



CORO
MINING CORP.

Coro Mining Corp.

(A Development Stage Company)

Consolidated Financial Statements

December 31, 2008 and 2007

(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 25, 2009

Independent Auditors' Report

To the Shareholders of Coro Mining Corp.

We have audited the consolidated balance sheets of Coro Mining Corp. as at December 31, 2008 and 2007 and the consolidated statements of loss and deficit, exploration expenditure, comprehensive loss, and cash flows for each of the years in the two year period ended December 31, 2008. 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, 2008 and 2007 and the result of its operations and its cash flows for each of the years in the two year period ended December 31, 2008 in accordance with Canadian generally accepted accounting principles.

(signed) PricewaterhouseCoopers LLP

Chartered Accountants

Vancouver, B.C.
March 25, 2009

Coro Mining Corp.

Consolidated Balance Sheets

As at December 31, 2008 and 2007

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

	2008 \$000's	2007 \$000's
Assets		
Current assets		
Cash and cash equivalents (note 14)	351	10,025
Accounts receivable and prepaid expenses	<u>77</u>	<u>326</u>
	<u>428</u>	<u>10,351</u>
Property, plant and equipment (note 5)	710	787
Mineral property interests (note 6)	15,862	11,491
Other assets (note 7)	<u>1,163</u>	<u>16</u>
	<u>18,163</u>	<u>22,645</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	<u>877</u>	<u>1,664</u>
	877	1,664
Future income tax liability (note 11)	<u>1,251</u>	<u>934</u>
	2,128	2,598
Shareholders' Equity		
Common shares (note 8)	33,085	30,159
Contributed surplus (note 8)	1,652	882
Accumulated other comprehensive income (note 10)	475	475
Deficit	<u>(19,177)</u>	<u>(11,469)</u>
	<u>16,035</u>	<u>20,047</u>
	<u>18,163</u>	<u>22,645</u>
Going Concern (note 1)		
Commitments (note 3)		
Subsequent events (note 6 & 16)		

Approved by the Board of Directors



"Alvin Jackson"
Director



"Robert Watts"
Director

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

Coro Mining Corp.

Consolidated Statements of Loss and Deficit

For the years ended December 31, 2008 and 2007

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

Expenditures	2008 \$000's	2007 \$000's
Net Exploration Expenditures (Statement of Exploration and Development Expenditures)	3,173	5,499
Other Expenses (Income)		
Corporate costs	1,244	998
Depreciation and amortization	82	87
Foreign exchange loss (gain)	(117)	(620)
Gain on disposal (note 7)	(1,290)	-
Interest (income) expense	(116)	(423)
Stock-based compensation	275	318
Writedown of deferred costs (note 4)	3,983	-
Writedown of investments (note 7)	264	-
	<u>4,325</u>	<u>360</u>
Loss for the year before equity and dilution losses	<u>7,498</u>	<u>5,859</u>
Equity and dilution losses (note 7)	<u>210</u>	<u>-</u>
Loss for the year	<u>7,708</u>	<u>5,859</u>
Deficit – beginning of year	<u>11,469</u>	<u>5,610</u>
Deficit – end of year	<u>19,177</u>	<u>11,469</u>
Basic and diluted loss per share	\$0.20	\$0.18
Weighted average shares outstanding (000's)	37,119	32,907

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

Coro Mining Corp.

Consolidated Statements of Exploration Expenditures For the years ended December 31, 2008 and 2007

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

Expenditures	2008 \$000's	2007 \$000's
Exploration Expenditures (note 3)		
Administration costs	464	893
Consulting, labour & professional fees	1,530	1,372
Drilling & trenching	9	1,031
Property investigations	387	1,054
Property acquisition costs	715	942
Travel & accommodation	68	207
	<u>3,173</u>	<u>5,499</u>
Development Expenditures (note 6)		
Engineering & infrastructure	699	1,453
Environmental	351	127
General & administration	1,353	2,295
Geology	507	1,474
Metallurgy	98	506
Mine planning	12	106
Property acquisition costs	1,351	1,506
	<u>4,371</u>	<u>7,467</u>
Total Exploration & Development Expenditures	7,544	12,966
Costs Capitalized	<u>(4,371)</u>	<u>(7,467)</u>
Net Exploration Expenditures	<u>3,173</u>	<u>5,499</u>

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

Coro Mining Corp.

