



March 26, 2009

For further information on the Company reference should be made to the Company’s public filings which are available on SEDAR. Information is also available at the Company’s website www.coromining.com. In addition, reference should be made to the risk factors section of the most recently filed Annual Information Form (“AIF”) or the Company’s audited financial statements for the year ended December 31, 2008. The following information is prepared in accordance with Canadian GAAP and denominated in United States dollars, unless otherwise noted. This MD&A should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2008.

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¹ **PROFILE AND STRATEGY**

1.1 Profile

Coro Mining Corp. (the “Company” or “Coro”) is a development stage mining company that was incorporated in 2004 and is listed on the Toronto Stock Exchange, under the symbol “COP”. As of March 25, 2009 the Company had 79,471,409 shares outstanding and a market capitalization of CA\$11.1 million.

The Company has its registered corporate office in Vancouver, Canada. In Argentina, the Company is currently developing its medium sized San Jorge porphyry copper-gold deposit, located in the Province of Mendoza. The Company is acquiring a 100% interest in San Jorge through an option agreement. In April 2008, the Company announced the positive results from a preliminary economic assessment (“PEA”) on a flotation only operation at San Jorge. The Company is currently advancing San Jorge through the permitting process in Mendoza, Argentina, which includes approval of its Environmental Impact Study (“EIS”)

In South Central Chile, the Company is acquiring 100% of the Andrea property located in Region VII. The Company has also staked a number of areas in South Central Chile (the “Talca” Properties), which it believes is an under explored copper porphyry belt and has entered into agreement with Freeport McMoRan (“Freeport”) to explore these properties. Freeport has commenced drilling one of these prospects, Llancahue. In addition, the Company owns 100%, subject to a 2% Net Profit Interest, of the Cerro-Chacay copper deposit which is located 12km southeast of Teck’s Relincho property.

In February 2009, the Company elected to terminate its option on the Barreal Seco and Salvadora properties, located in northern Chile, but has retained its lease agreement for the Celeste property. The Barreal Seco IOCG type deposit, of which Coro was acquiring 75%, is located on the boundary of Regions II & III, in Chile.

1.2 Strategy

Coro was founded with the goal of building a mining company focused on medium-sized base and precious metals deposits in Latin America. It intends to achieve this goal through the exploration for, and acquisition of, projects that can be developed and placed into production.

The Corporation’s strategy is to become a mid-tier producer and intends to do this by identifying, securing and developing resources that are located in areas with established infrastructure. Coro’s business model focuses on advancing multiple smaller individual assets that are at different stages of development which should result in projects that are easier to finance, construct and generate positive cash flow in a shorter period of time. For higher risk and/ or earlier staged projects the Company either seeks a joint venture partner or a strategic relationship. To minimize any political and execution risks associated with its strategy, Coro intends to focus its strategy in countries with political stable jurisdictions and on projects with low capital costs.

1.3 Cash and Financing

As of February 28, 2009 the Company had cash and cash equivalents of \$2.9 million (December 31, 2008: \$0.4m). As at December 31, 2008, the Company had cumulatively raised \$33.3 million in cash through the issuance of common shares. No debt has been raised by the Company at this time. The cash has been used to acquire and advance the San Jorge project (\$12.5 million). A further \$11.7 million has been spent on exploration in Chile (including \$6.2 million on the Flores properties) and \$2.0 million in Mexico. \$4.7 million has also been spent on evaluation and acquisition/option costs associated with Cerro Negro (refer section 3.2).

At December 31, 2008 the Company had a working capital deficiency of \$0.4 million. As a result of this working capital deficiency, a number of service providers agreed to provide or discounts to help provide liquidity and ensure the survival of the Company. The Company wishes to express its gratitude to these Companies that assisted during this time of financial uncertainty. Subsequent to year end, the Company completed a private placement totaling CA\$4.5 million (refer section 4.2).



2 KEY PERSONNEL AND COMPETENCIES

2.1 Key Personnel

The Board of Directors is comprised of four Independent Directors and two Executive Directors. The Board is chaired by Robert Watts an Independent Director with over 40 years experience in the mining industry. The four Independent Directors have significant experience in the fields of Exploration, Accounting & Finance, Mining Law, and Mining Operations. Alan Stephens is the President and CEO of the Company and has over 31 years of international mining experience including Latin America.

The development team for the San Jorge project is being led by Alan Stephens and Juan Carlos Roman (Senior VP and Chief Operating Officer) who has over 25 years of experience in Chile and over 28 years of industry and finance experience. Angelo Peri (Vice President of Exploration) who has over 22 years of exploration experience leads exploration team.

3 MILESTONES AND PROJECTS UPDATE

3.1 Milestones / Highlights

- Raised CA\$4.5 million via non-brokered private placements (Jan/Feb 2009)
- Environmental Impact Study accepted for permitting (Oct 2008)
- San Jorge Preliminary Economic Assessment completed (Apr 2008)
- Freeport McMoRan exploration agreement announced on Coro's Talca Properties (Aug 2008)
- Terminated Barreal Seco and Salvadora option agreements (Feb 2009)
- Cerro Negro option agreement terminated (Oct 2008)

3.2 San Jorge, Argentina

In October 2008, the Company announced that the Environment Impact Study ("EIS") had been formally accepted to enter the evaluation process by the Secretary of the Environment of the Government of Mendoza. The EIS will be evaluated over the coming months by a number of provincial government departments and their advisors, and the public will be given the opportunity to review and comment on the proposed development of the San Jorge project. Subject to continuing positive feedback from stakeholders in Mendoza, Coro intends to advance the project to completion of a feasibility study.

On April 1, 2008 GRD Minproc completed a PEA of producing 35-50,000 tonnes per annum of copper in concentrates, with a significant gold credit, from flotation of the enriched and primary resources, the results are summarized below. The Company also completed an independent technical report completed to pre-feasibility study standards ("PFS"), which contemplates production of 25,000 tonnes per annum of cathode copper, via heap leaching and solvent extraction/electrowinning ("SX/EW"), from the oxide and enriched resources only ("Leach Project"). In June 2007, the Province of Mendoza introduced legislation that banned the use of toxic chemicals including sulphuric acid. As a result, it is currently not possible to develop the Leach Project, and the Company intends to treat the oxide material as waste for the purposes of the Float Only Project.

For a full discussion of the results from the Float Only Project PEA, reference should be made to the Company's News Release 08-09 dated April 22, 2008. For a full discussion of the results from the PFS on the leach only case, reference should be made to the Company's News Release 08-08 dated April 3, 2008.



