



March 20, 2008

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 2007 prospectus. 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, 2007.

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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 commenced activities in 2005. In July 2007, the Company completed its initial public offering (“IPO”) and listed on the Toronto Stock Exchange, under the symbol “COP”. As at March 19, 2008 the Company had 36,209,439 shares outstanding and had a market capitalization of CA\$43.5 million.

The Company has its registered corporate office based in Vancouver, Canada with its principal exploration and development team located in Santiago, Chile to assess opportunities in Latin America, principally Argentina and Chile. In Argentina, the Company is currently developing its medium sized San Jorge porphyry copper-gold deposit, located in Mendoza, west-central Argentina. The Company is acquiring a 100% interest in San Jorge through an option agreement dated August 2006.

In 2007, the Company completed a 43-101 compliant resource estimate (subsequently updated January 2008). The current measured and indicated resources, using a 0.30% cut off, are 0.93 million tonnes of contained copper and 1.2 million ounces of gold. The Company has commissioned GRD Minproc to undertake an independent preliminary economic assessment (“PEA”) of a flotation only operation to produce 35-50,000 tonnes of contained copper per year from the enriched and sulphide portion of the ore body. In June 2007, the Mendoza Provincial Legislature passed legislation banning the use of sulphuric acid in any mining activity in the province, which in principle does not preclude conventional flotation treatment. Sulphuric acid is the principal agent generally used in the processing of oxide ore. The Company is challenging the constitutionality of this legislation through the courts in an attempt to have this legislation amended (refer to section 3.2). The inability to process the oxide portion of the ore body means that the oxides have to be treated as waste which impacts the economics of the project.

Prior to the introduction of the legislation banning the use of sulphuric acid, the Company had commissioned an independent pre-feasibility study (“PFS”) on a leach only operation to produce 25,000 tonnes of cathode per year. The results of this study and the PEA are expected to be released during the second quarter of 2008.

In February 2008, Coro entered into an option agreement to acquire the Cerro Negro copper mine, located in Region V of Chile. Cerro Negro comprises 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. Current design capacity is 6,000 tonnes of copper cathode, 9,600 tonnes of copper-silver concentrate, and 4,200 tonnes of copper sulphate per year. Under the terms of the option agreement, the Company will have until March 24, 2008 to complete a preliminary evaluation, after which it may enter into an initial due diligence period of 105 days by paying \$1.0 million. On or before July 7, 2008, the Company may elect to proceed to a second stage due diligence by paying a further \$1.0 million. On or before September 18, 2008, the Company may exercise its option to acquire 100% of Cerro Negro by agreeing to pay the balance of \$38 million. The sellers of Cerro Negro have also agreed that at the date of exercise of the option, Cerro Negro will have a minimum of \$10.0 million in cash and cash equivalents.

In Chile, the Company is currently exploring and developing its Flores group of properties which include the Barreal Seco deposit and Salvador, Celeste and Flor de Lirio properties. The Barreal Seco IOCG type deposit, of which Coro is acquiring 75%, is located on the boundary of Regions II & III, in Chile. In May 2007, a 43-101 compliant resource estimate was completed that indicated a measured and indicated leachable resource, using a 0.30% cutoff, of 351 million pounds of copper. The nearby Salvador IOCG type deposit is located 17km southwest of the Barreal Seco deposit, and an initial resource 43-101 compliant resource statement is expected in the second quarter of 2008.

An internal evaluation of a central processing facility for the Flores group of properties is currently being undertaken and is expected to be completed in the second quarter of 2008. The Barreal Seco deposit is also situated 20km southwest from Centenario’s Franke leachable copper deposit that is currently under construction.

In South Central Chile, the Company is also acquiring 100% of the Andrea group of properties located in the Region VII of Chile, which comprises two exploitation claims totalling 670 hectares. The Company has also staked a number of areas (42,300 hectares) in South Central Chile which it believes is an under explored copper porphyry belt.



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 Global's Copper Relincho property.

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 Company is also focused on achieving near term cash flow either through its pipeline of development projects or acquisitions.

The Corporation's strategy is to become a mid-tier copper producer. It intends to do this by identifying, securing and developing resources containing a minimum of 200,000 tonnes of contained copper that are located in areas with established infrastructure. Coro's business model focuses on advancing multiple smaller individual assets that are at different stages which should result in projects that are easier to finance, construct and generate positive cash flow in a shorter period of time. As Coro is a development stage company, its focus is on projects that are too small for established mining companies to place into production. 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.

Coro's focus on copper stems from its management's team extensive experience with the base metal and the belief that the price of copper will remain high due to strong demand from developing countries such as China and India.

2 KEY PERSONNEL AND COMPETENCIES

2.1 Key Personnel

At a time where finding key people in the mining industry is becoming increasingly difficult, Coro has managed to establish a strong management and development team with proven track records in Chile which is ably supported by a well experienced independent Board of Directors.

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.

Our Development Team is led by Juan Carlos Roman (VP of Operations and Development) who has over 25 years of experience in Chile and over 28 years of industry and finance experience. The Development team is comprised of five individuals who have more than 100 years of combined mining experience. This group boasts considerable expertise with involvement in developing Latin American mining projects, including Spence, Collahuasi, Mantos Blancos, Minera Michilla, Miera El Tesoro, El Teniente, San Cristobal, Los Bronces and Minera Disputada.

Our exploration team is led by Angelo Peri (Vice President of Exploration) who has over 22 years of experience in exploration.

2.2 Cash and Financing

As of Feb 29, 2008 the Company had cash and cash equivalents of \$8.3 million (Dec 31, 2007: \$10.0m). As at December 31, 2007 the Company had raised \$28.9 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 (\$8.5 million). A further \$5.1 million has been spent on the acquisition and development of the Flores group of properties. A further \$3.3 million has been spent on exploration in Chile and \$1.5 million in Mexico.



