CORO
MINING CORP.

Management Discussion and Analysis for the Fourth Quarter and Year Ended December 31, 2010
(Expressed in U.S. Dollars)

March 30, 2011

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 and consolidated financial statements for the year ended December 31, 2010. 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 consolidated financial statements for the year ended December 31, 2010.

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1 PROFILE AND STRATEGY

1.1 Profile

Coro Mining Corp. (the "Company" or "Coro") is an exploration/ development stage mining company that was incorporated in 2004 and is listed on the Toronto Stock Exchange, under the symbol "COP". As of March 29th, 2011 the Company had 134,080,045 shares outstanding and a market capitalization of CA$156 million. The Company has its registered corporate office in Vancouver, Canada.

San Jorge:
In Argentina, the Company is currently developing its medium size 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. The Government of Mendoza approved the Company's Environmental Impact Study ("EIS") in February 2011 and the Company is currently awaiting ratification of the project from the Provincial Legislature.

Chacay:
The Company owns 100%, subject to a 2% Net Profit Interest (capped at $2 million), of the Cerro-Chacay copper prospect which is located 12km southeast of Teck Resources' Relincho property. Three zones of copper mineralization have been outlined by drilling to date (4 drilling campaigns between 2005 and 2011). Drilling to date has intercepted significant secondary & hypogene copper mineralization, including the best hole to date; 170m @ 0.63%Cu. Total of 24 reverse circulation ("RC") holes (5,706m) have been drilled. Significant chalcocite blanket identified at Nacho Zone, with minimal testing of underlying primary sulphides.

Llancahue:
The Llancahue Copper property is located 38km south west of the city of Talca in the VII Region of central Chile. In 2008, 7 RC holes were drilled with the last hole (LLA-07), intersecting significant mineralization. In 2009, an additional 6 RC hole program and a ground magnetics survey was completed. The Company intends to drill a few deep diamond drill holes which will be completed in conjunction with drilling planned at Pocillas.

Celeste:
Located 47km northeast of the port of Chanaral, III Region, in Chile, the Celeste Property is contiguous with and along strike to the northeast from, the ENAMI owned Cerro Negro Iron Oxide Copper Gold ("IOCG") type deposit. In 2006-2007, the Company completed a surface exploration program and drilled 19 RC holes for a total of 3,650m. The drilling indicated that broad zones of structurally controlled, copper sulphide mineralization are present, and will be the target for future exploration by the Company.

Other Properties:
In South Central Chile, the Company has staked a number of areas (the "Talca" Properties), which it believes is an under explored copper porphyry belt. Within the Talca Belt is the Pocillas prospect, a low sulphidation epithermal prospect discovered by Cyprus Amax ("Cyprus") in the early 1990's. Cyprus' sampling of the pyrophyllite workings returned low levels of Au, but first pass hand trenching at lower elevations along strike returned peak values of 13m at 2.95 g/t Au including 2m at 12.8g/tAu, 21m at 0.62g/t Au, and 33m at 0.50g/tAu. These results are believed to be reliable, having been sampled and assayed to the standards of the day, but have not been confirmed by Coro, and so should not be relied upon. The Company also holds the Gloria property 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. To minimize any political and execution risks associated with its strategy, Coro intends to focus its strategy in politically stable countries.

1.3 Cash and Financing

As of December 31, 2010 the Company had cash and cash equivalents of $8.0 million (December 31, 2009: $2.1m) and a working capital of $16.2 million (December 31, 2009: $2.1m). From inception to December 31, 2010, the Company had cumulatively raised $43.5 million in cash through equity offerings. No debt has been raised by the Company at this time. The following discussion reflects the cash spent on the projects and does not necessarily reflect the accounting spend due to items such as future income taxes, share issuance, etc. From inception, the cash has been used in part to acquire and advance the San Jorge project ($18.5 million). A further $17 million has been spent on exploration in Chile and $2.0 million in Mexico. $4.4 million was also been spent on evaluation and acquisition/option costs associated with the Cerro Negro copper mine ("Cerro Negro"), the option on which was subsequently terminated in the fourth quarter of 2008. The Company also received $6.3 million in proceeds from the disposition of a portion of its interest in Valley High Ventures Ltd. ("VHV").

At March 15, 2011, the Company had cash and cash equivalents of approximately $18.4 million. The Company's cash position has increased from December 31, 2010 principally due to the receipt of funds from the exercise of warrants that were due to expire in January and February 2011, and the disposition of 2,069,300 shares and 1,525,000 warrants in VHV.

1.4 Key Personnel and Competencies

The Board of Directors is comprised of three Independent Directors, one Outside Director and two Executive Directors. The Board is chaired by Robert Watts, an Independent Director with over 40 years experience in the mining industry. The board has significant experience in the fields of Exploration, Accounting & Finance, Mining Law, and Mining Operations. The Outside Director represents the Company's major shareholder Benton Resources Corp. ("Benton"). Alan Stephens is the President and CEO of the Company and has over 34 years of international mining experience including Latin America.

2 PROJECTS UPDATE

2.1 Overview

- Gross proceeds of CA$5.4 million received from VHV share and warrant disposition (Feb 2011)
- Drilling at Chacay includes 170 meters at 0.63% copper (Feb 2011)
- Proceeds of CA$5.5 received from warrant exercise (Jan and Feb 2011)
- San Jorge EIS Approval by Provincial Government of Mendoza (Feb 2011)
- Proceeds of $CA3.3 million received from Benton warrant exercise (Jan 2011)
- Proceeds of $CA6.4 million from sale of 5,850,000 VHV shares (Nov 2010)
- San Jorge EIS Public Hearing held on October 26, 2010 (October 2010)
- $2 million San Jorge option payment paid to Lumina (June 2010)
- Raised CA$4.5 million in private placement (June 2010)
- Drilling at Chacay included an intercept of 122 metres at 0.77% from 1,004m drill program (March and May 2010)

2.2 San Jorge, Argentina

Stage and Development of Project:
San Jorge is a development stage property with an established NI 43-101 resource. The Company has received approval from the Provincial Government in Mendoza of its EIS and is now waiting ratification of the EIS from the Provincial Legislative. Upon ratification of the EIS, the Company will look to complete a Pre-Feasibility Study ("PFS") and establish the financing parameters for the project. Assuming ratification is obtained in 2011, and subject to continued positive engineering studies, the Company could potentially have production from San Jorge in 2014.