Table 1: San Jorge Technical Reports Summary		Float Only Project	Leach Project
Base case (10%): (\$1.65/lb copper and \$600/oz gold)	Pre-tax NPV	\$291 million	\$159 million
	Pre-tax IRR	31%	28%
	After-tax NPV	\$82 million	\$77 million
	After-tax IRR	18%	20%
Upside case (10%): (\$2.00/lb copper and \$600/oz gold)	After-tax NPV	\$220 million	\$139 million
	After-tax IRR	29%	28%
Average cash operating costs: (years 1 to 5) (\$/lb)	Before credits	\$0.91	\$0.90
	Credits	\$0.22	\$0.35
	After credits	\$0.69	\$0.55
Total production:	Copper (tonnes)	632,000	223,363
	Gold (ounces)	629,000	n/a
Average production: (years 1 to 5)	Copper (tonnes)	51,000	24,000
	Gold (ounces)	42,000	n/a
Mine life:	Years	16	10
Initial capital costs:	\$ million	\$277	\$162
Prepared by:		GRD Minproc	Ausenco
Report type:		Preliminary	Preliminary
		Economic	Feasibility
		Assessment	Standard
Date:		April 22, 2008	April 3, 2008

In January 2008, the Company updated its resources at San Jorge which are shown in Table 1 of the December 31, 2007 Management Discussion and Analysis.

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 Reserves.

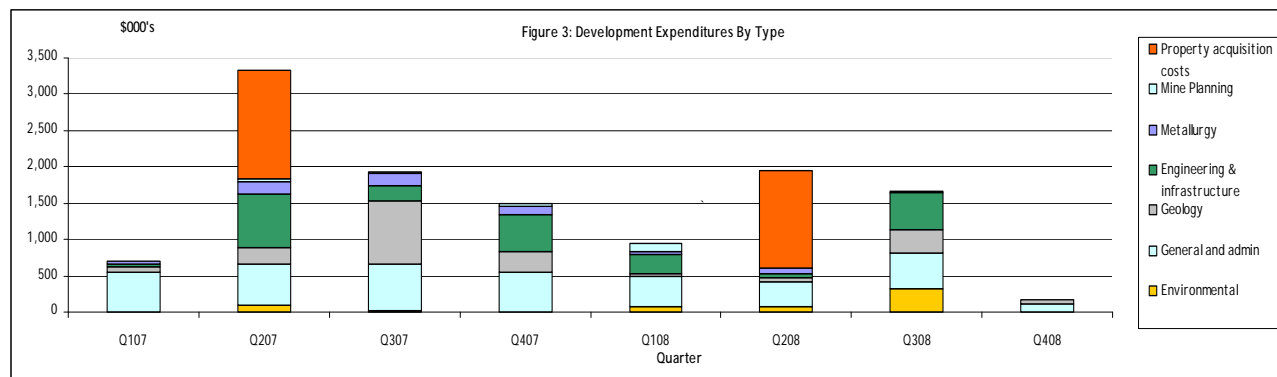
Subsequent to year end the option agreement was further amended. The amended terms require payments as follows: \$500,000 in May 2009; \$2,000,000 in May 2010, \$4,000,000 in May 2011, \$5,000,000 in May 2012, and \$5,000,000 in May 2013, less the aggregate deemed value of the 1,000,000 common shares 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, on the Property, the Company shall pay the balance of any amounts owing within six months from the date of completion of the Bankable Feasibility Study. \$16,000,000 of the above payments 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 products produced at 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.

The Company only capitalizes costs associated with its development project, San Jorge. The following table summarizes the quarter by quarter expenditures and indicates the life to date ("LTD") expenditure on the project.



San Jorge Expenditures	Quarterly						Full Year		
	Q307	Q407	Q108	Q208	Q308	Q408	2007	2008	LTD
Engineering & infrastructure	\$194	\$505	\$264	\$60	\$509	\$(134)	\$1,453	\$699	\$2,152
Environmental	26	(3)	73	85	316	(123)	127	351	480
General & admin	630	557	417	333	493	111	2,295	1,353	4,239
Geology	884	275	49	59	336	63	1,474	507	2,743
Metallurgy	169	114	29	66	3	-	506	98	604
Mine Planning	27	47	108	-	(96)	(0)	106	12	118
Property acquisition costs	-	-	-	1,351	-	-	1,506	1,351	5,526
Total costs capitalized	\$1,930	\$1,495	\$940	\$1,954	\$1,561	\$(83)	\$7,467	\$4,371	15,862



Engineering and infrastructure and Environmental costs were negative during the quarter as a result of a number of suppliers and service providers agreeing to provide discounts to previously issued invoices to assist the Company during the financial uncertainty that existed prior to the private placement in the first quarter of 2009 (refer section 4.3)

Included within General & administration costs are a portion of the salary costs of our development team and provisions for Value Added Tax ("VAT"). The reduction in costs in the fourth quarter is due to the submission of the EIS in October 2008 whereby the Company is now effectively limited to liaising with various ministries and interested parties to get the EIS approved before undertaking any significant new work on the project.

Acquisition costs for the year comprise 31% (2007: 20%), General & administration costs comprise 31% (2007: 31%), and Engineering and infrastructure costs comprise 16% (2007: 19%) of the total development spend on San Jorge. Acquisition costs represent the fair value of 333,334 shares (\$478,000) and the payment of \$400,000 in cash. It also includes the assumption of a future income tax liability of \$472,000 associated with these payments and issuances.

During the third quarter a 24 hole, 3,850 meters diamond drilling program was completed which was aimed at refining geotechnical parameters for open pit design; providing additional samples for continuing metallurgical test work; and testing for extensions to mineralization on the west side of the deposit. Included within the engineering and infrastructure costs was approximately \$449,000 associated with just over 2,000 meters of drilling for geotechnical purposes. Part of this geotechnical drill program was also able to test exploration targets beyond the existing resource. A further \$197,000 was included in geology costs aimed at providing additional samples for metallurgical purposes. The core assaying, metallurgical testwork and geotechnical studies have been suspended pending further advancement of the EIS approval process.

3.3 Flores Group, Chile

In July 2008, an updated 43-101 resource estimate for Barreal Seco was released which incorporated the results of the 2007 drilling program which was aimed at expanding and further defining the in pit resource base. Compared to the previous mineral resource estimate for Barreal Seco, completed in February 2007, which was done at a copper price of US\$1.35/lb Cu, the total copper contained in the indicated resource category has increased from 22 million lbs to 690 million lbs for sulphide and from 17 million lbs to 52 million lbs for mixed. The total copper contained in the measured and indicated oxide resource categories increased marginally from 325 million lbs to 345 million lbs.

In February 2009, the Company announced that it had terminated its option to acquire 75% of Barreal Seco and 100% of Salvadora. The Company had attempted to renegotiate the acquisition terms for Barreal Seco which included significant cash payments to the owners, but was unsuccessful. This combined with an internal scoping study which showed Barreal Seco was uneconomic as a stand alone operation at current copper prices lead to the decision to terminate the option agreement. The Company currently maintains its lease agreement for the Celeste property.