3 MILESTONES AND PROJECT UPDATE

3.1 Milestones / Highlights

- Completed Initial Public Offering (“IPO”) on TSX, raising gross proceeds of CA\$13.5 million (July 2007)
- San Jorge 43-101 Resource Statement and Update
- Barreal Seco 43-101 Resource Statement
- Initiated San Jorge PEA and PFS (completion expected Q208)
- Commenced scoping study on Flores Project
- Acquisition of Andrea Copper Gold Property (November 2007)
- Staked 42,300 hectares in South Central Chile
- Cerro Negro option agreement to purchase operating mine (February 2008)

3.2 San Jorge, Argentina

Company has engaged GRD Minproc to complete 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. This PEA is scheduled for completion in the second quarter of 2008. The Company’s ability to develop the oxide resources at San Jorge was dealt a setback in June 2007 when 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 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 process the oxide resources at San Jorge with sulphuric acid. The claims pursued with the action are related to discrimination, unreasonable prohibition, and excess in the legislation to control an industrial activity. The Government has responded and defended the legislation with the original arguments which led to the law being passed. The next step is to open the case to trial which could take anywhere from seven months to a year to conclude.

Notwithstanding, the Company continues to work towards the completion of an independent 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. In order to incorporate the positive results of recent drilling into a new resource model, the PFS is now expected to be completed in the second quarter of 2008. The current legislation should not impact the development of a flotation only operation and the Company will work with the newly elected Provincial Government to demonstrate that the San Jorge Project can be developed in an environmentally responsible manner to the lasting economic and social benefit of the local community and the Province.

At San Jorge, a 2007 drilling program comprising a total of 27 diamond drill holes for 4,177 meters was completed, aimed at expanding and further defining the in-pit copper/gold resource base. Ten infill holes were drilled within the existing measured and indicated resources and have resulted in improved resource definition and categorization, particularly of the enriched and primary sulphide ore types. They have also provided further confidence in the gold distribution, given that some of the older drill holes were not assayed for gold. Eight of the ten holes ended in sulphide mineralization, which should enable the Company to significantly extend the sulphide resource with future drill programs.

Step out drilling was completed peripheral to the existing measured and indicated resource and was aimed at defining additional oxide and enriched resources, as well as to convert inferred resources to the indicated category. Eight of the seventeen stepout drill holes ended in sulphide mineralization.



In January 2008, the Company updated its resources at San Jorge as shown in Table 1:

Table 1:

San Jorge Project Mineral Resources (at 0.30 % CuT cutoff)

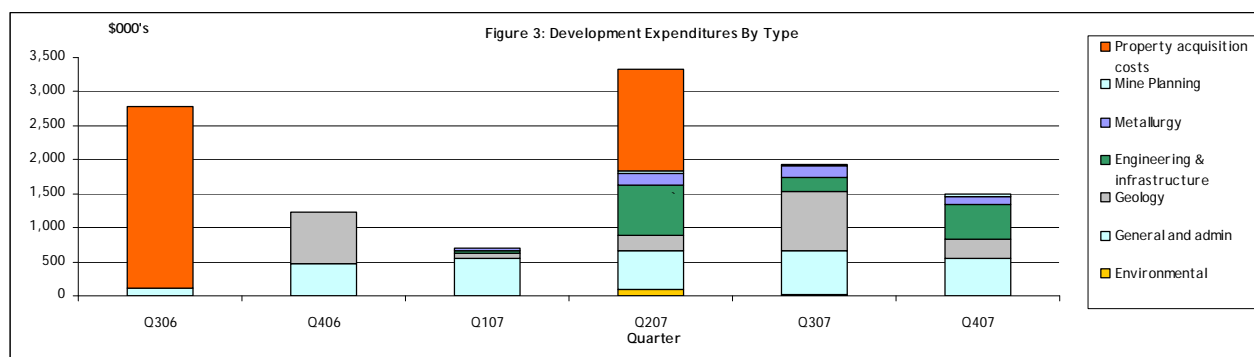
Domain	Category	Tonnage (Ktons)	CuT (%)	CuT Metal (klb)	CuSol (%)	CuCN (%)	Au (g/t)	Au Metal (koz)
Oxide	Measured	19,425	0.59	250,803	77	7	0.23	147
Oxide	Indicated	12,852	0.46	129,223	74	8	0.20	81
Oxide	Measured + Indicated	32,276	0.53	380,026	76	7	0.22	228
Oxide	Inferred	1,054	0.39	9,083	59	13	0.12	4
Enriched	Measured	24,315	0.67	356,763	20	40	0.21	167
Enriched	Indicated	1,648	0.47	17,076	18	35	0.20	11
Enriched	Measured + Indicated	25,963	0.65	373,839	20	40	0.21	177
Enriched	Inferred	395	0.52	4,524	19	25	0.07	1
Primary	Measured	36,043	0.49	391,629	4	5	0.23	272
Primary	Indicated	100,162	0.41	905,486	3	5	0.18	580
Primary	Measured + Indicated	136,205	0.43	1,297,114	4	5	0.19	852
Primary	Inferred	71,524	0.37	578,575	3	6	0.14	332
Total	Measured	79,782	0.57	999,194	28	15	0.22	586
Total	Indicated	114,662	0.42	1,051,785	12	8	0.18	672
Total	Measured + Indicated	194,445	0.48	2,050,979	20	13	0.21	1,257
Total	Inferred	72,974	0.37	592,182	4	8	0.14	337

Resources reported as follows: Copper Cutoff grade for all domains 0.3%. The gold estimates are the average grade for each resource category, since the shorter variographic ranges do not permit the same level of precision as for the copper estimates.

During 2007, the Company was only capitalizing 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.

Table 2: (000’s)

San Jorge Expenditures	Q306	Q406	Quarterly		Q307	Q407	Full Year		LTD
			Q107	Q207			2006	2007	
Engineering & infrastructure	\$-	\$-	\$27	\$727	\$194	\$505	\$-	\$1,453	\$1,453
Environmental	-	2	4	100	26	(3)	2	127	129
General & admin	121	470	540	568	630	557	591	2,295	2,886
Geology	-	762	87	228	884	275	762	1,474	2,236
Metallurgy	-	-	48	175	169	114	-	506	506
Mine Planning	-	-	-	32	27	47	-	106	106
Property acquisition costs	2,669	-	-	1,506	-	-	2,669	1,506	4,175
Total costs capitalized	\$2,790	\$1,234	\$706	\$3,336	\$1,930	\$1,495	4,024	\$7,467	\$11,491



General & administration costs comprise 31% (Q407: 37%), engineering and infrastructure costs comprise 19% (Q407: 34%) and property acquisition costs comprise 20% (Q407: 0%) of the total development spend on San Jorge for the year. The main components of general and administration are a portion of the salary costs of our development team who are working on San Jorge and the provision for value-added taxes (“VAT”) in Argentina. In Argentina, it is possible to get VAT refunded but the process is time consuming and recovery is not necessarily certain. As a result, the Company has elected to fully provide for its VAT receivable and defer these costs as part of the San Jorge project. Any recovery of VAT will be credited against deferred development costs should it arise.