Consolidated Statements of Comprehensive Loss

For the years ended December 31, 2008 and 2007

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

	2008	2007
	\$000's	\$000's
Loss for the year	<u>7,708</u>	<u>5,859</u>
Other Comprehensive Loss (Income)(OCI)		
Net gain (loss) on translation to reporting currency	-	325
Comprehensive Loss	<u>7,708</u>	<u>5,534</u>

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

Coro Mining Corp.

Consolidated Statements of Cash Flows

For the years ended December 31, 2008 and 2007

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

	2008	2007
	\$000's	\$000's
Cash flows from operating activities		
Net loss for the year	(7,708)	(5,859)
Items not affecting cash		
Depreciation and amortization	82	87
Equity and dilution losses (note 7)	210	-
Foreign exchange gain on future income tax liability	(156)	-
Gain on disposal (note 7)	(1,290)	-
Stock-based compensation expense	275	318
Writedown of deferred expenditures (note 4)	3,983	-
Writedown of investments (note 7)	264	-
	<u>(4,340)</u>	<u>(5,454)</u>
Change in non-cash operating working capital		
Decrease (increase) in accounts receivable and prepaids	128	(48)
Increase (decrease) in accounts payable and accruals	(430)	127
	<u>(4,642)</u>	<u>(5,375)</u>
Cash flows from financing activities		
Issuance of common shares (net of issuance costs)	2,594	11,369
	<u>2,594</u>	<u>11,369</u>
Cash flows from investing activities		
Net property, plant and equipment	-	(174)
Net purchase of investments (note 7)	(242)	-
Deferred development costs	(3,673)	(6,194)
Deferred expenditure – Cerro Negro	(3,711)	-
	<u>(7,626)</u>	<u>(6,368)</u>
OCI Effect of exchange rate changes on cash	-	325
Increase (decrease) in cash and cash equivalents	(9,674)	(49)
Cash and cash equivalents - Beginning of year	<u>10,025</u>	<u>10,074</u>
Cash and cash equivalents - End of year	<u>351</u>	<u>10,025</u>

Supplemental cash flow information (note 14)

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

Coro Mining Corp.

Notes to Consolidated Financial Statements

For the years ended December 31, 2008 and 2007

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

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, 2008, the Company had cash and cash equivalents of \$351,000, a working capital deficiency of \$449,000 and a deficit of \$19,177,000. The funds on hand at December 31, 2008 are not sufficient to meet the Company’s corporate, administrative, exploration and development activities for the coming year. 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.

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.

Subsequent to year end, the Company completed a CA\$4.5 million non-brokered private placement (note 16).

2 Significant accounting policies

Principles of consolidation

The consolidated financial statements include the assets, liabilities and results of all entities controlled by the Company. 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 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.

Coro Mining Corp.

Notes to Consolidated Financial Statements

For the years ended December 31, 2008 and 2007

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

2 Significant accounting policies (continued)

Foreign currency translation

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 functional 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 functional currency are included in net income for the period.

The Company has selected a U.S. dollar reporting currency. Where the functional currency differs from the reporting currency, the current rate method of translation is used. The current rate method is applied as follows:

- (i) Assets and liabilities are re-measured at the rate of exchange in effect at the balance sheet date;
- (ii) Equity is measured at historical rates; and
- (iii) Revenue and expense items are translated at the rate of exchange prevailing at the time of transaction or at average exchange rates during the period as appropriate.

The translation adjustments arising on conversion to the reporting currency are accumulated as a component of other comprehensive loss (income).

Upon completion of the Company's Initial Public Offering ("IPO"), the Company adopted the U.S. dollar as its functional currency, which reflects its significant exposure to the U.S. dollar and its predominantly U.S. dollar denominated investment base in exploration and development programs in South America. This change has been accounted for on a prospective basis. As a result, all monetary assets and liabilities are translated into U.S. dollars at the exchange rate in effect at the balance sheet date and non-monetary assets and liabilities at the rates in effect at the time of acquisition. Exchange gains and losses arising on translation to U.S. dollars are included in the loss 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.

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 diminishing value basis at a rate of 45%. Other equipment and office furniture are depreciated over 3 years on a straight-line basis.

Coro Mining Corp.