The following table summarizes the quarter by quarter expenditures, year to date expenditures and indicates the life to date ("LTD") expenditure on the Flores project.

Flores Expenditures	Quarterly								Full year		LTD
	Q107	Q207	Q307	Q407	Q108	Q208	Q308	Q408	2007	2008	
Admin costs	\$9	\$21	\$12	\$15	\$7	\$5	\$5	\$4	\$57	\$22	126
Consult, lab & prof ¹	196	120	118	164	53	26	111	(26)	598	165	1,001
Drilling & trenching	13	245	473	203	9	-	-	-	934	9	1,871
Property investigations	221	180	404	45	178	23	2	1	850	204	1,483
Property acquisition	361	10	100	-	400	115	-	-	471	515	1,525
Travel & accommodation	8	17	26	23	2	2	3	-	74	7	149
Total expenditures	\$808	\$593	\$1,133	\$450	\$649	\$171	\$121	\$(21)	\$2,984	921	6,155

¹ Consulting, labor and professional fees

For the quarter, consulting, labor and professional fees were negative due to a credit provided for payment of an outstanding balance.

Property acquisition cost for the year comprise 56% (2007: 16%), property investigations costs comprise 22% (2007: 28%) and consulting, labor and professional fees comprise 18% (2007: 20%) of the total exploration spend on the Flores group of properties. The significant acquisition costs for Flores relates to an option payment made for Barreal Seco under the terms of the option agreement made in quarter one of \$400,000 and the option payment for Salvadora of \$90,000 made in quarter two. The first quarter includes metallurgical testwork at Barreal Seco and assay costs at Salvadora which have been included in property investigation costs. Consulting, labor and professional fees include professional fees for the mine plan at Barreal Seco and initial costs associated with the commencement of Preliminary Economic Assessment.

3.4 Other Chilean Exploration

The following table summarizes the quarter by quarter expenditures, year to date expenditures and LTD expenditure on the Company's other exploration properties in Chile. The costs associated with the Gloria property (a previously disposed of property) are also incorporated in comparative figures of this table. The table also includes the indirect and non-incremental costs associated with the Cerro Negro evaluation and spend on the Company's Talca properties.

Andrea comprises a drill ready porphyry copper gold prospect where previous diamond drilling in the 1990's by other junior companies had intersected attractive gold and copper mineralization. The Company completed surface exploration comprising geological mapping, core re-logging, sampling and ground magnetometry during 2008 and has defined drill targets ready for testing in 2009.

In August 2008, the Company entered into an Area Wide Option Agreement ("AWO agreement") with Freeport-McMoRan Exploration Corp ("Freeport") for the exploration, and if warranted, the further development of the Company's Talca Belt properties, located in Central Chile. The Properties total approximately 42,300 hectares of claims grouped into 14 Prospect Areas and are 100% owned by Coro; they were staked in 2007 on the basis of their potential to contain significant porphyry copper style mineralization. Freeport has returned all but two of these prospects, one of which it is currently drilling. The Company's Andrea property is not included in this Agreement.

To maintain the ability to earn an interest in each prospect area, Freeport is required to undertake a minimum level of expenditure on each prospect area before July 2009. For full details of the AWO agreement reference should be made to the Company's New Release dated August 11, 2008. The Talca Belt Prospect Areas comprise extensive porphyry style alteration zones that have been subjected to first pass reconnaissance sampling by the Company, which indicated the



presence of anomalous copper geochemistry. The Llancahue Prospect Area, which in addition to hosting an extensive alteration zone, contains a small outcrop of attractive copper sulphide bearing, potassically altered, hydrothermal breccia located immediately adjacent to a covered area, and is ready for drill testing. Freeport has commenced drill testing this prospect. All of the Properties are readily accessible year round and are at low elevations. Apart from Llancahue, which has a small prospect shaft, none of the Properties have any previous mining activity, and to the Company's knowledge none of them have been subjected to prior exploration.

Other Exploration Chile	Quarterly								Full Year		LTD
	Q107	Q207	Q307	Q407	Q108	Q208	Q308	Q408	2007	2008	
Administration costs	\$70	\$148	\$131	\$387	\$123	\$89	\$111	\$53	\$736	\$375	1,617
Consult, lab & prof	87	126	102	218	318	370	296	163	533	1,145	2,176
Drilling & trenching	-	-	-	71	-	-	-	-	71	-	107
Property investigations	23	23	16	89	52	99	6	6	151	163	501
Property acquisition	20	313	-	50	-	-	100	-	383	100	941
Travel & accommodation	7	12	16	51	17	5	7	3	86	32	173
Total exploration costs	\$207	\$622	\$265	\$866	\$510	\$563	\$520	\$225	\$1,960	\$1,815	\$5,516

Consulting, labour & professional fees for the quarter comprise 72% (Q407: 25%), administration costs comprise 24% (Q407: 45%) of the total other exploration costs in Chile during the quarter. The increase in the percentage spend on consulting, labour & professional fees can be attributed to the uncertainty surrounding most of the Company's exploration projects as the Company significantly reduced its work programs and reassessed its projects in light of the current economic environment.

Consulting, labour & professional fees for the year comprise 63% (2007: 27%), administration costs comprise 21% (2007: 38%) and property investigation costs comprise 9% (2007: 8%) of the total other exploration costs in Chile. The consulting, labor & professional fees include the salaries and costs associated with our team evaluating Cerro Negro (\$697,000). Under Canadian GAAP only direct and incremental costs can be capitalized and as Coro had internal evaluation capabilities these costs are not deemed to be incremental in nature.

Included within property option payments is \$100,000 for the Andrea property that was paid in the third quarter.

3.5 Exploration, Mexico

The following table summarizes the quarter by quarter expenditures, year to date expenditures and LTD expenditure on exploration properties in Mexico. This table includes the costs associated with the Cordero-Sanson project. On September 26, 2008, the Mexican properties were sold to Valley High Ventures Ltd. ("Valley High") and therefore the following table only includes expenditure to that date:

Exploration, Mexico	Quarterly								Full Year		LTD
	Q107	Q207	Q307	Q407	Q108	Q208	Q308	Q408	2007	2008	
Administration costs	\$29	\$23	\$16	\$32	\$17	\$33	\$16	\$-	\$100	\$67	\$358
Consult, lab & prof	54	82	41	64	69	81	70	-	241	220	732
Drilling & trenching	-	25	1	-	-	-	-	-	26	-	65
Property investigations	31	13	1	8	11	9	1	-	53	20	363
Property acquisition	88	-	-	-	100	-	-	-	88	100	307
Travel & accommodation	12	14	11	10	9	16	3	-	47	29	134
Total exploration	\$214	\$157	\$70	\$114	\$206	\$139	\$90	\$-	\$555	\$436	\$1,959

The main cost relates to the property option payment made in the first quarter of 2008 associated with the Cordero claim that makes up part of the Cordero-Sanson property. The consulting, labour and professional fees are driven by the costs of our exploration team in Mexico.