Engineering and infrastructure costs are principally comprised of the costs of the pre-feasibility study, being undertaken in conjunction with Ausenco, for the leach only operation of the oxide and enriched ore at San Jorge. The property acquisition costs relates to payments made to Global Copper under the terms of the option agreement and are comprised of cash payments of \$0.3 million, the deemed value of shares issued \$0.7 million and the assumption of a future income tax liability of \$0.5 million associated with the payments made to Global Copper.

Geology costs during the year include the drill program undertaken in the third quarter to update the 43-101 resource statement noted in table 1. In the later half of the second quarter and in the third quarter the Company completed 4,177 meters of diamond drilling (27 holes). Metallurgy costs include the costs of estimating the predicted leach recoveries and column test work.

3.3 Cerro Negro Option Agreement

In February 2008, Coro entered into an option agreement to acquire the Cerro Negro copper mine. Cerro Negro comprises 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. Current capacity is 6,000 tonnes of copper cathode, 9,600 tonnes of copper-silver concentrate, and 4,200 tonnes of copper sulphate per year. The terms of the option agreement, are discussed in section 1.1.

The Cerro Negro mine is located 37km south east of the town of Cabildo in the Province of Petorca, Region V of Chile, and approximately 210km north of Santiago. The mine is situated within an established mining district and is located approximately 25km northeast of the Anglo American’s El Soldado mine. Cerro Negro is a flat lying manto type deposit hosted by Cretaceous age volcanics and sediments. Oxide ores are mined by open pit methods while sulphide ores are largely produced by underground methods, particularly room and pillar, and smaller satellite ore bodies are selectively underground mined by independent contract miners on a price participation basis.

Operations commenced in 1944, and between 1983 and 1996, Cerro Negro operated exclusively as a 1,200 tonnes per day (“tpd”) concentrator, producing up to 5,000 tonnes per year copper (“tpy”) in concentrates. In 1997, at a time of low copper prices and high costs, Cerro Negro was sold to its employees, and a small copper precipitate plant was subsequently installed. According to the sellers, this leaching operation was converted to Solvent Extraction (SX) in 1999 to produce copper sulphate and in 2001-02 to a 3,000 tpy SX/EW operation; it was further expanded in 2005 to 4,000 tpy capacity and in 2007 to its current capacity of approximately 6,000 tpy copper cathode. Coro has been advised by the sellers that copper in concentrate production has averaged approximately 1,900 tpy since 1998. The toll treatment of oxides is governed by an agreement with Enami which purchases third party ore trucked in from small artisanal mines in the surrounding district.

The seller has also advised that the Enami agreement extends to 2011 and is for production of up to approximately 2,000 tpy Cu in cathode. The foregoing information relating to the Cerro Negro mine has been provided to the Company by the seller but has not yet been independently verified by the Company and is subject to verification by the Company.

3.4 Flores Group, Chile

In May 2007, the Company completed a 43-101 compliant resource on the Barreal Seco deposit part of the Flores Group of Projects. Subsequent to this resource statement the Company has drilled a further 17,968 meters (101 Reverse Circulation (“RC”) holes) into the various Flores properties. An updated resource is expected to be released for the Barreal Seco deposit in the second quarter of 2008 and a 43-101 resource statement is also expected to be established for the Salvadora property in the second quarter of 2008.

At the Barreal Seco deposit, a drilling program comprising a total of 43 Reverse Circulation (“RC”) holes for 8,510 meters was completed during the year, 14 of these holes (3,160 meters) were aimed at converting inferred oxide and primary sulphide resources into the measured and indicated category. A further 18 holes (3,150 meters) were aimed at defining the limits to the existing resource and 11 holes (2,200 meters) exploring geophysical targets on the property. The Company is awaiting the final assay results and expects to release the results of this drill program in the second quarter of 2008.

Barreal Seco's leachable and primary resources, using a 0.30% CuT cutoff, have been estimated as follows (from NI 43-101 Technical Report, dated February 2007, by AMEC Americas Limited). For a full copy of the Barreal Seco Resource reference should be made to the Company's website.

**Table 3:
Barreal Seco's Leachable Resources (at 0.30% CuT cut off)**

Domain	Category	(t)	CuT (%)	CuT Metal (lb)
Oxide	Measured + Indicated	26,289,372	0.561%	325,035,655
Mixed	Indicated	1,429,912	0.551%	17,355,338
Leached	Indicated	1,036,303	0.381%	8,712,955
Total	Measured + Indicated	28,755,587	0.554%	351,103,948
Oxide	Inferred	3,167,888	0.427%	29,842,011
Mixed	Inferred	426,631	0.458%	4,303,130
Leached	Inferred	459,305	0.350%	3,544,285
Total	Inferred	4,053,824	0.422%	37,689,426

At the neighboring Salvadora property a total of 5,828 meters (39 RC holes) were drilled in 2007. For the full results of the drill program reference should be made to the Company's News Release 07-08.

During the third quarter of 2007, the Company completed a first pass drilling program of 19 RC holes (3,630 meters) at Celeste, another of the Flores properties. The first pass program indicated only limited oxide potential and the Company is currently reviewing the sulphide potential at Celeste.

At Barreal Seco, metallurgical tests and crushability tests are expected to be completed in the first quarter of 2008. The Company now anticipates that the scoping study will be evaluating the potential for producing copper cathode from the Flores group of projects. Power, water and acid studies are also currently being completed internally by our development team and are expected to be completed in the first quarter of 2008.

The following table summarizes the quarter by quarter exploration expenditures and indicates the LTD expenditure on the Flores project.

