Consolidated Financial Statements of:

COREX GOLD CORPORATION

(An Exploration Stage Company)

December 31, 2009 and 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

AUDITORS' REPORT TO SHAREHOLDERS

CONSOLIDATED BALANCE SHEETS

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

CONSOLIDATED STATEMENTS OF CASH FLOWS

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#350 - 409 GRANVILLE STREET, VANCOUVER BC V6C 1T2
PHONE: (604) 683-2505 FAX: (604) 683-2506
WEBSITE: www.corexgold.com

COREX GOLD CORPORATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Corex Gold Corporation (An Exploration Stage Company) are the responsibility of the Company's management. The financial statements are prepared in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfils its responsibilities for financial reporting and internal controls through an audit committee. The Audit Committee reviews the results of the audit and the annual financial statements prior to their submission to the Board of Directors for approval.

The consolidated financial statements have been audited by BDO Canada LLP, Chartered Accountants, and their report outlines the scope of their examination and their opinion on the consolidated financial statements.

"Craig Schneider"

Craig Schneider
President and CEO

"Terese Gieselman"

Terese Gieselman
Chief Financial Officer

Tel: 604 688 5421
Fax: 604 688 5132
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

AUDITORS' REPORT

To the Shareholders
Corex Gold Corporation

We have audited the consolidated balance sheets of Corex Gold Corporation as at December 31, 2009 and 2008 and the consolidated statements of loss and deficit, comprehensive loss and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(signed) "BDO CANADA LLP"

Chartered Accountants

Vancouver, Canada
April 27, 2010

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

COREX GOLD CORPORATION
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS
December 31, 2009 and 2008

		December 31 2009		December 31 2008
ASSETS				
Current				
Cash and cash equivalents	$	**2,221,120**	$	959,020
Receivables		**84,804**		50,704
Prepaids – Note 7		**68,126**		22,042
Marketable securities – Note 4		**264**		153
		2,374,314		1,031,919
Equipment – Note 3		**115,784**		99,161
Resource properties – Note 5 and Schedule 1		**1,870,584**		687,722
	$	**4,360,682**	$	1,818,802
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	**138,497**	$	65,401
Share capital – Note 6		**22,606,896**		19,333,702
Contributed surplus -–Note 6		**1,264,874**		968,276
Accumulated other comprehensive loss		**111**		—
Deficit		**(19,649,696)**		(18,548,577)
Total shareholders' equity		**4,222,185**		1,753,401
	$	**4,360,682**	$	1,818,802

Nature of Operations and Ability to Continue as a Going Concern – Note 1
Commitments – Notes 5, 6, 14, and 15
Subsequent events – Note 15

APPROVED BY THE DIRECTORS:

"Craig Schneider" Director
Craig Schneider

"Alan Hitchborn" Director
Alan Hitchborn

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

COREX GOLD CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

		December 31 2009		December 31 2008
ADMINISTRATIVE EXPENSES				
Accounting and legal fees	$	**32,914**	$	70,901
Amortization		**35,028**		45,611
Bank charges and interest		**2,267**		2,622
Consulting fees – Note 7		**426,064**		227,579
Filing fees		**8,739**		9,416
Investor relations, website development and marketing		**36,048**		104,041
Office and administration		**67,163**		66,418
Rent, net – Note 7		**7,036**		35,444
Shareholder communication		**11,877**		3,146
Stock based compensation		**296,598**		125,208
Telephone		**17,976**		23,905
Transfer agent fees		**10,246**		6,265
Travel		**91,000**		35,474
Vehicle		**—**		925
Wages		**42,171**		100,962
Loss before other items		**(1,085,127)**		(857,917)
OTHER ITEMS:				
Interest income		**4,957**		104,137
Other income – Note 5		**58,577**		48,190
Property evaluation		**(49,625)**		(46,138)
(Loss) gain on foreign exchange translation		**(29,901)**		45,575
Gain on option payments and shares received – Note 5		**—**		12,496
Write off of marketable securities - Note 4		**—**		(42,343)
Write off of resource properties - Note 5		**—**		(2,705,146)
Net Loss for the year		**(1,101,119)**		(3,441,146)
Deficit, beginning of year	$	**(18,548,577)**	$	(15,107,431)
Deficit, end of year	$	**(19,649,696)**	$	(18,548,577)
Loss per common share	$	**(0.04)**	$	(0.15)
Weighted average number of common shares	$	**25,866,806**	$	22,921,354

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

COREX GOLD CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

		December 31 2009		December 31 2008
Loss for the year before comprehensive loss	$	**(1,101,119)**	$	(3,441,146)
Unrealized gain on available for sale investments - Note 4		**111**		23,392
Comprehensive loss for the year	$	**(1,101,008)**	$	(3,417,754)