On September 26, 2008, Valley High and the Company completed the transfer of all of the issued and outstanding shares of Coro's subsidiary, Coro Minera de Mexico SA de CV ("Coro Mexico"). In consideration, Coro received 8,140,353 common shares of Valley High. In addition, Coro completed a private placement in Valley High of 1,000,000 common



shares at CA\$0.25 per share. After completion of the transaction, Coro owned 9,140,353 shares of the Valley High or 35.6% of the outstanding common shares of Valley High.

As a result of the transfer Coro recognized a gain on disposal as it had previously been expensing all of its exploration expenditure in respect of Mexico. Although management continues to believe in the potential of the Cordero-Sanson property, it felt that it was continually being over looked as a result of the Company's other opportunities that existed in South America particularly in Chile. The structure of the disposition enables Coro to continue to participate in the upside of the Mexican properties through its shareholding in Valley High while being able to maintain its focus and spend in South America.

4 2008 FINANCIAL POSITION REVIEW

4.1 Cash and Working Capital

Cash and Working Capital	Dec-07	Dec-08
Cash and cash equivalents	\$10,025	\$351
AR and prepaids	326	77
Other current assets	-	-
AP and accruals	(1,664)	(877)
Net working capital	\$8,687	\$(449)

The Company's working capital position declined from December 2007, as a result of evaluation, acquisition costs and allocated salary costs associated with Cerro Negro (\$4.7 million), ongoing work associated with San Jorge (\$3.9 million) and property option payments and work undertaken on Flores (\$1.0 million).

The funds on hand at December 31, 2008 were not sufficient to meet corporate, administrative, exploration and development activities. In the first quarter of 2009, the Company raised CA\$4.5 million via a non-brokered private placements to address its working capital shortfall and allow it to continue to advance San Jorge through permitting and evaluate its other exploration prospects.

4.2 Other Assets and Liabilities

Other Assets and Liabilities	Dec-07	Dec-08
Property, plant and equipment	\$787	\$710
Mineral property interests	11,491	15,862
Other assets	16	1,163
Total other assets	12,294	17,735
Future income tax liability	934	1,251
Total other liabilities	\$934	\$1,251

Mineral property interests are comprised of the capitalized development costs associated with the San Jorge project. For a full understanding of those amounts being capitalized reference should be made to section 3.2 of this MD&A.

The Company has not taken any provision or writedowns on its capitalized costs for San Jorge. The positive results from the PEA study supports the Company's position that it will be able to recover its investment in San Jorge, even in the current economic environment. The PEA study used a copper price of \$1.65 per pound and a gold price of \$600 per ounce and returned an after-tax NPV of \$82 million which is in excess of the company's carrying value. The Company also expects downward pressure on construction costs which would further improve the economics of San Jorge. At time of preparation of the financial statements, \$1.65 per pound of copper was within the recent trading ranges and the gold price was well in excess of the \$600 per ounce used in the model.

Other assets include the Company's 30% equity investment in Valley High as a result of the Mexican property disposition. The Company currently holds 9,140,353 common shares of the Company. As of December 31, 2008 the shares had a quoted market value of \$1.16 million. The Company equity accounts for its investment in Valley High since its acquisition on September 26, 2008, and recognized equity and dilution losses of \$210,000.

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.

Total assets as at December 31, 2008 were \$18.2 million (Dec 31, 2007: \$22.6m) and total liabilities were \$2.1 million (Dec 31, 2007: \$2.6 m).

The future income tax ("FIT") liability stems from the payments made for the acquisition costs associated with San Jorge. The share issuance costs and cash payments made have no tax base in Argentina and therefore these payments result in a FIT liability. Consistent with the purchase agreement, further payments were made during the second quarter which resulted in an additional \$472,000 being recognized as a FIT liability.

During the fourth quarter as a result of the depreciation in the Argentinian Peso against the US dollar, the Company reduced its future income tax liability by \$156,000 as the liability is deemed to be denominated in Argentine Pesos.

4.3 Equity and Financings

Shareholders' Equity	Dec-07	Dec-08
Common shares	\$30,159	\$33,085
Contributed surplus	882	1,652
Accumulated other comprehensive income	475	475
Deficit	(11,469)	(19,177)
Total shareholders equity	\$20,047	\$16,035

In August 2008, the Company announced that it had entered into a financing arrangement with Dundee Resources Limited ("Dundee") to finance the acquisition of the small operating Cerro Negro copper mine, located in the V Region of Chile. The financing was comprised of three components. The first component consisted of CA\$3,000,000 through the issuance of 2,000,000 units, consisting of one common share and one half warrant, exercisable at CA\$2.00, for a period of three years from the date of closing. 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 of written notice being provided to the warrant holder by the Company. This component closed in August 2008 prior to the decision not to exercise the Company's option over Cerro Negro.

The remaining two components (a further equity component of CA\$12 million and a bridge facility of \$25 million) were not completed as a result of the Company electing not to exercise its option over Cerro Negro and mutually agreeing with Dundee to terminate the remainder of the financing.

The increase in contributed surplus is due to the accounting costs recorded for stock-based compensation. Also included in contributed surplus is the deemed value of 150,000 warrants granted to our financial advisor on Cerro Negro (\$42,000), and the deemed fair value of the 1,000,000 warrants (\$354,000) issued as part of the Dundee financing (refer to section 5.0)

Subsequent Financing

On January 26, 2009, Coro announced the closing 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 one common share and one transferable common share purchase warrant, with each warrant exercisable to acquire one common share until January 23, 2011, subject to early forced exercise, at an exercise price of CA\$0.18 until January 23, 2010 and an exercise price of CA\$0.20 thereafter.



On February 6, 2009, Coro announced the closing 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 early 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.

Equity Instruments	Dec-07	Dec-08
Common shares outstanding	36,209,439	38,562,773
Options outstanding		
Number	2,630,000	2,319,900
Weighted average price	CA\$0.99	CA\$1.04
Warrants outstanding		
Number	420,000	1,150,000
Weighted average price	CA\$2.25	CA\$2.07

Equity instruments

As at March 26, 2009 the Company had 79,471,409 common shares outstanding.

During the year the Company issued a total of 2,353,334 common shares, 2,000,000 of these shares were associated with the Dundee financing, 333,333 common shares were issued as part of the San Jorge option agreement and 20,000 for stock options were exercised. During the same period, 282,800 options were issued at an average price of CA\$1.40 and 20,000 options were exercised. A further 552,900 options were forfeited as a result of employee retrenchment due to the economic downturn.