Table 4: (\$000's) Flores Expenditures	Quarterly								Full year		LTD
	Q106	Q206	Q306	Q406	Q107	Q207	Q307	Q407	2006	2007	
Admin costs	\$4	\$3	\$6	\$36	\$9	\$21	\$12	\$15	\$49	\$57	\$106
Consult, lab & prof ¹	-	55	47	137	196	120	118	164	239	598	837
Drilling & trenching	-	18	617	292	13	245	473	203	927	934	1,861
Property investigations	40	67	58	264	221	180	404	45	429	850	1,279
Property acquisition	430	-	58	50	361	10	100	-	538	471	1,009
Travel & accommodation	3	7	29	29	8	17	26	23	68	74	142
Total expenditures	\$477	\$150	\$815	\$808	\$808	\$593	\$1,133	\$450	\$2,250	\$2,984	\$5,234

¹ Consulting, labor and professional fees

Drilling and trenching costs comprise 31% (Q4: 45%), property investigations costs comprise 29% (Q4: 10%) and consulting, labor and professional fees comprise 20% (Q4: 36%) of the total exploration spend on the Flores group of properties. Drilling and trenching costs stem from the 17,968 meters (101 RC holes) (Q4: 3,452m (23 RC holes)) of drilling that were previously discussed. Property investigation costs comprise assay costs and the payment of mining patents (licenses). Consulting, labor and professional fees include the costs of the NI 43-101 compliant resource statement completed in May 2007 on the Barreal Seco deposit by AMEC.

3.5 Other Chilean Exploration

The Gloria prospect, in Chile, comprised two claim blocks, one of which is wholly owned and the other which was under an option agreement. In the fourth quarter a drill program of 674 meters (6 RC holes) was completed. The disappointing results from the drill program have resulted in the Company discontinuing its payments under the option agreement.

At its wholly owned Cerro-Chacay property, located next to Global Copper's Relincho copper/molybdenum porphyry deposit, a short re-assaying program and mag survey was undertaken. The re-assaying indicated that the mineralization, encountered in two holes, comprised mixed copper oxide and chalcocite, exhibiting high total solubility, rather than mixed oxides and primary sulphides as previously inferred.

In November 2007, the Company announced the acquisition of the Andrea Copper Gold Property and the acquisition, by staking, of a number of claim positions in south-central Chile.

The following table summarizes the quarter by quarter expenditures and the life to date expenditure on the Company's other exploration properties in Chile. The costs associated with the Gloria project are also incorporated in the following table.

Table 5: (\$000's) Other Exploration Chile	Quarterly								Full Year		LTD
	Q106	Q206	Q306	Q406	Q107	Q207	Q307	Q407	2006	2007	
Administration costs	\$32	\$45	\$228	\$161	\$70	\$148	\$131	\$387	\$466	\$736	\$1,242
Consult, lab & prof	92	51	64	61	87	126	102	218	268	533	1,031
Drilling & trenching	-	-	-	-	-	-	-	71	-	71	106
Property investigations	12	19	9	53	23	23	16	89	93	151	338
Property acquisition	-	111	-	347	20	313	-	50	458	383	842
Travel & accommodation	6	8	6	8	7	12	16	51	28	86	141
Total exploration costs	\$142	\$234	\$307	\$630	\$207	\$622	\$265	\$866	\$1,313	\$1,960	\$3,700

Consulting, labour & professional fees comprise 27% (Q407: 25%), administration costs comprise 38% (Q407: 45%) and property acquisition costs comprise 20% (Q407: 6%) of the total other exploration costs in Chile during the year. The consulting, labor & professional fees include an allocation for the salary costs associated with running and maintaining the exploration and development office in Chile. Included within administration costs are rent charges and also the provision for VAT in Chile, which accounts for approximately 70% of the total administration cost in exploration. In Chile, it is not

possible to get VAT refunds until the Company commences production and as a result management has taken a full provision against its VAT receivable in Chile. The main property acquisition cost related to the Gloria property.

3.6 Exploration, Mexico

The following table summarizes the quarter by quarter expenditures and the life to date expenditure on exploration properties in Mexico. This table includes the costs associated with the Cordero-Sanson project.

Exploration, Mexico	Quarterly								Full Year		LTD
	Q106	Q206	Q306	Q406	Q107	Q207	Q307	Q407	2006	2007	
Administration costs	\$37	\$20	\$26	\$42	\$29	\$23	\$16	\$32	\$125	\$100	\$291
Consult, lab & prof	33	50	53	65	54	82	41	64	201	241	512
Drilling & trenching	-	-	4	34	-	25	1	-	38	26	64
Property investigations	36	25	22	174	31	13	1	8	257	53	343
Property acquisition	-	50	63	-	88	-	-	-	113	88	206
Travel & accommodation	11	16	13	15	12	14	11	10	55	47	105
Total exploration	\$117	\$161	\$181	\$330	\$214	\$157	\$70	\$114	\$789	\$555	\$1,521

The decrease in exploration spending in Mexico in the third and fourth quarter can be explained by a temporary reduction in labour costs.

In March 2008, the Company entered into a letter of intent with Valley High Ventures Ltd (“VHV”) to transfer Coro Mexico’s properties and exploration activities to VHV. Upon completion of the agreement, Coro shall receive a yet to be determined number of shares of VHV based on Coro’s investment in Mexico. As the activities of Mexico were being expensed in the books of Coro, as they occurred, the Company would look to book a gain on disposal once the transaction is completed. The disposition of Coro properties in Mexico allows the Company to further focus on its opportunities in Chile and Argentina while still retaining an interest in the Mexican properties through its equity investment in VHV.

4 2007 FINANCIAL POSITION REVIEW

4.1 Cash and Working Capital

Cash and Working Capital	Dec-06	Dec-07
Cash and cash equivalents	\$10,074	\$10,025
AR and prepaids	266	326
Other current assets	-	-
AP and accruals	(1,591)	(1,664)
Net working capital	\$8,749	\$8,687

A significant portion of the Company’s working capital position is its cash and cash equivalents. The Company continued funding its exploration and development activities during the year which was offset by the net proceeds from its IPO offering in July of \$11.0 million. The net proceeds of the IPO were intended to be used and are being used to complete its exploration program, a scoping study and a pre-feasibility study on its Flores group of properties and to complete a pre-feasibility study on San Jorge. The proceeds were also used to fund the property acquisitions costs during the remainder of 2007 and provide some additional proceeds for general corporate purposes.

Accounts receivable and prepaids were \$0.3 million (2006: \$0.3m) with the main component relating to interest accrued on short term deposits and VAT in Mexico.