Notes to Consolidated Financial Statements

For the years ended December 31, 2008 and 2007

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

2 Significant accounting policies (continued)

Mineral properties and deferred exploration costs

Exploration and property evaluation costs relating to non-specific projects or properties are expensed in the period incurred. When management has established that a resource exists, significant property acquisition, 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 other conditions suggest impairment, management assesses whether the carrying value can be recovered.

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 period and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period. 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 capital stock 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.

Coro Mining Corp.

Notes to Consolidated Financial Statements

For the years ended December 31, 2008 and 2007

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

2 Significant accounting policies (continued)

Currency

All references to dollars (\$) are to U.S. dollars unless otherwise noted. CA\$ refers to Canadian dollars.

3 Exploration expenditures

	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

¹The Company's Mexican subsidiary was disposed of on September 26, 2008 (note 7).

	2007					
Exploration Expenditures (\$000's)	Flores	Andrea	General	Mexico	Total	
Administration costs	\$57	\$4	\$732	\$100	\$893	
Consulting, labour & professional fees	598	20	513	241	1,372	
Drilling & trenching	934	-	71	26	1,031	
Property investigations	850	2	149	53	1,054	
Property acquisition costs	471	50	333	88	942	
Travel & accommodation	74	9	77	47	207	
Total exploration expenditure	\$2,984	\$85	\$1,875	\$555	\$5,499	

Flores Project, Chile:

The Flores project comprised 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 including Salvadora are located in the northern part of Region III in Chile. The Salvadora copper property is located approximately 17km southwest of Barreal Seco.

Subsequent to year end the Company, terminated its option over the Barreal Seco and Salvadora properties (note 16).

Coro Mining Corp.

Notes to Consolidated Financial Statements

For the years ended December 31, 2008 and 2007

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

3 Exploration expenditures (continued)

Talca, Chile

Near the town of Talca, in South Central Chile, the Company has staked 42,300 hectares. 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.

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 \$4,250,000: \$150,000 (paid), 2009: \$300,000, 2010: \$1,550,000, thereafter: \$2,250,000). The final payment will be paid in three installments of \$750,000, due on commencement of commercial production and in each of the two years subsequent to the commencement of commercial production

General, Chile:

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

Mexico

Mexico expenditure includes general exploration spend in Mexico and direct spend on the Cordero-Sanson claim groups. The Cordero claim group is an option on an early stage polymetallic porphyry related property located 45km northeast of Parral, in the southern part of Chihuahua state. 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).

Summary of current and future property option payments¹ – December 31, 2008

Year (\$000's)	Chile Flores ²	Chile Andrea	Mexico Cor-San ³	Total
2008 (paid)	490	100	100	690
2009	1,943	300	-	2,243
2010	-	1,550	-	1,550
Thereafter	-	2,250	-	2,250
	\$2,433	\$4,200	\$100	\$6,733

¹ Excludes property option payments for development properties (note 6) and non-cash payments such as share issuances.

² Refer note 16.

³ Includes 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 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 direct and incremental costs of \$3,983,000.

Coro Mining Corp.

Notes to Consolidated Financial Statements

For the years ended December 31, 2008 and 2007

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

5 Property, plant and equipment

(\$000's)	2008		2007	
	Cost	Accumulated amortization	Net	Net
Equipment	277	(104)	173	\$250
Land	537	-	537	537
Total	814	(104)	710	\$787

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 \$537,000. The purchase is still subject to final approval by the Argentine authorities.

6 Mineral property interests

San Jorge (\$000's)	2008	2007
Opening balance	\$11,491	\$4,024
Acquisition costs / option payments	1,351	1,506
Development expenditures	3,020	5,961
Closing balance	\$15,862	\$11,491

¹ Included within the 2008 acquisition costs is the assumption of a future income tax liability of \$473,000 (2007: \$528,000).

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.

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. Under the option agreement, the Company has paid a total of \$1,000,000 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 had the obligation to complete a bankable feasibility study on the Heap Leachable Copper Resources.

Subsequent to year end the option agreement was further amended. The amended terms require payments as follows: \$500,000 in May 2009; \$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.

Coro Mining Corp.

Notes to Consolidated Financial Statements

For the years ended December 31, 2008 and 2007

(Expressed in 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) \$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 Other Assets

(\$000's)	2008	2007
Investment in Valley High	\$1,163	\$-
Other assets	-	16
	\$1,163	\$16

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 \$1,290,000 as a result of previously expensing its exploration costs in Mexico. In conjunction with this transaction the Company participated in a private placement of 1,000,000 common shares of Valley High for cash consideration of \$242,000.