As at December 31, 2008, 1,150,000 warrants were outstanding, 1,000,000 warrants were issued in conjunction with the Dundee financing and 150,000 warrants were issued to our financial advisor in respect of the Cerro Negro transaction. The 420,000 warrants that were outstanding as at December 2007, that were issued in connection with the Company's Initial Public Offering ("IPO"), expired unexercised in July 2008.

Equity Financings to December 31, 2008				Net Proceeds (\$000's)		
Description	Shares	Date	Price	Cash	Non-Cash	Total
Private placement	7,700,769	Apr-05	CA\$0.15	\$931	\$ -	\$931
Private placement	10,425,554	May-05	CA\$0.50	4,151	-	4,151
Private placement	1,680,000	Jun-05	CA\$0.50	674	-	674
PD database	200,000	Sep-05	CA\$0.50	-	85	85
Private placement	550,000	May-06	CA\$0.50	246	-	246
Property option payment	333,333	Aug-06	CA\$1.50	-	446	446
Private placement	8,906,450	Aug-06	CA\$1.50	11,884	-	11,884
Property option payment	333,333	May-07	CA\$2.25	-	679	679
IPO	6,000,000	Jul-07	CA\$2.25	11,005	-	11,005
Option exercise	80,000	Jul-07	CA\$0.50	39	-	39
Option exercise	333,334	May-08	CA\$1.45	-	478	478
Private Placement	2,000,000	Aug-08	CA\$1.50	2,458	-	2,458
Option exercise	20,000	Sep-08	CA\$0.50	9	-	9
	38,562,773			\$31,397	\$1,688	\$33,085

4.4 Property Option Payments

The following table summarizes the property option payments that are payable as at December 31, 2008 on active properties or property payments that have been paid during 2008.



Table 11: (\$000's)
Property option payments¹ – December 31, 2008

Year	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	\$6,333

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

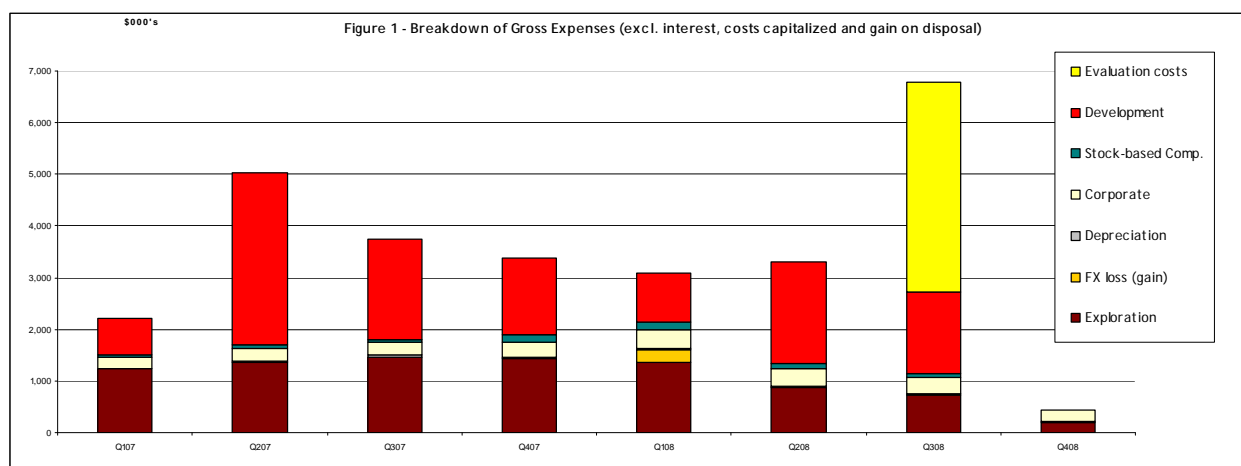
² Subsequent to year end, the Barreal Seco and Salvadora option agreements were terminated.

³ Includes payments for Mexican properties prior to the disposition to Valley High.

5 2008 EXPENDITURES REVIEW

The following table details the Company's expenditures by quarter and year to date

Table 12: (\$000's) Expenditures summary	Quarterly								Full Year	
	Q107	Q207	Q307	Q407	Q108	Q208	Q308	Q408	2007	2008
Exploration costs	\$1,229	\$1,372	\$1,468	\$1,430	\$1,365	\$873	\$731	\$203	\$5,499	\$3,173
Development costs	706	3,336	1,930	1,496	940	1,954	1,561	(82)	7,468	4,371
Total exploration & development	1,935	4,708	3,398	2,926	2,305	2,827	2,292	121	12,967	7,544
Development costs capitalized	(706)	(3,336)	(1,930)	(1,496)	(940)	(1,954)	(1,561)	82	(7,468)	(4,371)
Corporate costs	209	242	242	305	368	348	308	219	998	1,244
Depreciation and amortization	17	17	30	23	24	23	20	15	87	82
Foreign exchange loss (gain)	-	(2)	(264)	(354)	236	(130)	(63)	(161)	(620)	(117)
Gain on disposal	-	-	-	-	-	-	(1,193)	(97)	-	(1,290)
Interest income	(81)	(72)	(150)	(120)	(70)	(42)	(6)	2	(423)	(116)
Stock-based compensation	55	66	70	127	148	99	95	(67)	318	275
Writedown of deferred costs	-	-	-	-	-	-	4,064	(81)	-	3,983
Writedown of investments	-	-	-	-	-	-	-	264	-	264
Equity and dilution losses	-	-	-	-	-	-	3	207	-	210
Net loss	\$1,429	\$1,623	\$1,396	\$1,411	\$2,071	\$1,171	\$3,959	\$504	\$5,859	\$7,708



Exploration expenditures are further explained in section 5.1. Development costs are related to San Jorge and are discussed in detail in section 3.2.

The foreign exchange gain arose as a result of revaluing the Company's future income tax liability which is deemed to be denominated in Argentine Pesos (\$156,000).

The gain on disposal relates to the Company's disposition of its Mexican properties. The value of the shares received from Valley High was determined based on Coro's aggregate investment in Mexico, as Coro had been expensing a majority of its investment in Mexico a gain on disposal has been recognized during the quarter. As the Company has retained an interest in the Valley High, only 64.4% of the gain on disposal was originally recognized in the third quarter. In the fourth quarter Valley High issued additional shares and further diluted Coro's interest and therefore an additional portion of the original gain was recognized.

Gain on disposal	
Net assets of Mexico	\$80
Value of shares received	\$1,970
100% of gain on disposal	\$1,890
Less 35.6% retained interest	\$576
Gross gain on disposal	\$1,314
Transaction costs	\$24
Gain on disposal	\$1,290

Stock-based compensation cost is a credit for the fourth quarter as a result of the reversal of prior periods stock-based compensation cost due to the forfeiture of options that related to individuals that were retrenched during the quarter due to the economic downturn.