Environmental Approval:
The EIS (submitted October 2008) was accepted for evaluation by the Provincial Government in Mendoza in March 2009. Since being accepted for evaluation, the EIS has been through four significant stages of the approval process and it is currently awaiting ratification which would be the fifth and final stage. In September 2009, the National Technological University ("UTN") of Mendoza completed its independent and impartial evaluation of the EIS on behalf of the Provincial Government of Mendoza. The UTN report stated that the EIS has satisfactorily complied with all national and provincial regulations, and has concluded that the Project, if developed in full compliance with these regulations, would have a highly positive economic impact on the Province of Mendoza in general and the district of Uspallata in particular.

The second stage of the approval process was the Sectoral Review, which was completed in February 2010. The Sectoral Review was a process coordinated and supervised by the Provincial Secretary of the Environment and included more than 10 opinions from provincial bodies which endorsed the project. The Review included presentations from the Natural Resources Department, Environmental and Urban Development Department, Irrigation Department, Provincial Environmental Council, Scientific and Technological Center, Municipality of Las Heras and the Hydrology Department among others. With the positive results and conclusions from the Sectoral Review, the third stage, a formal public hearing was held October 26, 2010 where the merits of the project were debated prior to the project being submitted to the Secretary of the Environment for approval. The Public Hearing was attended by more than 2,000 individuals and gave the people of Mendoza, and particularly the residents of Uspallata, the opportunity to express their views about the development of San Jorge.

The Interdisciplinary Commission for the Environmental Evaluation of Mining Projects ("CEIAM" in Spanish) of the Province of Mendoza then completed its compilation, collation and evaluation of the previously completed sectorial reviews; the outcome of the public hearing and public consultation process; and the results of additional hydrological studies, and recommended in December 2010, that the EIS be approved by the provincial government.

On February 7, 2011 the Provincial Government of Mendoza approved the EIS, and that the resulting Environmental Impact Declaration ("EID") was submitted to the Provincial Legislature for ratification. The EID is conditional, inter alia, upon San Jorge complying with the highest standards of environmental protection, control and monitoring prior to, and during the construction and operation of the project, including the requirement for the paste tailings deposit to be made impermeable with a liner. In addition, San Jorge will be required to contribute 0.5% of metal sales on an annual basis to an environmental remediation fund, to be recovered upon satisfactory closure of the mine. Finally, San Jorge will be required to negotiate the terms of an agreement with the Provincial Government and the Department of Las Heras, where the project is located, whereby San Jorge will contribute to a social development fund to benefit the local community.

Economics:
On April 1, 2008 GRD Minproc completed a Preliminary Economic Assessment ("PEA") contemplating production of 35-50,000 tonnes per annum of copper in concentrates, with a significant gold credit, from flotation of the enriched and primary resources. At $2.00 per pound of copper, and a $600 per ounce of gold (the upside case and base case used $1.65), the project has an after tax IRR of 29% and an NPV of $220 million. 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. Upon ratification, the Company will recommence engineering studies aimed at demonstrating the full potential of San Jorge at industry standard metal prices.

For the acquisition terms associated with San Jorge reference should be made to section 4.4

Expenditure to date:

The Company only capitalizes costs associated with its development project, San Jorge. The following table summarizes the quarter by quarter expenditures for the last eight quarters, annual expenditures ("Full Year") for the last three years and indicates the life to date ("LTD") expenditure on the project.

Table 1: ($000's)	**Quarterly**								**Full Year**			**LTD**
San Jorge Expenditures	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**2008**	**2009**	**2010**	
Engineering	-	3	-	-	-	-	50	6	699	3	56	2,210
Environmental	-	14	24	102	10	6	64	-	351	140	80	700
General & admin	298	277	282	162	79	275	357	583	1,353	1,019	1,294	6,553
Geology	43	68	76	47	54	70	72	92	507	234	288	3,265
Metallurgy	-	8	8	10	-	-	-	-	98	26	-	630
Mine Planning	-	-	-	-	-	-	-	-	12	-	-	118
Property acquisition costs	-	769	-	-	-	3,077	-	-	1,351	769	3,077	9,372
Total costs capitalized	341	1,139	390	321	143	3,428	543	681	4,371	2,191	4,795	22,848

San Jorge Quarterly Discussion:

The significant expenditure during Q209 and Q210 was the option payment of $0.5 million and $2 million respectively and the associated assumption of the future income tax liability associated with these payments. The option payments made on San Jorge have no tax basis in Argentina and therefore results in the recognition of a future income tax liability on payment. Full details of the option payments related to San Jorge are discussed in section 4.4.

Engineering costs over the last eight quarters have been minimal as the Company awaits the ratification of its EIS prior to completing a PFS.

Environmental costs in Q409 were higher than normal due to the costs of the UTN report. The increase in Q310 is due to the costs associated with completing the additional hydrological studies required as a pre-requisite to the public hearing. General and administrative costs were lower in Q110 due to a Value Added Tax ("VAT") refund of $199,967. Due to the uncertainty surrounding the timing and collection of VAT the Company had fully provided for its VAT which resulted in the Company deferring this cost as part of the development costs at San Jorge. The receipt of the VAT refund has reduced the reported general and administrative expenses for Q110. Also included with general and administration are the costs associated with our Argentine project team who are advancing the project through the community consultation and permitting process. The higher general and administrative costs in Q410 are due to the costs associated with the community relations and education program in Mendoza.

Geology costs are principally comprised of salary costs and the costs of maintaining a camp at San Jorge. For the quarter, the Company's principal focus was on the administrative and political process of obtaining approval of the San Jorge EIS. All other significant expenditure has been deferred until after the EIS is ratified.

San Jorge Annual Discussion:

General and administration costs are up slightly compared with 2009, due to the increased community relations and education programs in Mendoza. These costs have been offset by a VAT refund that was received in Q110. Geology costs were comparable as the costs of maintaining the camp and our geological team did not change significantly. Property acquisition costs were significantly higher in 2010 versus 2009 which is consistent with the option agreement on San Jorge (refer to section 4.4), as a result the recognized tax liability was also higher.

