)	-
Stock-based compensation	95	70	342	191
Unrealized foreign exchange loss (gain)	-	(271)	-	(271)
Writedown of deferred expenditures	4,064	-	4,064	-
	<u>(970)</u>	<u>(1,567)</u>	<u>(3,920)</u>	<u>(4,464)</u>
Change in non-cash operating working capital				
Decrease (increase) in accounts receivable & prepaids	(39)	(148)	(61)	(78)
Increase (decrease) in accounts payable & accruals	149	3	66	(259)
	<u>(860)</u>	<u>(1,712)</u>	<u>(3,915)</u>	<u>(4,801)</u>
<b>Cash flows from financing activities</b>				
Issuance of common shares (net of issue costs)	2,594	11,510	2,594	11,369
	<u>2,594</u>	<u>11,510</u>	<u>2,594</u>	<u>11,369</u>
<b>Cash flows from investing activities</b>				
Property, plant and equipment	(13)	(26)	(15)	(134)
Net purchase of investments	(242)	-	(242)	-
Deferred development costs	(704)	(1,753)	(2,795)	(4,095)
Deferred expenditure – Cerro Negro	(1,354)	-	(3,370)	-
	<u>(2,313)</u>	<u>(1,779)</u>	<u>(6,422)</u>	<u>(4,229)</u>
<b>OCI Effect of exchange rate changes on cash</b>	-	400	-	915
<b>Increase (decrease) in cash and cash equivalents</b>	(579)	8,419	(7,743)	3,254
<b>Cash and cash equivalents - beginning of period</b>	<u>2,861</u>	<u>4,909</u>	<u>10,025</u>	<u>10,074</u>
<b>Cash and cash equivalents - end of period</b>	<u>2,282</u>	<u>13,328</u>	<u>2,282</u>	<u>13,328</u>

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

# Coro Mining Corp.

Notes to Consolidated Financial Statements

**For the three and nine months ended September 30, 2008 and 2007**

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

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## **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 September 30, 2008, the Company had cash and cash equivalents of \$2,282, a working capital deficit of \$171 and a deficit of \$18,671. The funds on hand at September 30, 2008 are not sufficient to meet corporate, administrative, exploration and development activities for the coming months. Additional financing will be required to meet the Company's obligations as they fall due.

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. Because of this uncertainty, there is substantial doubt about the ability of the Company to continue as a going concern.

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 Basis of presentation**

These interim consolidated financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”) on a basis consistent with the annual financial statements of the Company. Disclosure requirements for interim financial statements do not contain all the information that is required of annual financial statements. Accordingly, they should be read in conjunction with the audited financial statements, for the year ended December 31, 2007.

### **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.

# Coro Mining Corp.

Notes to Consolidated Financial Statements

For the three and nine months ended September 30, 2008 and 2007

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

## 3 Exploration expenditures

<b>Exploration expenditures for the three months ended September 30, 2008</b>					
<b>Exploration expenditure - Chile</b>	<b>Andrea \$</b>	<b>Flores \$</b>	<b>General \$</b>	<b>Talca \$</b>	<b>Total \$</b>
Administration costs	\$1	\$5	\$110	\$-	\$116
Consulting, labour & professional fees	-	111	287	9	407
Drilling & trenching	-	-	-	-	-
Property investigations	2	2	4	-	8
Property acquisition costs	100	-	-	-	100
Travel & accommodation	-	3	7	-	10
<b>Total exploration expenditure – Chile</b>	<b>\$103</b>	<b>\$121</b>	<b>\$408</b>	<b>\$9</b>	<b>\$641</b>
<b>Exploration expenditure - Mexico</b>			<b>Cordero-Sanson \$</b>	<b>Other \$</b>	<b>Total \$</b>
Administration costs			\$-	\$16	\$16
Consulting, labour & professional fees			-	70	70
Drilling & trenching			-	-	-
Property investigations			-	1	1
Property acquisition costs			-	-	-
Travel & accommodation			-	3	3
<b>Total exploration expenditure - Mexico</b>			<b>\$-</b>	<b>\$90</b>	<b>\$90</b>
<b>Exploration expenditures for the three months ended September 30, 2007</b>					
<b>Exploration expenditure - Chile</b>	<b>Andrea \$</b>	<b>Flores \$</b>	<b>General \$</b>	<b>Talca \$</b>	<b>Total \$</b>
Administration costs	\$-	\$12	\$131	\$-	\$143
Consulting, labour & professional fees	-	118	102	-	220
Drilling & trenching	-	473	-	-	473
Property investigations	-	404	16	-	420
Property acquisition costs	-	100	-	-	100
Travel & accommodation	-	26	16	-	42
<b>Total exploration expenditure – Chile</b>	<b>\$-</b>	<b>\$1,133</b>	<b>\$265</b>	<b>\$-</b>	<b>\$1,398</b>
<b>Exploration expenditure - Mexico</b>			<b>Cordero-Sanson \$</b>	<b>Other \$</b>	<b>Total \$</b>
Administration costs			\$-	\$16	\$16
Consulting, labour & professional fees			3	38	41
Drilling & trenching			1	-	1
Property investigations			1	-	1
Property acquisition costs			-	-	-
Travel & accommodation			4	7	11
<b>Total exploration expenditure - Mexico</b>			<b>\$9</b>	<b>\$61</b>	<b>\$70</b>