The writedown of deferred costs relates to the direct and incremental costs associated with evaluating Cerro Negro. On October 2, 2008 the Company elected not to exercise the option to acquire Cerro Negro. Cerro Negro comprised a combined open pit and underground operation producing copper cathodes via heap leach, copper-silver concentrates via flotation and copper sulphates, as well as the toll treatment of third party oxide ores.

The decision not to purchase Cerro Negro was made for a number of reasons including: (i) the dramatic change in market conditions since the original acquisition terms were negotiated in February 2008, (ii) the uncertainty associated with the refinancing of the bridge facility on a twelve month and twenty-four month horizon with the current conditions in the credit markets and, (iii) the near term weakness in the copper price negatively impacting economics at Cerro Negro.

Cerro Negro Evaluation Costs	Q108	Q208	Q308	Q408	YTD
Exploration costs - indirect costs					
Consulting, labour and professional fee	\$215	\$305	\$211	\$(34)	\$697
Direct and incremental costs	1,350	1,021	1,693	(81)	3,983
Total Cerro Negro expenses	\$1,565	\$1,326	\$1,904	\$(115)	\$4,680

The costs associated with the Cerro Negro evaluation had been split into two different categories direct and incremental costs (which had been deferred up to September 30, 2008) and indirect & non-incremental costs (which had been previously expensed). Canadian GAAP only permits the deferral of direct and incremental costs and therefore only these costs had been deferred. The indirect costs, such as salary costs related to our development and exploration team evaluating Cerro Negro, were and continue to be shown as an exploration cost.

The principal component of the Cerro Negro expenses was a total of \$2 million in option payments paid in cash (\$1 million on March 24, 2008 and \$1 million on July 7, 2008). Drilling and assay costs comprised \$406,000 as the Company assessed the resources at Cerro Negro. The Company also undertook engineering and infrastructure due diligence studies which cost approx. \$267,000. Also included within deferred costs were legal costs associated with the transaction including financing due diligence costs.

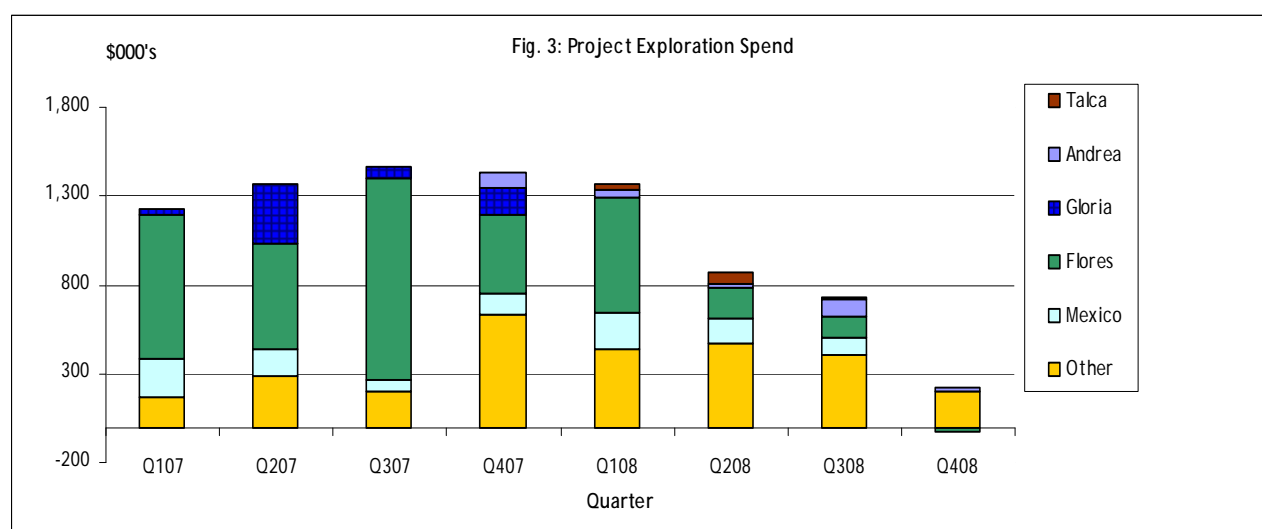


Equity and dilution losses represents the Company's share of the losses from Valley High and dilution losses as a result of Valley High issuing more common shares. Included with equity losses are \$151,000 in dilution losses.

The reduction in interest income can be attributed to the lower cash holding of the Company coupled with the lower interest rates being received.

5.1 Exploration Expenditures

Table 15: (\$000's) Exploration expenditure	Quarterly								Full Year	
	Q107	Q207	Q307	Q407	Q108	Q208	Q308	Q408	2007	2008
By type										
Administration costs	\$108	\$192	\$159	\$434	\$147	\$127	\$132	\$58	\$893	\$464
Consulting, labour & professional fees	337	328	261	446	440	477	477	137	1,372	1,530
Drilling & trenching	13	270	474	274	9	-	-	-	1,031	9
Property investigations	275	216	421	142	241	131	9	6	1,054	387
Property acquisition costs	469	323	100	50	500	115	100	-	942	715
Travel & accommodation	27	43	53	84	28	23	13	3	207	68
Total	\$1,229	\$1,372	\$1,468	\$1,430	\$1,365	\$873	\$731	\$204	\$5,499	\$3,173
By project										
Andrea	\$-	\$-	\$-	\$85	\$39	\$26	\$103	\$18	\$85	\$186
Flores	808	593	1,133	450	649	171	121	(22)	2,984	922
Gloria	36	340	65	149	-	-	-	-	590	-
Chile – General	171	282	200	632	437	471	408	199	1,285	1,512
Talca					34	66	9	9	-	117
Mexico	214	157	70	114	206	139	90	-	555	436
Total	\$1,229	\$1,372	\$1,468	\$1,430	\$1,365	\$873	\$731	\$204	\$5,499	\$3,173



Consulting, labour & professional fees for the quarter comprise 67% (Q407: 31%), and administration costs comprise 28% (Q407: 30%) of the total exploration costs for the quarter. Included within consulting, labour & professional fees are severance payments to a portion of our Chilean Exploration and development team. These costs were partially offset by the reversal of a bonus provision that had previously been accrued for in 2008.

Consulting, labour & professional fees for the year comprise 48% (2007: 25%), property acquisition costs comprise 23% (2007: 17%), property investigation costs comprise 12% (2007: 19%) and administration costs comprise 15% (2007: 16%) of the total exploration costs for the period. Cerro Negro accounts for 22% (2007: 0%) (refer section 5.0) and the Flores

group of properties accounts for 29% (2007: 54%) of the total exploration spend on exploration for the year. The expenditure on Cerro Negro is included within the Chile – General category

6 2008 CASHFLOW REVIEW

For the three months ended December 31, 2008, cash outflow from operations, after non-cash working capital movements, was \$0.7 million (Q407: \$0.6m). Proceeds from financing activities for the three months of nil (Q407: \$nil). Cash outflow from investing activities was \$1.2 million for the three months ended December 31, 2008 (Q407: \$2.1m) as the Company paid a number of invoices associated with San Jorge and Cerro Negro.