In 2008, costs were higher principally due to a 24 hole, 3,850 meter diamond drilling program undertaken for geotechnical and metallurgical purposes and the completion of the PEA.

2.3 Exploration

In Chile, the Company's principal exploration portfolio is comprised of the Chacay, Llancahue and Celeste prospects. The Chacay, Llancahue and Celeste prospects are exploration prospects which have no established resource; the Company is currently planning to undertake exploration programs on these properties.

2.3.1 Summary of Recent Drill Programs

The following table summarizes the recent results from the drill programs at Chacay for full results of the drilling, reference should be made to the Company News Release dated January 5, 2010, March 26, 2010; May 4, 2010, and Feb 8, 2011.

Table 2: Chacay Summary Drill Results (March, May 2010 and Feb 2011)

Date	Hole	From	To	m	%CuT	%CuS	%CuCN	Solubility
Dec 2009	CHCRC08	160	208	48	0.20	0.06	0.12	93%
Dec 2009	CHCRCO9	236	324	88	0.47	0.09	0.35	95%
Dec 2009	including	246	290	44	0.57	0.10	0.43	98%
Dec 2009	CHCRC08	160	208	48	0.20	0.06	0.12	93%
Dec 2009	CHCRC10	138	194	56	0.15	0.05	0.09	91%
March 2010	CHCRC12	0	206	206	No significant results			
March 2010	CHCRC13	112	234	122	0.77	0.14	0.56	91%
March 2010	including	114	172	58	0.99	0.17	0.77	95%
March/May 2010	CHCRC14	68	96	28	0.53	0.17	0.28	85%
March/May 2010	CHCRC15	120	184	64	0.55	0.16	0.34	91%
May 2010	CHCRC16	168	186	18	0.16	<0.01	<0.01	7%
Feb 2011	CHCRC17	112	282	170	0.63	Not available		
Feb 2011	CHCRC18			202	No significant results			
Feb 2011	CHCRC19	184	268	84	0.36	Not available		
Feb 2011	CHCRC20	140	216	76	0.15			
Feb 2011	CHCRC21	130	170	40	0.16			
Feb 2011	CHCRC22	238	270	32	0.36			
Feb 2011	CHCRC23	210	368	158	0.39			
Feb 2011	CHCRC24	0	22	22	0.16			

The following table summarizes the Q4 2009 drill program at Llancahue the objective of which was to follow up on a previous intersect of 100m at 1.375% CuT + 0.015% Mo+ 3.8g/t Ag in hole LLA-07 drilled earlier in 2009 under the Freeport Agreement. For full details of the drill program reference should be made to the Company's News Release dated November 19, 2009.

Table 3: Llancahue Drill Results

Date	Hole	From	To	m	%Cu	%Mo	Ag g/t
Nov 2009	LR-01	124	136	12	1.56	0.024	5.9
Nov 2009	LR-01	222	232	10	1.03	0.079	3.8
Nov 2009	LR-04	36	68	32	0.29	0.018	1.1
Nov 2009	LR-04	68	104	36	2.43	0.102	5.8

2010 MD&A (expressed in U.S. Dollars) TSX Symbol: COP

2.3.2 Exploration Cost Analysis

The following table summarizes the quarter by quarter expenditures, annual expenditures and LTD expenditure on the Company's exploration properties in Chile.

Table 4: ($000's)				**Quarterly**						**Full Year**		
Other Exploration Chile	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**2008**	**2009**	**2010**	**LTD**
Administration costs	74	32	50	67	62	63	32	42	464	223	199	2,165
Consult, lab & prof.	53	39	20	83	58	42	61	92	1,530	195	253	3,626
Drilling & trenching	-	46	-	155	68	-	-	158	9	201	226	2,404
Property investigations	51	33	7	19	39	194	17	26	387	110	276	2,369
Property acquisition	-	25	-	-	-	48	-	-	715	25	48	2,539
Travel & accommodation	10	8	3	12	7	16	5	20	68	33	48	404
Total exploration costs	**188**	**183**	**80**	**336**	**234**	**363**	**115**	**338**	**3,173**	**787**	**1,050**	**13,507**
By Project:												
Flores	32	11	1	2	4	82	17	77	922	46	180	6,382
Cerro Negro	-	-	-	-	-	-	-	-	-	-	-	697
Llancahue	-	-	-	156	9	2	5	1	-	156	17	193
Chacay	-	-	-	121	139	176	25	233	-	121	573	673
Other	156	172	79	57	82	103	68	27	2,251	464	280	5,563
Total exploration costs	**188**	**183**	**80**	**336**	**234**	**363**	**115**	**338**	**3,173**	**787**	**1,050**	**13,508**

Exploration Quarterly Discussion: - By Cost

Administration costs include a portion of all administrative costs of running the Company's Santiago office and a provision for Chilean Value Added Taxes ("VAT"). In Chile, VAT is not refundable in cash and is applied against other VAT credits. For this reason the Company fully provides for its VAT in Chile.

In Q4 2009, the Company undertook two short drill programs at Llancahue and Chacay for 1,059 metres and 4 hole-1,024 metres respectively. In April 2009, the Company undertook a short 772 metre drill program at Andrea and as a result of this drilling determined that a deposit meeting its criteria was unlikely and accordingly terminated its option. Drilling and trenching costs were higher in Q110 as the Company completed a 5 hole, 1,004 meters RC drill program at Chacay. A further drill program at Chacay commenced in December 2010, with 1,004 meters drilled by year end, the program was completed in January with an additional 1,422 meters drilled. In total 2,426 meters were drilled and results are included in Table 2.

In Q210, the Company completed a six line-kilometer Titan DCIP survey at Chacay. Property acquisition costs in Q210 include the issuance of 150,000 shares for the acquisition of the Celeste property.

Exploration Quarterly Discussion: - By Project

The Flores project included the costs associated with Barreal Seco and Salvadora (options terminated February 2009) and the Celeste property. Prior to Q210, the Celeste property was being leased but has subsequently been purchased which is reflected in increased costs in Q210. The Q409 costs on Llancahue relate to the aforementioned 1,059 meter drill program and the costs on Chacay relate to the two drill programs and Titan DCIP survey. The Q410 costs at Chacay relate to the aforementioned drill program.