The Company has recorded its investment in Valley High as an equity investment. At December 31, 2008 the Company holds approximately 30% of the issued and outstanding shares of Valley High with a market value of \$1.16 million. As of December 31, 2008, the Company recorded a \$264,000 writedown of its Valley High investment as the decline in market value below cost is considered to be other than temporary.

For the year ended, December 31, 2008, the Company recorded equity and dilution losses of \$210,000.

Coro Mining Corp.

Notes to Consolidated Financial Statements

For the years ended December 31, 2008 and 2007

(Expressed in 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 (\$000's)	Contributed Surplus (\$000's)	Total (\$000's)
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
Warrants issuances - 2008				
Cash	-	-	354	354
Non-cash	-	-	41	41
Compensation expense - 2008	-	5	375	380
Share issuance expenses	-	(73)	-	(73)
Closing Balance - December 31, 2008	38,562	\$33,085	\$1,652	\$34,737

For 2008, the weighted average number of shares outstanding was 37,119,294 (2007: 32,907,448).

Share issuances

In May 2007, the Company issued 333,333 shares at CA\$2.25 pursuant to the option agreement to acquire San Jorge (refer note 6).

In July 2007, the Company issued 6,000,000 shares at CA\$2.25, for gross proceeds of \$12.9 million.

In May 2008, the Company issued 333,334 shares at CA\$1.45 pursuant to the San Jorge option agreement (note 6).

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.

Subsequent to year end, the Company completed two tranches of private placements (note 16).

Coro Mining Corp.

Notes to Consolidated Financial Statements

For the years ended December 31, 2008 and 2007

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

8 Equity accounts (continued)

Capital Disclosure

The Company considers its common shares, options and warrants as capital. As the Company is in the development 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.

The Company listed on the Toronto Stock Exchange ("TSX") in July 2007. The TSX imposed certain capital requirements on the Company prior to listing; however there are no significant ongoing capital requirements to remain listed on the TSX.

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.

	2008		2007	
	Number of shares (000's)	Weighted average exercise price CA\$	Number of shares (000's)	Weighted average exercise price CA\$
Outstanding, January 1	2,630	0.99	2,060	0.76
Granted	282	1.40	770	1.50
Forfeited	(553)	1.09	(120)	0.50
Exercised	(20)	0.50	80	0.50
Expired	(20)	0.50	-	
Outstanding, December 31	2,319	1.04	2,630	0.99

At December 31, 2008, the following stock options were outstanding:

Number of Shares Outstanding (000's)	Exercise price CA\$	Expiry Date
20	0.50	2011
300	0.50	2011
1,000	0.75	2011
280	1.50	2011
510	1.50	2012
196	1.40	2013
13	1.46	2013
Total	2,319	

Stock options generally vest over a three year period. At December 31, 2008, 853,329 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.

Coro Mining Corp.

Notes to Consolidated Financial Statements

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9 Share stock options and warrants (continued)

The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense and warrant valuation:

	Warrants	Options
Risk-free interest rate	2.3% to 2.7%	2.34% to 4.2%
Options expected life	1.5 years	2 to 4.5 years
Expected volatility	90%	75% to 90%
Expected dividend	0%	0%

For the year ended December 31, 2008, total stock-based compensation expense was \$375,000 (2007: \$450,000) of which \$100,000 (2007: \$132,000) was capitalized.

Warrants

	2008		2007	
	Number of shares (000's)	Weighted average exercise price CA\$	Number of shares (000's)	Weighted average exercise price CA\$
Outstanding - January 1	420	\$2.25	-	-
Granted	1,150	2.07	420	2.25
Expired	(420)	2.25	-	-
Outstanding - December 31	1,150	\$2.07	420	2.25

At December 31, 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.

10 Accumulated other comprehensive income (loss)

	2008	2007
(\$000's)	\$	\$
Opening balance	\$475	\$150
Other comprehensive income (loss)	-	325
Closing balance	\$475	\$475

Coro Mining Corp.