# Coro Mining Corp.

Notes to Consolidated Financial Statements

For the three and nine months ended September 30, 2008 and 2007

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

## 3 Exploration expenditures (continued)

<b>Exploration expenditures for the nine months ended September 30, 2008</b>					
<b>Exploration expenditure - Chile</b>	<b>Andrea \$</b>	<b>Flores \$</b>	<b>General \$</b>	<b>Talca \$</b>	<b>Total \$</b>
Administration costs	\$3	\$18	\$317	\$1	\$339
Consulting, labour & professional fees	9	191	944	29	1,173
Drilling & trenching	-	9	-	-	9
Property investigations	47	203	36	74	360
Property acquisition costs	100	515	-	-	615
Travel & accommodation	9	7	17	4	37
<b>Total exploration expenditure – Chile</b>	<b>\$168</b>	<b>\$943</b>	<b>\$1,314</b>	<b>\$108</b>	<b>\$2,533</b>
<b>Exploration expenditure - Mexico</b>			<b>Cordero-Sanson \$</b>	<b>Other \$</b>	<b>Total \$</b>
Administration costs			\$1	\$66	\$67
Consulting, labour & professional fees			3	217	220
Drilling & trenching			-	-	-
Property investigations			1	20	21
Property acquisition costs			100	-	100
Travel & accommodation			3	26	29
<b>Total exploration expenditure - Mexico</b>			<b>\$108</b>	<b>\$329</b>	<b>\$437</b>
<b>Exploration expenditures for the nine months end September 30, 2007</b>					
<b>Exploration expenditure - Chile</b>	<b>Andrea \$</b>	<b>Flores \$</b>	<b>General \$</b>	<b>Talca \$</b>	<b>Total \$</b>
Administration costs	\$-	\$42	\$349	\$-	\$391
Consulting, labour & professional fees	-	434	314	-	748
Drilling & trenching	-	731	-	-	731
Property investigations	-	805	62	-	867
Property acquisition costs	-	471	333	-	804
Travel & accommodation	-	51	36	-	87
<b>Total exploration expenditure – Chile</b>	<b>\$-</b>	<b>\$2,534</b>	<b>\$1,094</b>	<b>\$-</b>	<b>\$3,628</b>
<b>Exploration expenditure - Mexico</b>			<b>Cordero-Sanson \$</b>	<b>Other \$</b>	<b>Total \$</b>
Administration costs			\$-	\$68	\$68
Consulting, labour & professional fees			15	162	177
Drilling & trenching			26	-	26
Property investigations			31	15	46
Property acquisition costs			88	-	88
Travel & accommodation			6	30	36
<b>Total exploration expenditure - Mexico</b>			<b>\$166</b>	<b>\$275</b>	<b>\$441</b>

# Coro Mining Corp.

Notes to Consolidated Financial Statements

**For the three and nine months ended September 30, 2008 and 2007**

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

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## **3 Exploration expenditures (continued)**

### **Andrea, Chile**

Andrea is located 19km northwest of the city of Talca and 230km south of Santiago in Region VII of Chile. It comprises two exploitation claims totaling 670 hectares. The Company may acquire a 100% interest in the property for total option payments of \$4,250 (2007: \$50 (paid), 2008: \$100 (paid), 2009: \$300, 2010: \$1,550, thereafter: \$2,250). The final payment will be made in three installments of \$750, due on commencement of commercial production and in each of the two years subsequent to the commencement of commercial production.