4.2 Other Assets and Liabilities

Table 8: (\$000's)

Other Assets and Liabilities	Dec-06	Dec-07
Property, plant and equipment	\$672	\$787
Mineral property interests	4,024	11,491
Other assets	44	16
Total other assets	4,740	12,294
Future income tax liability	406	934
Total other liabilities	\$406	\$934

Property, plant and equipment increased during the year end due to capital outlays at San Jorge.

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 continues to expense its exploration spend on the Flores group of projects as mineral resources are currently below the Company's designated minimum and the Company does not currently have enough information to make the assessment that it will be able to recover its costs on Flores.

The Company has not taken any provision or writes down on its capitalized costs for San Jorge, as a result of the introduction of the legislation banning the use of toxic chemicals in Mendoza. The Company believes that it has several avenues available to be able to successfully develop the San Jorge project and therefore recover its costs. These include, but are not limited to, having the current legislation amended so that a leach only project using sulphuric acid can be put into production or developing a flotation only operation that does not require the use of sulphuric acid.

The future income tax liability stems from the payments made to Global Copper 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 future income tax liability. The increase in June is due to the property option payment that was paid to Global Copper in the second quarter of 2007.

Total assets as at December 31, 2007 were \$22.6 million (2006: \$15.1m) and total liabilities were \$2.6 million (2006: \$2.0m).

4.3 Equity and Financings

Table 9: (\$000's)

Shareholders' Equity	Dec-06	Dec-07
Common shares	\$18,417	\$30,159
Contributed surplus	126	882
Accumulated other comprehensive income	150	475
Deficit	(5,610)	(11,469)
Total shareholders equity	\$13,083	\$20,047

As at February 29, 2008 and December 31, 2007 the Company had 36,209,439 shares outstanding. Reference should be made to Table 10 and the subsequent commentary for a full understanding of the equity offerings that have occurred to date. As at December 31, 2007 the Company also had 2,630,000 options outstanding with an average exercise price of CA\$0.99. 420,000 warrants were also outstanding with an exercise price of CA\$2.25 that were issued in conjunction with its IPO.

The increase in contributed surplus is due to the accounting costs recorded for stock-based compensation for the twelve months ended December 31, 2007. Also included in contributed surplus is \$0.3 million for the deemed value of 420,000 warrants issued in connection with the Company's IPO.

The movement in accumulated other comprehensive income relates to the movement of the Canadian dollar against the U.S. dollar up to July 10th, 2007 (the IPO date). Under the prior accounting practice the functional currency of the parent

company was the Canadian dollar but this was reassessed after the IPO as the functional currency of the parent Company is now the U.S. dollar (refer to section 9). Therefore after July 10th, 2007 any foreign exchange gains or loss on Canadian dollar holdings are charged directly to the income statement and not to accumulated other comprehensive income.

Table 10:

Equity Financings to December 31, 2007

Description	Shares	Date	Price	Net Proceeds (\$000's)		Total
				Cash	Non-Cash	
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
	36,209,439			\$28,930	\$1,210	\$30,140

For a full description of the equity financings that occurred in 2006, reference should be made to the Company's MD&A for the year ended December 31, 2006. In May 2007, the Company issued 333,333 shares in conjunction with the option agreement on San Jorge.

On July 10, 2007 the Company closed its IPO for 6 million common shares, at an offering price of CA\$2.25 per share, for total gross proceeds of CA\$13.5 million. The common shares of the Company commenced trading on the TSX on July 10, 2007 under the symbol "COP". In addition, in July 2007, 80,000, options were exercised, after completion of the Company's IPO.

In conjunction with the IPO the Company paid 7% cash commission on gross proceeds and issued 420,000 warrants, each entitling the holder to acquire one common share of the Company at a price of CA\$2.25 until July 10, 2008

Future financing considerations

In February 2008, the Company entered into an option agreement to purchase the operating Cerro Negro copper mine in Chile. This option agreement potentially requires total cash payments of \$40.0 million before the end of 2008. The Company believes that it currently has sufficient working capital to make the first two payments of \$1.0 million under the option contract (due in March 2008 and July 2008). The Company has commenced preliminary discussions with lenders and has engaged Auramet Trading LLP to assist with the debt financing of the acquisition cost. The Company intends to complete its due diligence process and develop its financial model for Cerro Negro in order to determine the optimal capital structure of the financing, should a positive investment decision be made.

The sellers have also agreed that at the date of exercise of the option, Cerro Negro will have \$10.0 million in cash or cash equivalents, which has been included in the determination of the \$40.0 million purchase price.



4.4 Property Option Payments

The following table summarizes the property option payments that are payable and have been paid:

Table 11: (\$000's)

Property option payments– December 31, 2007

Year	Argentina	Chile	Chile	Chile	Mexico	Total \$
	San Jorge \$	Andrea \$	Flores \$	Gloria\$	Cordero-Sanson \$	
2006 (paid)	\$300	\$-	\$538	\$463	\$113	\$1,414
2007 (paid)	300	50	461	333	88	1,232
2008	400	100	600	-	100	1,200
2009	-	300	1,963	-	300	2,563
2010	-	1,550	-	-	470	2,020
2011	-	-	-	-	1,920	1,920
Thereafter	-	2,250	-	-	-	2,250
	\$1,000	\$4,250	\$3,562	\$796	\$2,991	\$12,599