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11 Income taxes

	2008		2007	
	\$000's	%	\$000's	%
Loss before tax	\$7,708	100	\$5,859	-
Income taxes at statutory rates	2,351	31	1,999	34
Difference in foreign tax rates	273	4	18	0
Non-deductible expenses	125	2	158	3
Change in tax rates	86	1	-	-
Unrecognized tax losses	(2,835)	(38)	(2,175)	(37)
Taxation expense	\$-	-	\$-	-

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

	2008	2007
	\$000's	\$000's
Mineral property interest	\$1,251	\$934
Operating losses carried forward	(5,709)	(4,236)
Foreign resource pools	(69)	(69)
Share issuance costs	(418)	(556)
Valuation allowance	6,196	4,861
Net future income tax liability	1,251	\$934

As the future income tax liability is denominated in Argentine Pesos and considered a monetary liability, the Company recorded a foreign exchange gain of \$156,000 during the year as a result of the depreciation of the Argentinian Peso against the U.S. dollar.

The Company has incurred non-capital losses of approximately \$16,801,000. 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				
2015	-	656	-	656
Thereafter	-	1,248	14,897	16,145
Total	\$ -	\$1,904	\$14,897	\$16,801

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.

12 Related party transactions

During the year the Company paid \$94,000 (2006: \$75,000), in expenses (on a cost recovery basis) to a private company with a director in common. Certain executive directors' fees are paid to private companies with directors in common.

Coro Mining Corp.

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13 Geographic segmented information

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

(\$000's)	Argentina \$	Canada \$	Chile \$	Mexico \$	Total \$
2008					
Capital assets	\$16,441	\$28	\$103	\$-	\$16,572
Total assets	16,446	1,552	165	-	18,163
2007					
Capital assets	12,075	38	157	24	12,294
Total assets	\$12,208	\$9,969	\$331	\$137	\$22,645

14 Supplemental cash flow information

Non-cash financing and investing activities which included the issuance of shares and corresponding future income tax liability under the San Jorge option agreement, were \$951,000 (2007: \$1,206,000), and non-cash share issuance costs of \$1,393,000 associated with the IPO.

Cash and cash equivalents comprise the following:

(\$000's)	2008 \$	2007 \$
Cash on hand and balances in bank	\$269	\$394
Short term deposits	82	9,631
	\$351	\$10,025

15 Financial instruments

Fair Values

As at December 31, 2008, 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's accounts receivable balance includes Value Added Tax ("VAT") receivable from the governments of Chile and Argentina. Due to the uncertainty of collection the Company has fully provided for these amounts.

The Company has no financial assets or liabilities classified as held for trading or available-for-sale, except for cash and cash equivalents.

The company's accounts receivable and accounts payable are designated as loans receivables. Cash and cash equivalents are designated as held for trading. The Company has financial assets or liabilities classified as available-for-sale.

Coro Mining Corp.

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15 Financial instruments (continued)

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, 2008, 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 \$3,000 lower (\$3,000 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.

Interest Rate Risk

Included in the loss for the year in these financial statements is interest income on Canadian and U.S. dollar cash and cash equivalents. If interest rates throughout the year had been 10 basis points (0.1%) lower (higher) then net loss would have been \$5,000 lower (\$5,000 higher).

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).

16 Subsequent Events

Non-brokered Private Placement

On January 26, 2009, Coro announced the closing of the first tranche of a non-brokered private placement with Benton Resources Corp. ("Benton") of 27,272,727 units of the Company at a price of CA\$0.11 per unit. Each unit is comprised of a common share and one transferable common share purchase warrant, with each warrant exercisable to acquire one common share until January 23, 2011, subject to earlier forced exercise, at an exercise price of CA\$0.18 until January 23, 2010 and an exercise price of CA\$0.20 thereafter.

Coro Mining Corp.

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16 Subsequent Events (continued)

On February 6, 2009, Coro announced the closing of the final tranche of a non-brokered private placement of 13,635,909 units of the Company at a price of CA\$0.11 per unit. Each unit is comprised of one common share and one transferable common share purchase warrant, with each warrant exercisable to acquire one common share until February 5, 2011, subject to earlier forced exercise, at an exercise price of CA\$0.18 until February 5, 2010 and an exercise price of CA\$0.20 thereafter.

Combined with the Benton private placement, the Company closed a total of 40,908,636 units for gross proceeds of CA\$4,499,950.

Flores Project

In February 2009, the Company announced that it elected to terminate its option over the Barreal Seco and Salvadora properties.