Exploration Annual Discussion:

Exploration costs have risen in 2010 compared with 2009 due to the drill programs initiated at Chacay. The costs in 2008 were significantly higher as the Company was evaluating the Cerro Negro property in Chile.

3 OUTLOOK

San Jorge

Over the last eighteen months our Argentinean Team has worked extensively with the people of Mendoza and Uspallata to communicate the merits of the San Jorge project. The EIS has now been approved by the Government of Mendoza and has been submitted to the Provincial Legislature for ratification. Although no set timetable exists for the ratification, the Company expects that this process should be completed in 2011 and is confident that the project will be ratified. Upon ratification, the Company expects to complete a Preliminary Feasibility Study ("PFS") on the flotation project, which will serve to update the PEA that was completed in April 2008. The PFS will, amongst other things, update the capital and operating parameters for the project and re-evaluate the pit at currently appropriate copper and gold prices. The Company also intends to complete some additional drilling where the resource remains open at depth. The Company will be evaluating alternatives for the oxides that are currently considered as waste in the existing PEA due the ban on the use of sulphuric acid in the Province of Mendoza.

The Company understands that the ratification of the San Jorge is a very important decision for the people of Mendoza and will undertake only limited work on the project until the Mendoza Legislature formally ratifies the EIS.

Chacay

The results from the recent drill program in February 2011, have provided further encouragement as to the potential of the Chacay property. The Company nows plan to conduct a diamond drilling program to gain a better understanding of the geology of the Nacho Zone and provide further definition of the mineralization. We have also identified a new area of leached capping with phyllic alteration and copper oxides, outcropping approximately 2,000m to the SE of the Nacho Zone. This area is surrounded by gravels, so its ultimate size is unknown, and sampling and mapping is in progress.

Exploration

The Company continues to actively seek out new opportunities in Chile

Corporate

As at March 15, 2011, the Company has approximately $18.4 million in cash and cash equivalents and remains well funded to achieve its corporate objectives for 2011 which would include the PFS and additional drilling at San Jorge (upon ratification) and the diamond drill program at Chacay.

4 2010 FINANCIAL POSITION REVIEW

4.1 Cash and Working Capital

Table 5: ($000's) - Cash and Working Capital	Dec-08	Dec-09	Dec-10
Cash and cash equivalents	351	2,116	7,985
AR and prepaids	77	77	84
Other assets	-	-	8,979
AP and accruals	(877)	(386)	(577)
Future income tax (current)	-	-	(276)
Net working capital	(449)	1,807	16,195

The Company's working capital position increased from December 2009 principally as a result of the CA$4.5 million financing that was completed in June 2010 (refer to section 4.3)

4.1.1 Cash and cash equivalents

Table 6: ($000's)	Quarterly								Full Year		
Cash Flow Review	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**2008**	**2009**	**2010**
Operating cash flow	(249)	(225)	(147)	(533)	(336)	(500)	(308)	(422)	(7,202)	(1,154)	(1,566)
Non-cash working capital movements	11	(136)	(34)	(9)	38	70	9	(136)	5	(168)	(19)
Operating cash flow after non-cash	(238)	(361)	(181)	(542)	(298)	(430)	(299)	(558)	(3,916)	(1,322)	(1,585)
Financing activities	3,545	(8)	45	1,834	138	4,213	121	225	2,594	5,416	4,697
Investing activities	(735)	(952)	(390)	(252)	(149)	(2,348)	(446)	5,700	(6,421)	(2,329)	2,757
Net cash flow	**2,572**	**(1,321)**	**(526)**	**1,040**	**(309)**	**1,435**	**(624)**	**5,367**	**(7,743)**	**1,765**	**5,869**

Quarterly Discussion:
Cash flow in Q410 was significantly higher as a result of the gain on disposition of the 5,850,000 VHV shares, operating cash outflow was higher in Q409 and Q210 as a result of increased spend on exploration programs in those quarters. Cash flow from financing activities principally relates to share or unit issuances and reference should be made to section 4.3. Investing activity in Q209 and Q210 are up significantly due to option payments associated with San Jorge.

Annual Discussion:
Net cash flow in 2010 is up on 2009 principally as a result of the VHV share disposition. In 2009, expenditures were curtailed significantly due to the economic environment at that time and the Company's limited treasury which explains the significant drop off in cash outflows compared with 2008.

As of March 15, 2011, the Company had cash and cash equivalents of approximately $18.4 million.

4.1.2 Working Capital

The Company's working capital requirements for the next twelve months will be determined by the success of its exploration programs and the progress of the approval process at San Jorge and therefore it is difficult to determine the Company's exact working capital requirements. The funds from the warrant exercise and VHV share and warrant disposition, in conjunction with the funds on hand at December 31, 2010, leaves the Company well funded to continue its corporate objectives for 2011.

4.2 Other Assets and Liabilities

Table 7: ($000's) -Other Assets and Liabilities	Dec-08	Dec-09	Dec-10
Property, plant and equipment	710	647	625
Mineral property interests	15,862	18,053	22,848
Other assets	1,163	2,279	-
Total other assets	17,735	20,979	23,473
Current liabilities	877	386	577
Future income tax	-	-	276
Future income tax liability	1,251	1,401	2,396
Total liabilities	2,128	1,787	3,249

Capital expenditure on property, plant and equipment ("PPE") have been limited as the Company focused on the EIS ratification process in Mendoza, the reduction in PPE is consistent with depreciation charges for the year.

Mineral property interests are comprised of the capitalized development costs associated with the San Jorge project (section 3.2). The Company has not taken any provision or write-downs on its capitalized costs. The positive results from the PEA study and the recent Provincial Approval of the EIS (ratification pending) supports the Company's position that it should be able to recover its investment in San Jorge. The PEA study used a base 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. At time of preparation of the financial statements, copper was trading significantly above $1.65 per pound and the gold price was well in excess of the $600 per ounce used in the model.