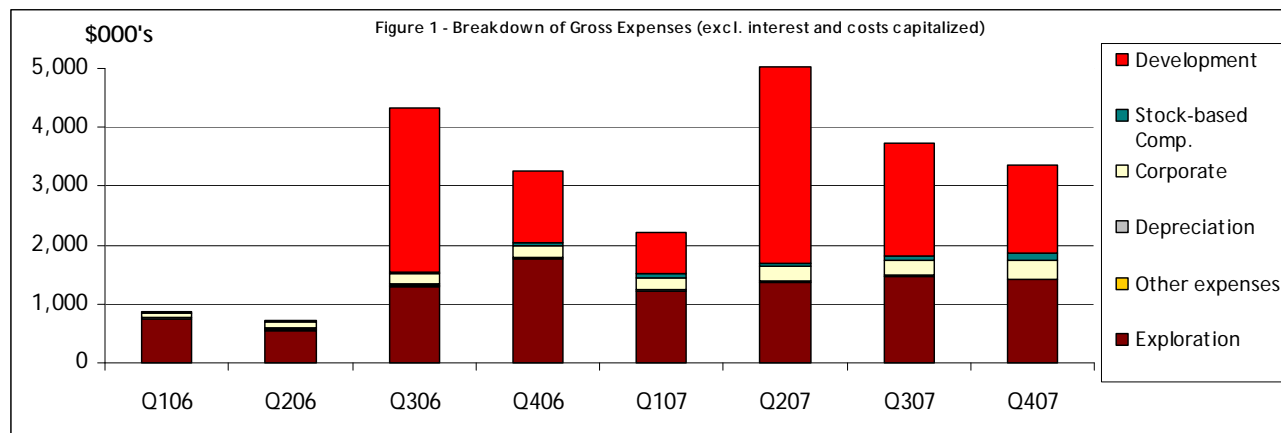
The above property option payment schedule is as at December 31, 2007. In February 2008, Coro entered into an option agreement to acquire 100% ownership of the Cerro Negro copper mine. The option agreement requires total option payments of \$40.0 million over a 10.5 month period (refer section 3.3). These payments are not included in Table 11. This table also does not consider the potential disposition of the Mexican properties (refer section 3.6)

5 2007 EXPENDITURES REVIEW

The following table details the Company's expenditures by quarter.

Table 12: (\$000's)

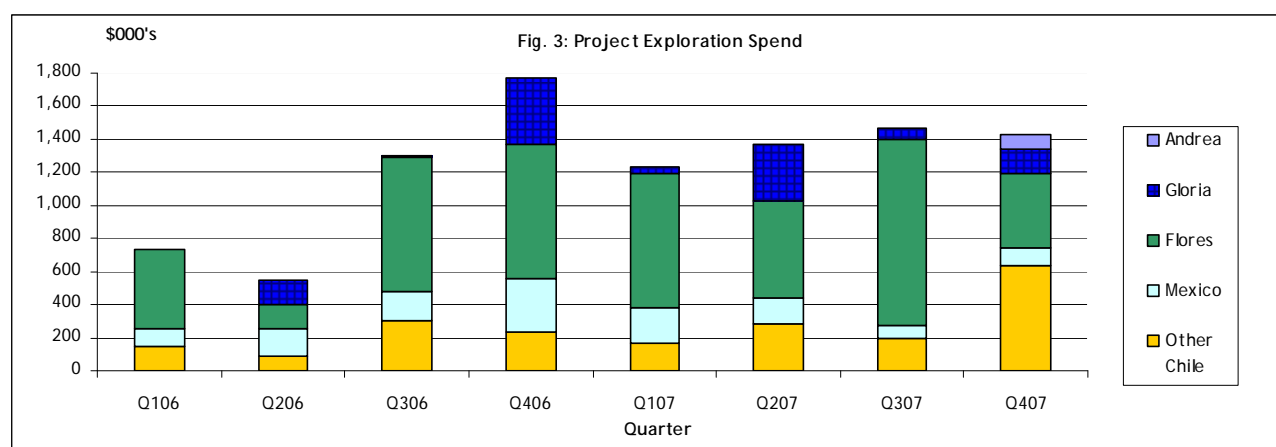
Expenditures summary	Quarterly								Full Year	
	Q106	Q206	Q306	Q406	Q107	Q207	Q307	Q407	2006	2007
Exploration costs	\$737	\$545	\$1,304	\$1,769	\$1,229	\$1,372	\$1,468	\$1,430	\$4,355	\$5,499
Development costs	-	-	2,790	1,234	706	3,336	1,930	1,496	4,024	7,468
Total exploration & development	737	545	4,094	3,003	1,935	4,708	3,398	2,926	8,379	12,967
Development costs capitalized	-	-	(2,790)	(1,234)	(706)	(3,336)	(1,930)	(1,496)	(4,024)	(7,468)
Corporate costs	85	111	179	202	209	242	242	305	577	998
Depreciation and amortization	11	11	11	17	17	17	30	23	50	87
Foreign exchange loss (gain)	18	29	20	(12)	-	(2)	(264)	(354)	55	(620)
Interest income	(40)	(42)	(100)	(108)	(81)	(72)	(150)	(120)	(290)	(423)
Stock-based compensation	13	30	33	47	55	66	70	127	123	318
Net loss	\$824	\$684	\$1,447	\$1,915	\$1,429	\$1,623	\$1,396	\$1,411	\$4,870	\$5,859



Exploration expenditures are further explained in section 5.1, development costs are principally related to San Jorge and are discussed in detail in section 3.2. Interest income is derived from the Company's cash holdings in Canadian and U.S. dollars. The significant increase in the foreign exchange gain in the third and fourth quarters stem from the change in functional currency (explained in section 9) coupled with the significant appreciation in the Canadian dollar against the U.S. dollar over that period.

5.1 Exploration Expenditures

Table 13: (\$000's) Exploration expenditure	Quarterly								Full Year	
	Q106	Q206	Q306	Q406	Q107	Q207	Q307	Q407	2006	2007
By type										
Administration costs	\$73	\$68	\$261	\$237	\$108	\$192	\$159	\$434	\$639	\$893
Consulting, labour & professional fees	126	155	164	263	337	328	261	446	708	1,372
Drilling & trenching	-	18	621	327	13	270	474	274	966	1,031
Property investigations	88	111	89	491	275	216	421	142	779	1,054
Property acquisition costs	430	161	121	398	469	323	100	50	1,110	942
Travel & accommodation	20	32	48	53	27	43	53	84	153	207
Total	\$737	\$545	\$1,304	\$1,769	\$1,229	\$1,372	\$1,468	\$1,430	\$4,355	\$5,499
By project										
Andrea	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$85	\$-	\$85
Flores	477	150	815	808	808	593	1,133	450	2,250	2,984
Gloria	-	142	9	400	36	340	65	149	551	590
Chile – General	143	92	299	231	171	282	200	632	764	1,285
Mexico	117	161	181	330	214	157	70	114	789	555
Total	\$737	\$545	\$1,304	\$1,769	\$1,229	\$1,372	\$1,468	\$1,430	\$4,355	\$5,499



Consulting, labour & professional fees comprise 25% (Q407: 31%), drilling and trenching costs comprise 19% (Q407: 19%) and property investigation costs comprise 19% (Q407: 10%) of the total exploration costs for the year. Salary costs of our exploration team and professional fees associated with the ongoing development of the Flores project account for the majority of the consulting, labour & professional fees. During the year the Company drilled 18,642 meters (107 RC holes) in its exploration properties in Chile. Assays costs associated with the various exploration properties are included in total property investigation costs.