### **Flores, Chile:**

The Flores project comprises the Barreal Seco deposit and the Salvadora and Celeste properties. Barreal Seco is located on the boundary of Region II and Region III, in Chile and the satellite properties are located in the northern part of Region III in Chile. Barreal Seco is an advanced heap leach project located 75km northeast of the coastal port of Chañaral and 55km northwest of Codelco's El Salvador smelter/mine complex. The Company may acquire a 75% interest in the property for total property option payments of \$2,012 (2007: \$361 (paid), 2008: \$400 (paid), 2009: \$863).

The Salvadora copper property is located approximately 17km southwest of Barreal Seco. The Company may acquire a 100% interest in the property for total option payments of \$1,350 (2007: \$90 (paid), 2008: \$90 (paid), 2009: \$1,080). Production from Salvadora is subject to a 1.5% net smelter return royalty that can be purchased for \$1,350. During the second quarter of 2008, the Salvadora acquisition terms were amended to defer the payments, and the Flor de Lirio property was dropped. The Company is currently leasing the Celeste property which is located 28km southwest of Barreal Seco.

### **General, Chile:**

General exploration activity in Chile includes non-direct or non-incremental costs associated with the Cerro Negro (note 4), and the prior period comparatives include costs associated with the dropped Gloria property.

### **Talca, Chile**

Near the town of Talca, in South Central Chile, the Company has staked 42,300 hectares, which it believes is an under explored porphyry copper belt. The Company has entered into an agreement with Freeport-McMoran Exploration Corp. whereby they will undertake an exploration program to earn up to a 70% interest in the various Talca properties.

### **Cordero-Sanson (Cor-San), Mexico:**

In Mexico, the Cordero-Sanson property comprised two claim groups. The Cordero claim group was an option on early stage polymetallic porphyry related property located 45km northeast of Parral, in the southern part of Chihuahua state. The Company had the option to acquire a 100% interest in the Cordero claim group for total option payments of \$2,991. Production from the properties was subject to a net smelter return royalty of between 1% and 2%. The neighbouring Sanson claim group includes an 8,200 hectare claim to cover potential extensions to the Cordero claim group. The Company owned 100% of the Sanson claim group. The Cordero-Sanson Property was transferred to Valley High Ventures Ltd. ("Valley High") as part of the Mexican asset disposition (note 7).

# Coro Mining Corp.

Notes to Consolidated Financial Statements

For the three and nine months ended September 30, 2008 and 2007

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

## 3 Exploration expenditures (continued)

### Summary of property option payments<sup>1</sup> – September 30, 2008

Year	Chile	Chile	Mexico	Total \$
	Flores \$	Andrea \$	Cor-San \$ <sup>2</sup>	
2006 (paid)	\$538	\$-	\$113	\$651
2007 (paid)	461	50	88	599
2008 (paid)	490	100	100	690
2009	1,943	300	-	2,243
2010	-	1,550	-	1,550
Thereafter	-	2,250	-	2,250
	\$3,432	\$4,250	\$301	\$7,983

<sup>1</sup> Excludes property option payments for development properties (note 6), Cerro Negro (note 4), non-cash payments such as share issuances, lease payments associated with the Celeste property, and property option payments on dropped properties.

<sup>2</sup> Includes previous payments for Mexican properties prior to the disposition to Valley High.

## 4 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 the Region V of Chile.

The Company had been deferring direct and incremental costs associated with the Cerro Negro acquisition. On October 2, 2008 the Company announced that it had elected not acquire Cerro Negro and therefore wrote off its deferred costs up to September 30, 2008 of \$4,064. In addition, the Company had expensed indirect and non-incremental costs of \$731 that are recorded in exploration expenditures. Total expenditures on Cerro Negro, including option payments of \$2,000, were \$4,795.