Other assets were principally comprised of the valuation of the Company's warrants in VHV. In 2010 the investment in VHV was classified as held-for-trading and therefore it is no longer classified as non-current asset. In November 2010, the Company sold 5,850,000 VHV shares gross proceeds of CA$6,435,000. Prior to the disposition, Coro held 9,140,353 shares and 1,525,000 warrants in VHV which as of November 19, 2010 represented approximately 15.0% of the issued and outstanding shares of VHV. As a result of this significant decrease the Company no larger equity accounts for this investment and treats it as held for trading. Under this treatment the investment is marked to market and any gains or losses are recorded in the Statement of Loss and Deficit. As at December 31, 2010 $5.8 million was recognized as an unrealized gain.

As of December 31, 2010 the Company held 3,290,353 shares (2009: 9,140,353). Additionally, the Company held 1,525,000 warrants (2009: 1,525,000) representing approximately 5.2% (2009: 20.6%) of the issued and outstanding shares of VHV. The market value of the VHV common shares was CA$9.9 million at December 31, 2010.

Total assets of Coro as at December 31, 2010 were $40.5 million (Dec 31, 2009: $23.2m) and total liabilities were $3.2 million (including a future income tax liability of $2.7 million) (Dec 31, 2009: $1.4m).

A majority of 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. In addition, the Company's investments now exceeds the tax base of these investments and the Company no longer has sufficient losses carried forward to cover these differences (partially due to the utilization of previous losses to offset the gain on disposition from the VHV shares in 2010) and therefore it has recognized an additional FIT liability of $276k. This liability is likely to fluctuate as the market value of the Company's investment in VHV changes.

4.3 Equity and Financings

Table 8: ($000's) -Shareholders' Equity	Dec-08	Dec-09	Dec-10
Common shares	33,086	37,682	42,090
Contributed surplus	1,651	2,694	3,266
Accumulated other comprehensive income	475	475	475
Deficit	(19,177)	(19,466)	(8,559)
Total shareholders equity	16,035	21,385	37,272

Equity instruments

Table 9: ($000's) - Equity Instruments	Dec-08	Dec-09	Dec-10
Common shares outstanding	38,562,773	90,566,409	105,846,863
Options outstanding			
Number	2,319,900	6,038,733	6,360,400
Weighted average price	CA$1.04	CA$0.39	CA$0.41
Warrants outstanding			
Number	1,150,000	30,963,636	34,483,181
Weighted average price	CA$2.07	CA$0.25	CA$0.31

In June 2010, the Company raised CA$4,500,000, via a non-brokered private placement of 12,500,000 units at a price of $0.36 per unit. Each unit was comprised of one common share and one half of a non-transferable warrant. Each whole warrant entitles the holder to purchase one common share of Coro for a period of two years at a price of CA$0.50 for the first year from the date of closing and at a price of CA$0.65 thereafter until the expiry date. Such warrants, at the Company's election, are subject to accelerated expiry in the event the San Jorge project EIS receives approval and the market price of the Company's common shares is equal to or greater than CA$0.625 prior to June 1, 2011 or equal to or greater than CA$0.8125 thereafter, for 10 consecutive days.

On January 26, 2009, the Company closed a non-brokered private placement with Benton of 27,272,727 units at a price of CA$0.11 per unit. Each unit comprised 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. A fair value of $900,060 was allocated to the warrants.

On February 6, 2009, the Company closed a non-brokered private placement of 13,635,909 units at a price of CA$0.11 per unit. Each unit is comprised 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 issued a total of 40,908,636 units for gross proceeds of CA$4,499,950. Contributed surplus was charged with a fair value of $374,631 associated with the second private placement.

During the third and fourth quarters of 2009, 11,095,000 warrants of the aforementioned financings were exercised and CA$1,997,100 received by the Company.

As of February 28, 2011 the Company had 134,080,045 shares outstanding in January 2011, Benton Resources Corp. exercised 16,672,727 warrants at an exercise price of $0.20 per share, for proceeds of $3.3 million. A further 10,285,455 warrants with an exercise price of $0.20 were exercised for proceeds of $2.1 million in February 2011.

The following table shows the significant financings of the Company over the last three years and the intended and actual use of the proceeds from these financings.

Table 10: - Use of Proceeds Table					
Description	**Shares (000's)**	**Price CA$**	**Net Proceeds (US$000's)**	**Intended Use**	**Actual Use**
Aug 08 - Unit Issuance	2,000	$1.50	2,458	Working capital	As intended
Jan 09 - Unit Issuance	27,273	$0.11	2,393	Working capital	As intended
Feb09 - Unit Issuance	13,636	$0.11	1,197	Working capital	As intended
Oct 09 - Warrant Exercise	5,000	$0.18	845	Working capital & Llanchaue drilling	As intended
Dec 09 - Warrant Exercise	5,600	$0.18	951	Working Capital including advancing San Jorge	As intended
Jun 10 – Unit Issuance	12,500	$0.36	$4,203	San Jorge Payment and working capital	Payment made

4.4 Contractual Obligations

The following table shows the contractual obligations of the Company including property options payments as at December 31, 2010:

Table 11: - Contractual Obligations ($000's)	**2011**	**2012**	**Thereafter**	**Total**
Operating lease	36	-	-	36
Property Option Payments[1]	4,000	5,000	5,000	14,000
	4,036	**5,000**	**5,000**	**14,036**

[1] The deemed value of 1,000,000 common shares is deductible from the final payment on San Jorge (refer to section 3.2 and to note 5 of the Financial Statements for full details of the option agreement). The property is also subject to an 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. The $16 million payments noted above are however deductible from this obligation. 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. Although no property options payments are due on Chacay it is subject to a 2% net profits interest, with a $2 million cap.

As of December 31, 2010 the Company had no significant commitments for capital expenditures. Should the Company be successful in obtaining EIS ratification for San Jorge it will look to undertake a pre-feasibility study to meet its corporate objective of developing the project.

Property Option Payments – San Jorge:
In February 2009, the San Jorge Option Agreement was amended. The amended terms require payments as follows: $500,000 in May 2009 (paid); $2,000,000 in May 2010, $4,000,000 in May 2011, $5,000,000 in May 2012, and $5,000,000 in May 2013, less the aggregate deemed value of the 1,000,000 common shares of Coro previously issued. If, after May 10, 2011, the Company completes a Bankable Feasibility Study on either the Heap Leachable Copper Resources or the Sulphide Copper Resources, or a combination of both, the Company shall pay the balance of any amounts owing within six months from the date of completion of the Bankable Feasibility Study. $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.