For the year ended December 31, 2008, cash outflow from operations, after non-cash working capital movements, was \$4.6 million (2007: \$5.4m), which is consistent with the loss for the period after adjusting for the non-cash gain on the disposition of the Mexican properties, and write off of Cerro Negro deferred costs. Proceeds from financing activities during the year of 2008 of \$2.6 million (2007: \$11.4m) were related to the Dundee financing (section 4.3). Cash outflow from investing activities was \$7.6 million for the year ended December 31, 2008 (2007: \$6.4) principally as a result of the Company continuing to invest in San Jorge, and the evaluation cost associated with Cerro Negro.

As of December 31, 2008, the Company had \$351,000 (2007: \$10.0m) in cash and cash equivalents. As of February 28, 2009, the Company had cash and cash equivalents of \$2.9 million.

7 OUTLOOK

7.1 San Jorge

After the filing of the San Jorge EIS and its subsequent formal acceptance into the evaluation process by the Secretary of Environment in Mendoza, the Company is awaiting the appointment of a University to perform the technical review of the EIS. Once a University and a timeline are established and assuming that their report is favorable, a formal public consultation process will be undertaken. Assuming no significant opposition arises from the public consultation process then formal approval on the EIS will occur by the Government of Mendoza followed by ratification by the Provincial legislature.

The Company has been and will continue liaising with all interested parties during this process including addressing any information requests or requirements coming out of the technical review. The Company is also continuing its public consultation and community relation programs in advance of the formal public consultation process to demonstrate the social and economic benefits of the San Jorge project.

7.2 Exploration

Exploration and Development Pipeline

Given the current environment, the Company's principal focus will be on advancing San Jorge through the permitting phase. The Company intends to drill test the Andrea property in April. Under the AWO agreement with Freeport, the Llancahue prospect will be drilled in early 2009. The Company intends to continue to seek out opportunities for growth

8 RISKS AND CRITICAL ACCOUNTING ESTIMATES & POLICIES

Reference should also be made to the Company's audited financial statements for the year ended December 31, 2008, which are available on the Company's website at www.coromining.com.

8.1 Going Concern and Financing

In the fourth quarter of 2008, as a result of not completing the Dundee financing on Cerro Negro, the Company's working capital was negative. Subsequent to year end, the Company was able to re-establish its working capital through the



completion of a CA\$4.5 non-brokered private placement. These funds should be sufficient to allow the Company to continue to advance the San Jorge project through the permitting process.

Should the Company's EIS be formally ratified and the Company elects to proceed to a formal definitive feasibility study and continue to advance the San Jorge project through to commercial production the Company will be required to raise additional funds. Although management has been successful in raising financing 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 financial results and discussion 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, particularly in regards to the recoverability of the costs deferred in respect of the San Jorge project.

8.2 Future Changes in Accounting Policies

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board ("AcSB") in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

8.3 Disclosure Controls and Internal Control Financial Reporting

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is communicated to senior management, to allow timely decisions regarding required disclosure.

An evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administration, was conducted as of December 31, 2008. Based on the results of that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that the information required to be disclosed in the Company's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported in the securities legislation.

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with Canadian generally accepted accounting principles ("GAAP"). The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect the transactions of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP;
- ensure the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material affect on the annual or interim financial statements.

An evaluation of the effectiveness of the Company's internal control over financial reporting was conducted as of December 31, 2008 by the Company's management, including the Chief Executive Officer and Chief Financial Officer.

Based on our assessment, management has concluded that, as at December 31, 2008, the Company's internal control over financial reporting was not effective due to the existence of a material weakness. A material weakness existed in the design of internal control over financial reporting caused by a lack of adequate segregation of duties in the financial close process. The Chief Financial Officer is responsible for preparing, authorizing, and reviewing information that is key to the



preparation of financial reports. He is also responsible for preparing and reviewing the resulting financial reports. This weakness has the potential to result in material misstatements in the Company's financial statements, and should also be considered a material weakness in its disclosure controls and procedures.

Management has concluded, and the audit committee has agreed that taking into account the present stage of the Company's development, the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct the weakness at this time

There were no changes in the Company's internal controls over financial reporting during the year ended December 31, 2008 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. Further, the design of a control system reflects the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

8.4 Forward Looking Statements

Certain statements included in this "MD&A" constitute forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "should" and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Information concerning the interpretation of drill results also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The estimates, risks and uncertainties described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this MD&A include: (a) execution of the Company's existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Company, or if new information arises which makes it prudent to change such plans or programs; and (b) the accuracy of current interpretation of drill and other exploration results, since new information or new interpretation of existing information may result in changes in the Company's expectations. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

8.5 Foreign Political Risk

Coro's material properties are currently located in Argentina and Chile and, as such, are exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings,



limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

8.6 Government Laws, Regulation & Permitting

Mining and exploration activities of the Company are subject to both domestic and foreign laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

An example of the impact changes in laws and regulations can have on the Company was at San Jorge when in June 2007 the Provincial Government of Mendoza introduced legislation that prohibited the use of toxic chemicals including sulphuric acid in any mining activity in the Province. The new legislation, unless amended or repealed, could impair the Company's ability to develop the oxide resources at San Jorge. The Company believes that this legislation is unconstitutional and has filed an action against the Provincial Government of Mendoza ("Government") in an attempt to protect its rights to develop San Jorge. The Company was one of twelve companies that filed an action against the Government.

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

8.7 Estimates of Mineral Resources

The mineral resource estimates contained in this MD&A are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally or commercially exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its properties. There is no assurance that the Company will be successful in raising sufficient funds to meet its obligation or to complete all of the currently proposed exploration programs. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts.

8.8 Key Management and Competition

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.



8.9 Title to Properties

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned.

The Company has the right to earn a 100% interest in certain of its properties (75% interest in the Barreal Seco Property). To earn its 100% interest in each property, the Company is required to make certain cash payments. If the Company fails to make these payments, the Company may lose its right to such properties and forfeit any funds expended to such time.

8.10 Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper or gold.

8.11 Foreign Currency Risk

A substantial portion of the Company's expenses are now, and are expected to continue to be incurred in foreign currencies. The Company's business will be subject to risks typical of an international business including, but not limited to, differing tax structures, regulations and restrictions and general foreign exchange rate volatility. Fluctuations in the exchange rate between the Canadian dollar and such other currencies may have a material effect on the Company's business, financial condition and results of operations and could result in downward price pressure for our products in or losses from currency exchange rate fluctuations. The Company does not actively hedge against foreign currency fluctuations.