The Flores group of properties accounts for 54% (Q407: 31%) of the total exploration spend on exploration for the year. Chile- General costs include opportunity seeking and administrative costs associated with running an exploration office in Chile.

6 2007 CASHFLOW REVIEW

For the twelve months ended December 31, 2007, cash outflow from operations, after non-cash working capital movements, was \$5.4 million (2006: \$4.3m), which is consistent with the loss for the period. Net proceeds from the IPO in the third quarter explain the cash inflow from financing activities of \$11.4 million (2006: \$12.2m). Cash outflow from investing activities was \$6.4 million for the twelve months ended December 31, 2007 (2006: \$2.9m) as the Company continued to invest in San Jorge.

For the quarter ended December 31, 2007, cash outflow from operations, after non-cash working capital movements, was \$0.9 million (Q4 2006: \$1.5m) which is consistent with the loss for the period. There was no cash inflow from financing activities during either the fourth quarter of 2007 or 2006. Cash outflow from investing activities was \$2.1 million (Q4 2006: \$0.8m) which included deferred development costs of \$2.1 million.

As of December 31, 2007, the Company had \$10.0 million (December 31, 2006: \$10.1m) in cash and cash equivalents. As of February 29, 2008, the Company had cash and cash equivalents of \$8.3 million.

7 OUTLOOK

7.1 Cerro Negro Copper Mine

The main focus of our exploration and development team for the first six months of the year will be completing a thorough evaluation and due diligence of the Cerro Negro mine. Prior to March 24, 2008, the Company will look to complete a "fatal flaw" evaluation on Cerro Negro before committing to the \$1.0 million option payment. Should the Company proceed past this point, the Company will then complete a full due diligence on the existing operation and any potential that might exist for production enhancements and expansions. Upon initial examination, it would also appear there is potential upside from an exploration perspective on the property itself and the surrounding district and Coro will look to thoroughly investigate these opportunities.

During the initial due diligence period, the Company will also further continue its discussions with potential lenders to determine the optimal capital structure of the transaction and to determine how the acquisition cost will be financed. As a result of this focus on Cerro Negro some of the Company's other exploration programs planned for 2008 maybe deferred until late in 2008. Once the Company has established NI 43-101 compliant resources it hopes to provide greater guidance on the operational capability of Cerro Negro.

7.2 San Jorge

The results from the PEA on the flotation of the enriched and primary ore will determine the outlook for the San Jorge project. If positive, the Company will look to proceed to permitting of a flotation operation by the end of 2008 and will continue to demonstrate that the San Jorge project can be developed in a socially and environmentally responsible manner to the benefit of the local community and Province. It will also continue with its legal action against the Provincial Government claiming that the legislation banning the use of sulphuric acid is unconstitutional, in an attempt to improve the economics of the flotation project and avoid treating the oxide resources as waste.

7.3 Flores Group

The Company expects to be able to report on an update to the leachable and primary sulphide resources at Barreal Seco in the second quarter of 2008. It also expects to be able to establish a 43-101 compliant resource statement from the 5,828 meters (39 RC holes) of drilling that was undertaken during 2007 at the Salvadora property. The Company is currently undertaking a scoping study on the Flores group of properties that is expected to be completed in the second quarter of 2008. If positive, an independent pre-feasibility study could be completed by the end of the year.



7.4 Exploration

In Southern Chile, the Company intends to complete internal surface mapping and sampling to confirm targets. The Company will also seek a major company to partner in the exploration of the staked areas in Southern Chile. At Andrea, surface sampling and mapping will continue. The Company will look to drill test Andrea in the second quarter of 2008. At Cerro-Chacay the Company intends to drill test this prospect later in 2008.

8 RISKS

8.1 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.

8.2 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.

8.3 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.

8.4 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.

8.5 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.

8.6 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.

8.7 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 Changes in accounting policy

Effective January 1, 2007, the Company adopted CICA Handbook sections 1530, Comprehensive Income, section 3855, Financial Instruments – Recognition and Measurement, and section 3865, Hedges. These standards require the presentation of a statement of comprehensive income and its components, which is included in the consolidated financial statements starting this period. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available for sale investments, gains and losses on certain derivative instruments and foreign currency gains and losses relating to self-sustaining foreign operations, all of which are not included in the calculation of net earnings until realized. The only impact on the Company of adopting these new standards was the reclassification of the “Currency translation adjustment” account that was included as part of shareholders’ equity to “Accumulated other comprehensive income (loss)”.

CICA also introduced two new standards that impacted the Company, section 1535, Capital Disclosures, and section 3862, Financial Instruments – Disclosures. The Company has elected to early adopt these standards for the year ended December 31, 2007.

Section 1535 – Capital Disclosures

This section establishes standards for disclosing information about the Company’s capital and how it is managed. Under this standard the Company has disclosed the following information based on the information provided internally to the Company’s key management personnel:

- (i) qualitative information about its objectives, policies and processes for managing capital,
- (ii) summary quantitative data about what it manages as capital,
- (iii) whether during the period it complied with any externally imposed capital requirements to which it is subject,
- (iv) when the company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

Section 3862 – Financial Instruments - Disclosures

This section requires the Company to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the Company’s financial position and performance; and (b) the nature and extend of risks arising from financial instruments to which the Company is exposed during the period and at the balance sheet date, and management’s objectives, policies and procedures for managing such risks. The Company has disclosed the measurement basis or bases used, and the criteria used to determine classification for different types of instruments in the notes to the financial statements.

The section requires specific disclosures to be made, including the criteria for:

- (i) designating financial assets and liabilities as held for trading;
- (ii) designating financial assets as available-for-sale; and
- (iii) determining when impairment is recorded against the related financial asset or when an allowance account is used.

9.2 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.