5 2010 EXPENDITURES REVIEW

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

Table 12: ($000's)				**Quarterly**						**Full Year**	
Expenditures summary	**Q109**	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**2008**	**2009**	**2010**
Net Sales	-	-	-	-	-	-	-	-	-	-	-
Exploration costs (section 2.3.2)	188	183	80	336	234	363	115	338	3,173	787	1,050
Corporate costs	177	136	145	181	139	174	299	259	1,244	639	871
Depreciation and amortization	13	12	13	5	5	5	5	5	82	43	20
Foreign exchange loss (gain)	(180)	(114)	(82)	11	(68)	(6)	(120)	(184)	(117)	(365)	(378)
Gain on disposal	-	-	-	-	-	-	-	(4,814)	(1,290)	-	(4,814)
Gain on warrants revaluation	-	-	-	(328)	(11)	249	(245)	(1,814)	264	(328)	(1,821)
Unrealized gain on held-for-trading								(5,795)			(5,795)
Interest income	(4)	(5)	(8)	(2)	(2)	(2)	(5)	(3)	(116)	(19)	(12)
Stock-based compensation	64	21	39	181	80	40	43	55	275	305	218
Writedown of deferred costs	-	-	-	-	-	-	-	-	3,983	-	-
Earnings (loss) before tax and equity earnings	(258)	(233)	(187)	(384)	(377)	(823)	(92)	11,953	(7,498)	(1,062)	10,661
Future income tax (expense)	-	-	-	-	-	-	-	(276)	-	-	(276)
Equity loss & dilution gains	(55)	17	(21)	832	(166)	(406)	(60)	1,154	(210)	773	522
Earning (loss)	(313)	(216)	(208)	448	(543)	(1,229)	(152)	12,831	(7,708)	(289)	10,907
Basic earnings (loss) per share	$0.00	$0.00	$0.00	$0.00	$0.00	$(0.01)	$0.00	$0.05	$(0.20)	$0.00	$0.11
Fully diluted earnings (loss) per share					Non-applicable						$0.09

Quarterly Discussion:

As the Company is in the exploration and development stage it has no sales or revenues. Exploration expenditures are further explained in section 2.3.

Quarterly corporate costs up to Q210 were lower as a result of certain Officers reducing their fees in an effort to preserve the Company's treasury during the recession. Corporate costs also rose in the Q310 due to an increase in legal and professional fees.

The foreign exchange gain in Q410 is partially attributable to the depreciation in the Argentine Peso versus the US Dollar which effectively reduces the Company's FIT liability that is considered to be denominated in Argentine Pesos. The Argentine Peso continued to depreciate in Q310 and combined with the foreign exchange gains on Canadian dollar holdings resulted in a large overall gain in Q410.

The gain on disposal in Q410 relates to the disposition of 5,850,000 common shares of VHV at a price of CA$1.10 for gross proceeds of CA$6,435,000. The other gains are from the initial and subsequent revaluation of the 1,525,000 VHV warrants that were received in December 2009 (refer section 4.2).

Table 13: ($000's)- VHV Warrants valuation	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**
Opening Balance	-	343	354	105	350
Closing Balance	343	354	105	350	2,164
Gain (Loss)	**343**	**11**	**(249)**	**245**	**1,814**

In 2010, the VHV's share price appreciated which caused the realization of a mark to market gain.

The unrealized gain on held-for-trading securities relates to the mark to market adjustment for the remaining shares held in VHV. Prior to the disposition of 5,850,000 VHV shares, Coro held 9,140,353 shares and 1,525,000 warrants in VHV and had been equity accounting for this investment. As a result of the disposition of VHV shares the Company no longer equity accounts for this investment and treats it as held for trading. Under this treatment the investment is marked to market with gains or losses recorded in the Statement of Loss and Deficit. As at December 31, 2010 $5.8 million was recognized as a gain.

The write-down 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.

Equity and dilution losses (gains) represent the Company's share of the losses from VHV and dilution losses (gains) as a result of VHV issuing more common shares. The increase in equity losses is due the increased activity at the VHV's Cordero property after the discovery hole in 2009. In Q4 2009, the Company recorded a large dilution gain as a result of the financing that VHV undertook in December 2009. The work program at Cordero increased between April 1 and June 30 resulting in increased equity losses to Coro.

Table 14: ($000's) - Equity and dilution loss	Q109	Q209	Q309	Q409	Q110	Q210	Q310	Q410
Equity gains (losses)	-	17	-	(137)	(162)	(434)	(89)	(45)
Dilution	(55)	-	(21)	969	(4)	28	29	1,199
Total	**(55**	**17**	**(21)**	**832**	**(166)**	**(406)**	**(60)**	**1,154**

Annual Discussion:
Year ended December 31, 2010 vs. year ended December 31, 2009
Exploration costs for the year ended December 31, 2010 compared with the costs for the year ended December 31, 2009 are up slightly as a result of the drill programs and Titan IP survey at Chacay. Corporate costs are up slightly in 2010 due to the increase in legal and professional fees coupled with the lapse of management agreements to forgo salary during the recession. The earnings in 2010 were principally due to the realized and unrealized gains on the VHV investment that did not exist in 2009.

Year ended December 31, 2009 vs. year ended December 31, 2008
Exploration costs in 2009 were significantly lower than 2008 due to both the economic climate and the 2008 costs associated with evaluating Cerro Negro. Corporate costs are also well down as a result of certain Officers forgoing compensation to preserve the Company's treasury. Also included in 2008 was the gain on disposition of the Mexico assets to VHV which had previously been expensed.

Related Party Disclosure:
As at December 31, 2010, rent and administrative fees of $23,446 (2009: $12,566) were charged by Coro to VHV. For the nine months ended December 31, 2010, rent and administrative fees of $71,000 (2009: $34,000) were charged by Coro to VHV.