## 5 Property, plant and equipment

	September 30, 2008			December 31, 2007		
	Cost	Accumulated amortization	Net \$	Cost	Accumulated amortization	Net \$
Equipment	303	\$(99)	\$204	\$336	\$(86)	\$250
Land	537	-	537	537	-	537
Total	\$840	\$(99)	\$741	\$873	\$(86)	\$787

# Coro Mining Corp.

Notes to Consolidated Financial Statements

For the three and nine months ended September 30, 2008 and 2007

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

## 5 Property, plant and equipment (continued)

In 2006, the Company purchased a 120,000 hectare ranch providing surface land rights covering the San Jorge project. The ranch was acquired for a total cost of \$537. The purchase is still subject to final approval by the Argentine authorities.

## 6 Mineral property interests

	September 30, 2008	December 31, 2007
	\$	\$
<b>San Jorge</b>		
Opening balance	\$11,491	\$4,024
Acquisition costs / options payments <sup>1</sup>	1,351	1,506
Development expenditures	3,103	5,961
Closing balance	\$15,945	\$11,491

<sup>1</sup> Included within the 2008 acquisition costs is the assumption of a future income tax liability of \$473 (2007: \$528).

### 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. In 2008, the Company announced the positive results of a study done to pre-feasibility standards by Ausenco on a oxide only operation at San Jorge. In addition, the Company announced the positive results of a Preliminary Economic Assessment undertaken by GRD Minproc on a flotation only operation. The Company is proceeding with the flotation-only project and submitted an Environment Impact Study to Provincial Authorities in Mendoza in September 2008. As a result of legislation introduced in June 2007 banning the use of sulphuric acid, the Company currently envisages stockpiling the oxide material as waste. The Company filed an action against the Province of Mendoza to have the legislation declared unconstitutional. This matter is currently proceeding through due process.

In 2006, the Company entered into an option agreement to purchase 100% of the San Jorge project, by acquiring the outstanding shares of Minera San Jorge, from Global Copper Corp. ("Global"). Under the option agreement, the Company has paid a total of \$1,000 in cash and issued a total of 1,000,000 shares. In June 2008, the terms of the original agreement were amended so that the Company no longer has the obligation to complete a bankable feasibility study on the Leachable Reserves.

The amended terms require payments as follows: \$500 in May 2009; \$8,000 less the deemed value of the 1,000,000 common shares previously issued on the earlier of completion of a feasibility study at San Jorge or December 2009; and \$8,000 on the earlier of completion of a bankable feasibility study or December 2010. \$16,000 of the above payments will be treated as an advance payment on either: (a) the existing obligation to pay US\$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 US\$0.025 per pound on the mineable proven and probable heap leachable copper reserves upon commencement of commercial production, if any.

# Coro Mining Corp.

Notes to Consolidated Financial Statements

**For the three and nine months ended September 30, 2008 and 2007**

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

## 6 Mineral property interests (continued)

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) \$US0.015 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) \$US0.02 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 Other Assets

	September 30, 2008	December 31, 2007
	\$	\$
Investment in Valley High	\$1,536	\$-
Other assets	-	16
	<b>\$1,536</b>	<b>\$16</b>

### Investment in Valley High

On September 26, 2008, the Company completed the sale of its Mexican properties to Valley High whereby, Valley High acquired all of the issued and outstanding shares of Coro Minera de Mexico SA de CV ("Coro Mexico") for consideration of 8,140,353 common shares of Valley High. Coro recognized a gain on disposal of the Mexican assets of \$1,193 as a result of previously expensing its exploration costs in Mexico. In conjunction with this transaction the Company undertook a private placement of 1,000,000 common shares of Valley High for cash consideration of \$242.

Coro has recorded its investment in Valley High as an equity investment as at September 30, 2008 it holds approximately 35.6% of the issued and outstanding shares of Valley High. At September 30, 2008, the market value of the Valley High shares was CA\$3.6 million.