9 CRITICAL ACCOUNTING ESTIMATES, POLICIES AND OTHER MATTERS

9.1 Critical Accounting Policies

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 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.

Mineral properties and deferred exploration costs

Exploration and associated 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 (including transaction costs), exploration and development costs relating to those 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 would be recorded to the extent the net book value of the investment 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.

The Company has not recorded impairment on its San Jorge project as it believes that its costs are recoverable. This analysis is supported by the recent PEA that was completed (refer section 3.2)

Investments

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

9.2 Related Party Transactions

During the year the Company paid \$78, in expenses (on a cost recovery basis) to a private company with a director in common on normal credit terms. Certain executive directors' fees are paid to private companies with common directors

9.3 Forward Looking Statements

Certain statements included in this "MD&A" constitute forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "should" and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Information concerning the interpretation of drill results also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The estimates, risks and uncertainties described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this MD&A include: (a) execution of the Company's existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Company, or if new information arises which makes it prudent to change such plans or programs; and (b) the accuracy of current interpretation of drill and other exploration results, since new information or new interpretation of existing information may result in changes in the Company's expectations. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ



materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

10 SUMMARY OF FINANCIAL POSITION AND PERFORMANCE

The following table sets out a summary of the Company's results.

Table 16: (\$000's)

Summary of Financial Position and Performance

Statement of Loss and Deficit	Q107	Q207	Q307	Q407	Q108	Q208	Q308	Q408
Exploration Expenditures								
Administration costs	\$108	\$192	\$159	\$434	\$147	\$127	\$132	\$58
Consulting, labour & professional fees	337	328	261	446	440	477	477	137
Drilling and trenching	13	270	474	274	9	-	-	-
Property investigations	275	216	421	142	241	131	9	6
Property acquisition costs	469	323	100	50	500	115	100	-
Travel & accommodation	27	43	53	84	28	23	13	2
Total Exploration Costs	\$1,229	\$1,372	1,468	\$1,430	\$1,365	\$873	\$731	\$204
Development Expenditures								
Engineering & infrastructure	\$27	\$727	\$194	\$505	\$264	\$60	\$509	(134)
Environmental	4	100	26	(3)	73	85	316	(123)
General & administration	540	568	630	557	417	333	493	111
Geology	87	228	884	275	49	59	336	63
Metallurgy	48	175	169	114	29	66	3	-
Mine Planning	-	32	27	47	108	-	(96)	-
Property acquisition costs	-	1,506	-	-	-	1,351	-	(0)
Total costs capitalised	706	3,336	1,930	1,495	\$940	\$1,954	\$1,561	\$(83)
Other Expenses								
Corporate costs	\$209	\$242	\$242	\$305	\$368	\$348	\$308	\$219
Depreciation	17	17	30	23	24	23	20	16
Foreign exchange loss (gain)	-	(2)	(264)	(354)	236	(130)	(63)	(161)
Gain on disposal							(1,193)	(97)
Interest income	(81)	(72)	(150)	(120)	(70)	(42)	(6)	2
Stock-based compensation	55	66	70	127	148	99	95	(67)
Writedown of deferred costs							4,064	(81)
Writedown of investments								264
Net loss before equity earnings					2,071	1,171	3,956	299
Equity and dilution losses							3	207
Net loss	1,429	1,623	1,396	1,411	2,071	1,171	3,959	505
Basic and diluted loss per share	\$0.05	\$0.05	\$0.04	\$0.04	\$0.06	\$0.03	\$0.11	\$0.01
Financial Position								
Assets								
Cash and cash equivalents	\$7,250	\$4,909	\$13,328	\$10,025	\$5,976	\$2,861	\$2,282	\$351
AR and prepaids	305	195	314	326	300	337	266	77
Deferred financing fees	165	529	-	-	-	-	-	-
Total Current Assets	7,720	5,633	13,642	10,351	6,276	3,198	2,548	428
Property, plant and equipment	685	760	804	787	772	755	741	710
Mineral property interests	4,730	8,066	9,997	11,491	12,431	14,385	15,945	15,862
Other assets	37	30	23	16	1,359	2,374	1,536	1,163
Total Assets	13,172	14,489	24,466	22,645	20,838	20,712	20,770	18,163
Liabilities								
Accounts payable and accruals	1,009	2,154	1,949	1,664	1,685	1,640	2,719	877
Future income tax liability	406	934	934	934	934	1,406	1,406	1,251
Total Liabilities	1,415	3,088	2,883	2,598	\$2,619	\$3,046	\$4,125	2,128



Table 16: (\$000's) (continued)
Summary of Financial Position and Performance (continued)

	Q107	Q207	Q307	Q407	Q108	Q208	Q308	Q408
Shareholders' Equity								
Common shares	18,417	19,096	30,140	30,159	\$30,159	\$30,637	\$33,088	\$33,085
Contributed surplus	199	302	736	882	1,125	1,266	1,753	1,652
AOCI	180	665	765	475	475	475	475	475
Deficit	(7,039)	(8,662)	(10,058)	(11,469)	(13,540)	(14,712)	(18,671)	(19,177)
Total Shareholders' Equity	11,757	11,401	21,583	20,047	18,219	17,666	16,645	16,035
Total Liabilities and Equity	13,172	14,489	24,466	22,645	\$20,838	\$20,712	\$20,770	18,163
Weighted average # of shares (000's)	29,796	29,990	35,535	36,209	36,209	36,400	37,287	38,563
Working Capital	6,711	3,479	11,693	8,687	\$4,591	\$1,558	(\$171)	(449)
Cash flows from:								
Operating activities	(1,715)	(1,373)	(1,712)	(575)	\$(1,989)	\$(1,067)	\$(860)	\$(726)
Financing activities	(88)	(53)	11,510	-	-	-	2,594	-
Investing activities	(1,051)	(1,400)	(1,779)	(2,138)	(2,060)	(2,048)	(2,313)	(1,206)
Effect of exchange rate movements	30	485	400	(590)	-	-	-	-
Net increase (decrease) in cash	\$(2,824)	\$(2,341)	\$8,419	\$(3,303)	\$(4,049)	\$(3,115)	\$(579)	\$(1,932)
Exploration Expenditures by Project								
Chile:								
Andrea	\$-	\$-	\$-	\$85	\$39	\$26	\$103	\$18
Flores	808	593	1,133	450	649	171	121	(22)
Gloria	36	340	65	149	-	-	-	-
General	171	282	200	632	437	471	408	199
Talca					34	66	9	9
	1,015	1,215	1,398	1,316	1,159	733	641	204
Mexico:	214	157	70	114	206	139	90	-
Total exploration	\$1,229	\$1,372	\$1,468	\$1,430	\$1,365	\$873	\$731	\$204