6 RISKS AND CRITICAL ACCOUNTING ESTIMATES & POLICIES

For a full version of the critical accounting estimates and policies reference should be made to the Company's audited financial statements for the year ended December 31, 2010, which are available on the Company's website at www.corommining.com. In addition, reference should be made to the most recently filed Annual Information Form available on SEDAR at www.sedar.com.

6.1 Nature of Operations

In the second quarter of 2010, the Company was able to re-establish its working capital through the completion of a CA$4.5 non-brokered private placement. These funds allowed the Company to continue to advance the San Jorge project through the permitting process. In addition subsequent to year end, the exercise of warrants and disposition of VHV shares has provide additional funding. The Company will be required to raise additional funds to meet payment obligations in respect of the San Jorge property, in future years, and continue the development and construction of the San Jorge project. 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.

6.2 Environmental Permitting at San Jorge

The Company is in the process of seeking ratification of San Jorge's EIS in Mendoza, Argentina, the ratification of which will determine whether the Company is able to build and operate a mine at San Jorge. The outcome of this ratification process will have a significant impact of the Company's ability to develop the San Jorge project and, if approved, how it is developed. The Company has currently deferred its costs associated with San Jorge, in the event that the EIS is not ratified, significant doubt will exist as to whether the Company will be able to recover these costs. In addition, the ability to continue to finance the Company may be impaired in the event that Company's development of San Jorge is stalled or restricted.

6.3 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.

<u>Status of Changeover Plan:</u>

The Company has conducted an initial scoping study on the effect that the adoption of IFRS over the last twelve months. The following table provides a summary of the changeover plan, the key elements involved and the status of these tasks:

Key Element	
Accounting Policies	Management has performed an initial review of its accounting policies and the impact of adopting IFRS. During 2010, the Company performed a more comprehensive review of its accounting policies and the requirements of IFRS in respect of mineral property interests, stock-based compensation, functional currency and future income taxes. For the first quarter of 2011, the Company expects that some changes will be required to its capitalized development costs in respect of San Jorge project, its determination of stock-based compensation and the calculation of the Company's future income tax liability. These differences will be reported in the first quarter of 2011.

2010 MD&A (expressed in U.S. Dollars)

Information technology and data systems	The review of the Company's information and data systems suggest that they are sufficient and no significant changes will be required to either capture information required under IFRS or report under IFRS.
Internal control over financial reporting	The final impact on the Company's internal control over financial reporting will not be able to be fully assessed until the final accounting policies under IFRS is implemented. Notwithstanding, given the Company's stage of development the Company does not consider that the adoption of IFRS will have a significant impact on the Company's internal control over financial reporting.
Disclosure controls and procedures	Due to the Company's stage of development the Company does not believe that it will require significant revisions to its control environment for changes in processes and controls as a result of the transition to IFRS.
Financial reporting expertise	The Company has performed an assessment of the financial expertise required to adopt IFRS and considers that it has sufficient in house resources to review the requirements of IFRS, and assess any required adjustments to the opening balance sheet under IFRS. The Company provided additional training to staff in 2010 on IFRS and its requirements. The Company also intends to consult on a frequent basis with its Auditors to ensure its assessments on the adoption of IFRS are accurate.
Business activities	Due to the Company's stage of development the Company's underlying agreements have little to no reference to GAAP measures such as debt covenants etc and therefore it is expected that the adoption of IFRS will have no significant impact on the Company's business activities. As the Company's final IFRS accounting policies are developed and adopted, the Company will consider their impact on all material agreements prior to adoption.

Recent Accounting Pronouncements

Business Combinations

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

Consolidated Financial Statements and Non-Controlling Interests

In January 2009, the CICA issued Handbook Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling Interests", which together replaced Section 1600, "Consolidated Financial Statements". These two Sections are the equivalent to the corresponding provisions of International Accounting Standard 27, "Consolidated and Separate Financial Statements" (January 2008). Section 1602 applies to the accounting for non-controlling interests and transactions with non-controlling interest holders in consolidated financial statements. The new Sections require that, for each business combination, the acquirer measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The new Sections also require non-controlling interest to be presented as a separate component of shareholders' equity.

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

2010 MD&A (expressed in U.S. Dollars) TSX Symbol: COP

6.4 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.

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.

Management has concluded that, as at December 31, 2010, 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.

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 quarter ended December 31, 2010 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.

6.5 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.

6.6 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.

6.7 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.

6.8 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.

6.9 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.

6.10 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 its San Jorge property. To earn its 100% interest in the 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 property and forfeit any funds expended to such time.

6.11 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.

6.12 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.

6.13 Critical Accounting Policies

Foreign currency translation

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

(i) Monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date;

(ii) Non-monetary assets and liabilities, and equity are translated at historical rates; and

(iii) Revenue and expense items are translated at the rate of exchange prevailing at the time of the transaction or at average exchange rates during the period as appropriate.

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

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 it 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).