# Coro Mining Corp.

Notes to Consolidated Financial Statements

For the three and nine months ended September 30, 2008 and 2007

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

## 8 Equity accounts

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

	Number of shares(000's)	Shares \$	Contributed Surplus	Total \$
Opening balance - January 1, 2007	29,796	\$18,417	\$126	\$18,543
Share issuances - 2007:				
Cash	6,080	\$11,369	-	\$11,369
Non-cash	333	679	-	679
Compensation expense - 2007	-	19	431	450
Share issuance expenses	-	(325)	325	-
Closing balance - December 31, 2007	36,209	\$30,159	\$882	\$ 31,041
Share issuances - 2008:				
Cash	2,020	2,516	-	2,516
Non-cash	333	478	-	478
Warrant issuances - 2008				
Cash	-	-	354	354
Non-cash	-	-	41	41
Share issuance expenses	-	(70)	-	(70)
Compensation expense - 2008	-	5	476	481
Closing Balance - September 30, 2008	38,562	\$33,088	\$1,753	\$34,841

For the nine months ended September 30, 2008, the weighted average number of shares outstanding was 37,287,338 (Dec 31, 2007: 32,907,448).

### Share issuances

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 warrant exercisable at \$CA2.00 for a period of three years from the date of closing. A fair value of \$354 was assigned to the 1,000,000 warrants issued in connection with the unit offering.

In May 2008, the Company issued 333,334 shares at CA\$1.45 pursuant to the San Jorge option agreement.

## 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 by management at the date of grant. 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.

# Coro Mining Corp.

Notes to Consolidated Financial Statements

**For the three and nine months ended September 30, 2008 and 2007**

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

## 9 Share stock options and warrants (continued)

	Number of shares (000's)	Weighted average exercise price CA\$
Outstanding - January 1, 2008	2,630	\$0.99
Granted	283	1.40
Cancelled	-	-
Exercised	(20)	0.50
Expired	(20)	0.50
Outstanding - September 30, 2008	2,873	\$1.04

At September 30, 2008, the following stock options were outstanding:

Number of Shares Outstanding (000's)	Exercise price CA\$	Expiry Date
540	0.50	2011
1,000	0.75	2011
280	1.50	2011
770	1.50	2012
259	1.40	2013
24	1.36	2013
Total	2,873	

Stock options generally vest over a three year period. At September 30, 2008, 819,996 stock options were vested and exercisable.

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:

Risk-free interest rate	2.34% to 4.2%
Options expected life	2 to 4.5 years
Expected volatility	75% to 90%
Expected dividend	0%

For the three months ended September 30, 2008, total stock-based compensation expense was \$140 (September 30, 2007: \$108) of which \$45 (2007: \$38) was capitalized. For the nine months ended September 30, 2008, total stock-based compensation expense was \$482 (September 30, 2007: \$285) of which \$140 (2007: \$94) was capitalized.

# Coro Mining Corp.

Notes to Consolidated Financial Statements

For the three and nine months ended September 30, 2008 and 2007

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

## 9 Share stock options and warrants (continued)

### Warrants

	Number of shares (000's)	Weighted average exercise price CA\$
Outstanding - January 1, 2008	420	\$2.25
Granted	1,150	2.07
Expired	(420)	2.25
Outstanding - September 30, 2008	1,150	\$2.07

At September 30, 2008, the following warrants were outstanding:

Number of Shares Outstanding (000's)	Exercise price CA\$	Expiry Date
150	\$2.50	2010
1,000	2.00	2011
Total	1,150	

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 8). 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 conjunction with its Initial Public Offering, the Company granted 420,000 warrants to the financing agents, at an exercise price of CA\$2.25. The warrants expired unexercised in July 2008.

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 warrants. The following assumptions were used in the Black-Scholes option pricing model to calculate the fair value of the warrants.

Risk-free interest rate	2.3% to 2.7%
Warrants expected life	1.5 years
Expected volatility	90%
Expected dividend	0%

# Coro Mining Corp.

Notes to Consolidated Financial Statements

**For the three and nine months ended September 30, 2008 and 2007**

(Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

## 10 Geographic segmented information

The following table illustrates the geographic location of the Company's assets. ARG, CAD, CHI and MEX represent the Countries of Argentina, Canada, Chile and Mexico respectively.

	ARG	CAD	CHI	MEX	Total
	\$	\$	\$	\$	\$
Total assets - December 31, 2007	12,208	9,969	331	137	22,645
Total assets – September 30, 2008	16,544	3,531	695	-	20,770

## 11 Subsequent events

On October 2, 2008, Coro elected not to acquire the Cerro Negro mine and as a result mutually agreed with Dundee Global Resources Limited Partnership not to complete the previously announced financing.