9.3 Estimates, risks and uncertainties

The preparation of the financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported, and disclosed in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Realization of the Company's assets and liabilities is subject to risks and uncertainties, including reserve and resource estimation; future copper and other base and precious metal prices; estimated costs of future production; changes in government legislation and regulations; estimated future income taxes; and the availability of financing and various operational factors.

In determining the stock-based compensation expense management had to estimate both the volatility and vesting provisions of the options issued. In estimating the volatility management considered the volatility of mining companies of similar size and stage of development. As the vesting provisions of the options are from the date of the IPO, management also had to estimate the timing of the IPO.

The determination of when to capitalise costs in respect of the Company's development is also a critical accounting estimate. As at December 31, 2007, the Company has capitalized its costs associated with San Jorge, from the date of the option grant, as it believes that sufficient information is available, to confirm that a resource exists and that this resource may be economically recoverable.

Upon completion of the Company's IPO, the Company reassessed its functional currency and concluded that its functional currency was the U.S. dollar, consistent with the reporting currency. 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 period.

9.4 Disclosure Controls and Internal Control Financial Reporting

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure. Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in the rules of the Canadian Securities Administration, as at December 31, 2007. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in reports filed or submitted by the Company under Canadian securities legislation.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management in its opinion has designed its internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes. The Canadian Securities Administrators do not require any certification on the effectiveness of these controls at this time.

There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2007, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.



9.5 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.



9.6 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

9.7 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 14: (\$000's)

Summary of Financial Position and Performance

Statement of Loss and Deficit	Q106	Q206	Q306	Q406	Q107	Q207	Q307	Q407
Exploration Expenditures								
Administration costs	\$73	\$68	\$261	\$237	\$108	\$192	\$159	\$434
Consulting, labour & professional fees	126	155	164	263	337	328	261	446
Drilling and trenching	-	18	621	327	13	270	474	274
Property investigations	88	111	89	491	275	216	421	142
Property acquisition costs	430	161	121	398	469	323	100	50
Travel & accommodation	20	32	48	53	27	43	53	84
Total Exploration Costs	\$737	\$545	\$1,304	1,769	\$1,229	\$1,372	1,468	\$1,430
Development Expenditures								
Engineering & infrastructure	\$-	\$-	\$-	\$-	\$27	\$727	\$194	\$505
Environmental	-	-	-	2	4	100	26	(3)
General & administration	-	-	121	470	540	568	630	557
Geology	-	-	-	762	87	228	884	275
Metallurgy	-	-	-	-	48	175	169	114
Mine Planning	-	-	-	-	-	32	27	47
Property acquisition costs	-	-	2,669	-	-	1,506	-	-
Total costs capitalised	-	-	2,790	1,234	706	3,336	1,930	1,495
Other Expenses								
Corporate costs	\$85	\$111	\$179	\$202	\$209	\$242	\$242	\$305
Depreciation	11	11	11	17	17	17	30	23
Foreign exchange loss (gain)	18	29	20	(12)	-	(2)	(264)	(354)
Interest income	(40)	(42)	(100)	(108)	(81)	(72)	(150)	(120)
Stock-based compensation	13	30	33	47	55	66	70	127
Net loss	824	684	1,447	1,915	1,429	1,623	1,396	1,411
Basic and diluted loss per share	\$0.04	\$0.03	\$0.06	\$0.06	\$0.05	\$0.05	\$0.04	\$0.04
Financial Position								
Assets								
Cash and cash equivalents	\$4,588	\$4,418	\$12,967	\$10,074	\$7,250	\$4,909	\$13,328	\$10,025
AR and prepaids	91	74	192	266	305	195	314	326
Deferred financing fees	-	-	-	-	165	529	-	-
Total Current Assets	4,679	4,492	13,159	10,340	7,720	5,633	13,642	10,351
Property, plant and equipment	62	61	637	672	685	760	804	787
Mineral property interests	-	-	2,791	4,024	4,730	8,066	9,997	11,491
Other assets	65	58	51	44	37	30	23	16
Total Assets	4,806	4,611	16,638	15,080	13,172	14,489	24,466	22,645
Liabilities								
Accounts payable and accruals	120	167	778	1,591	1,009	2,154	1,949	1,664
Future income tax liability	-	-	406	406	406	934	934	934
Total Liabilities	120	167	1,184	1,997	1,415	3,088	2,883	2,598

Table 14: (\$000's) (continued)**Summary of Financial Position and Performance (continued)**

	Q106	Q206	Q306	Q406	Q107	Q207	Q307	Q407
Shareholders' Equity								
Common shares	5,841	6,087	18,417	18,417	18,417	19,096	30,140	30,159
Contributed surplus	13	42	77	126	199	302	736	882
AOCI	396	563	655	150	180	665	765	475
Deficit	(1,564)	(2,248)	(3,695)	(5,610)	(7,039)	(8,662)	(10,058)	(11,469)
Total Shareholders' Equity	4,686	4,444	15,454	13,083	11,757	11,401	21,583	20,047
Total Liabilities and Equity	4,806	4,611	16,638	15,080	13,172	14,489	24,466	22,645
Weighted average # of shares (000's)	20,006	20,387	25,779	29,796	29,796	29,990	35,535	36,209
Working Capital	4,559	4,325	12,381	8,749	6,711	3,479	11,693	8,687
Cash flows from:								
Operating activities	(831)	(580)	(1,351)	(1,540)	(1,715)	(1,373)	(1,712)	(575)
Financing activities	54	246	11,884	-	(88)	(53)	11,510	-
Investing activities	(10)	(3)	(2,075)	(849)	(1,051)	(1,400)	(1,779)	(2,138)
Effect of exchange rate movements	(3)	167	91	(504)	30	485	400	(590)
Net increase (decrease) in cash	\$(790)	\$(170)	\$8,549	\$(2,893)	\$(2,824)	\$(2,341)	\$8,419	\$(3,303)
Exploration Expenditures by Project								
Chile:								
Andrea	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$85
Flores	477	150	815	808	808	593	1,133	450
Gloria	-	142	9	400	36	340	65	149
General	143	92	299	231	171	282	200	632
	620	384	1,123	1,439	1,015	1,215	1,398	1,316
Mexico:	117	161	181	330	214	157	70	114
Total exploration	\$737	\$545	\$1,304	\$1,769	\$1,229	\$1,372	\$1,468	\$1,430