7 SUMMARY OF FINANCIAL PERFORMANCE AND FINANCIAL POSITION (UNAUDITED)

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

Table 13: ($000's)	Summary of Financial Performance										
	Quarterly								Full Year		
	Q109	**Q209**	**Q309**	**Q409**	**Q110**	**Q210**	**Q310**	**Q410**	**2008**	**2009**	**2010**
Total Revenues	-	-	-	-					-	-	-
Exploration Expenditures											
Administration costs	74	32	50	67	63	63	31	42	464	223	199
Consulting, lab.& prof. fees	53	39	20	83	58	42	61	91	1.530	195	253
Drilling and trenching	-	46	-	155	67	-	-	158	9	201	225
Property investigations	51	33	7	19	39	194	17	25	387	110	276
Property acquisition costs	-	25	-	-	-	48	-	-	715	25	48
Travel & accommodation	10	8	3	12	8	16	5	20	68	33	49
Total Exploration Costs	188	183	80	336	234	363	115	337	3,173	787	1,050
Development Expenditures											
Engineering	-	3	-	-	-	-	50	6	699	3	56
Environmental	-	14	24	102	10	6	64	-	351	140	80
General & administration	298	277	282	162	78	275	357	583	1,354	1,019	1,294
Geology	43	68	76	47	54	70	72	92	507	234	288
Metallurgy	-	8	8	10	-	-	-	-	98	26	-
Mine Planning	-	-	-	-	-	-	-	-	(96)	-	-
Property acquisition costs	-	769	-	-	-	3,077	-	-	1,351	769	3,077
Total costs capitalised	341	(1,139)	390	321	142	3,428	543	682	4,372	2,191	4,795
Other Expenses											
Corporate costs	177	136	145	181	139	174	299	259	1,243	639	871
Depreciation	13	12	13	5	5	5	5	5	83	43	20
Foreign exchange loss (gain)	(180)	(114)	(82)	11	(68)	(6)	(120)	(184)	(118)	(365)	(378)
Gain on disposal	-	-	-	-	-	-	-	(4,814)	(1,290)	-	(4,814)
Interest income	(4)	(5)	(8)	(2)	(2)	(2)	(5)	(3)	(116)	(19)	(12)
Stock-based compensation	64	21	39	182	80	40	43	55	275	305	218
Loss (Gain) on warrants valuation	-	-	-	(328)	(11)	249	(245)	(1,814)	-	(328)	(1,821)
Unrealized gain on held-for-trading	-	-	-	-	-	-	-	(5,795)	-	-	(5,795)
Writedown of deferred costs	-	-	-	-	-	-	-	-	3,983	-	-
Earnings before tax and equity earnings	(258)	(233)	(187)	(385)	(377)	(823)	(92)	11,953	(7,498)	(1,062)	10,661
Future income tax (expense)	-	-	-	-	-	-	-	(276)	-	-	(276)
Equity earnings and dilution gains	(55)	17	(21)	832	(166)	(405)	(60)	1,154	(210)	773	522
Earnings (loss)	(313)	(216)	(208)	448	(543)	(1,229)	(152)	12,831	(7,708)	(289)	10,907
Basic earnings (loss) per share	$0.00	$0.00	$0.00	$0.01	$(0.01)	$(0.01)	$0.00	$0.05	$(0.20)	$(0.01)	$0.05
Fully diluted earnings (loss) per share	Non-applicable										$0.04
Exploration Expenditures by project											
Chile:											
Andrea	21	140	8	-	1	-	-	-	186	168	1
Flores	32	11	1	2	4	82	17	77	919	46	180
General	76	36	54	46	72	94	68	25	1,515	212	259
Llancahue	-	-	-	156	9	2	5	1	-	156	17
Chacay	-	-	-	121	140	177	25	231	-	121	573
Talca	59	(4)	17	11	9	8	-	3	118	84	20
	188	183	80	-	235	363	115	337	2,737	787	1,050
Mexico:	-	-	-	-	-	-			435	-	-
Total exploration	**188**	**183**	**80**	**336**	**235**	**363**	**115**	**337**	**3,173**	**787**	**1,050**

Table 13: ($000's)				Summary of Financial Position					
	Q408	Q109	Q209	Q309	Q409	Q110	Q210	Q310	Q410
Financial Position									
Assets									
Cash and cash equivalents	$351	$2,923	$1,602	1,076	2,116	1,807	3,241	2,617	7,985
AR and prepaids	77	56	47	48	77	50	32	43	84
Other assets	-	-	-	-	-	-	-	-	8,979
Total Current Assets	428	2,979	1,649	1,124	2,193	1,857	3,273	2,660	17,048
Property, plant and equipment	710	678	680	665	647	641	634	628	625
Mineral property interests	15,862	16,203	17,342	17,733	18,053	18,195	21,624	22,167	22,848
Other assets	1,163	1,109	1,126	1,105	2,279	2,124	1,470	1,654	-
Total Assets	18,163	20,969	20,797	20,627	23,172	22,817	27,001	27,109	40,521
Liabilities									
AP and accrued liabilities	877	475	267	233	386	377	405	544	577
Future income tax	-	-	-	-	-	-	-	-	276
Future income tax liability	1,251	1,163	1,391	1,368	1,401	1,370	2,425	2,407	2,396
	2,128	1,638	1,658	1,601	1,787	1,747	2,830	2,951	3,249
Shareholders' Equity									
Common shares	33,085	35,198	35,198	35,253	37,682	37,849	41,716	41,827	42,090
Contributed surplus	1,652	3,147	3,171	3,211	2,694	2,755	3,218	3,246	3,266
AOCI	475	475	475	475	475	475	475	475	475
Deficit	(19,177)	(19,489)	(19,705)	(19,913)	(19,466)	(20,009)	(21,238)	(21,390)	(8,559)
Total Shareholders' Equity	16,035	19,331	19,139	19,026	21,385	21,070	24,171	24,158	37,272
Total Liabilities and Equity	18,163	20,969	20,797	20,627	23,172	22,817	27,001	27,109	40,521
Weighted average # of shares (000's)	38,563	66,138	79,471	79,576	77,459	91,183	93,344	104,275	99,094
Working Capital	(449)	2,505	1,382	449	1,807	1,480	2,867	2,116	16,471
Cash flows from:									
Operating activities	(726)	(238)	(361)	(181)	(542)	(298)	(430)	(299)	(558)
Financing activities	-	3,545	(8)	45	1,834	138	4,213	121	225
Investing activities	(1,206)	(735)	(952)	(390)	(252)	(149)	(2,348)	(446)	5,700
Effect of exchange rate movements	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash	$(1,932)	2,572	(1,321)	(526)	1,040	(309)	1,435	(624)	5,367

Selected Annual Information (In Canadian Dollars ($000's))	**2007**	**2008**	**2009**	**2010**
Net sales or revenues	-	-	-	-
Earnings (loss) before discontinued operations	(5,859)	(7,708)	(289)	10,907
Earnings (loss) before discontinued operations per-share	(0.04)	(0.20)	(0.00)	0.11
Earnings (loss) before discontinued operations diluted per-share	(0.04)	(0.20)	(0.00)	0.09
Net earnings (loss)	(5,859)	(7,708)	(289)	10,907
Net earnings (loss) per-share	(0.04)	(0.20)	(0.00)	0.11
Net earnings (loss) diluted per-share	(0.04)	(0.20)	(0.00)	0.09
Total assets	22,645	18,163	23,172	40,521
Total long-term financial liabilities	-	-	-	-
Cash dividends declared	-	-	-	-