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

COREX GOLD CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

		December 31 2009		December 31 2008
OPERATING ACTIVITIES				
Net loss for the year	$	**(1,101,119)**	$	(3,441,146)
Items not involving cash				
Amortization		**35,028**		45,611
Gain on option payments and shares received		**—**		(12,496)
Stock-based compensation		**296,598**		125,208
Unrealized foreign exchange		**—**		12,317
Write off of marketable securities		**—**		42,343
Write off of resource properties		**—**		2,705,146
		(769,493)		(523,017)
Changes in non-cash working capital items related to operations:				
Receivables		**(34,100)**		(15,992)
Prepaid expenses		**(46,084)**		39,014
Accounts payable and accrued liabilities		**48,073**		2,591
Net cash used in operating activities		**(801,604)**		(497,404)
Cash Flows From Investing Activities				
Purchase of equipment		**(51,651)**		(19,247)
Expenditures on mineral properties		**(1,139,339)**		(1,506,718)
Net cash used in investing activities		**(1,190,990)**		(1,525,965)
Cash Flows from Financing Activities				
Proceeds from issuance of share capital, net of share issue costs		**3,254,694**		—
Net cash provided by financing activities		**3,254,694**		—
Foreign exchange on opening cash and cash equivalents		**—**		(174)
Increase (decrease) in cash		**1,262,100**		(2,023,543)
Cash and cash equivalents beginning of year		**959,020**		2,982,563
Cash and cash equivalents end of year	$	**2,221,120**	$	959,020

…./cont'd

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

Continued

COREX GOLD CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

		December 31 2009		December 31 2008
Supplemental disclosure of cash flow information:				
Cash paid for:				
Interest	$	**—**	$	—
Income taxes				
Cash and cash equivalents represented by:				
Cash	$	**1,690,625**	$	332,045
Banker’s acceptance		**504,045**		600,525
Guaranteed Investment Certificates		**26,450**		26,450
	$	**2,221,120**	$	959,020

Non-cash Transactions – Note 9

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

COREX GOLD CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Common Shares				Contributed		Accumulated		Accumulated Other Comprehensive		
	Number		Amount		Surplus		Deficit		Income		Total
Balance, December 31, 2007	22,921,354	$	19,333,702	$	843,068	$	(15,107,431)	$	(23,392)	$	5,045,947
Stock based compensation	—		—		125,208		—		—		125,208
Unrealized gain on available-for-sale investments – Note 4	—		—		—		—		23,392		23,392
Net loss for the year	—		—		—		(3,441,146)		—		(3,441,146)
Balance December 31, 2008	22,921,354		19,333,702		968,276		(18,548,577)		—		1,753,401
– return to treasury	(2)		—		—		—		—		—
– pursuant to resource property payment	50,000		18,500		—		—		—		18,500
– pursuant to private placement – at $0.20	3,000,000		600,000		—		—		—		600,000
– pursuant to private placement – at $0.50	4,600,000		2,300,000		—		—		—		2,300,000
– pursuant to exercise of warrants – at $0.32	1,430,000		457,600		—		—		—		457,600
Share issue costs	—		(102,906)		—		—		—		(102,906)
Stock based compensation	—		—		296,598		—		—		296,598
Net loss for the year	—		—		—		(1,101,119)		—		(1,101,119)
Unrealized gain on available-for-sale investments – Note 4	—		—		—		—		111		111
Balance, December 31, 2009	**32,001,352**	**$**	**22,606,896**	**$**	**1,264,874**	**$**	**(19,649,696)**	**$**	**111**	**$**	**4,222,185**

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

COREX GOLD CORPORATION **Schedule 1**

(An Exploration Stage Company)
Consolidated Schedule of Resource Properties
December 31, 2009 and 2008

For the period December 31, 2009		Santana Property Mexico
Acquisition costs, beginning of period	$	**47,580**
Shares issued		18,500
Cash payments		106,321
Acquisition costs, end of year		**172,401**
Deferred exploration costs, beginning of year		**640,142**
Drilling		238,151
Field supplies and equipment		98,973
Geological consulting – Note 7		124,130
Geological surveys		274,224
Legal		4,000
Taxes and recording fees		138,425
Mapping		208
Sampling		108,227
Site visits and vehicle costs		70,378
Trenching and roadwork		1,325
Deferred exploration costs, end of period		1,698,183
Total costs, December 31, 2009	**$**	**1,870,584**

Period ended December 31, 2008		Caliche Property Mexico		Cumeral Property Mexico		Santana Property Mexico		Total
Acquisition costs, beginning of year	**$**	**78,810**	**$**	**—**	**$**	**—**	**$**	**78,810**
Cash payments		51,884		15,227		47,580		114,691
Acquisition costs, end of year		**130,694**		**15,227**		**47,580**		**193,501**
Deferred exploration costs, beginning of year		**2,009,262**		**—**		**945**		**2,010,207**
Drilling		78,734		—		99,260		177,994
Field supplies and equipment		21,043		18,296		74,387		113,726
Geological consulting		61,260		7,662		49,902		118,824
Geological surveys		62,013		61,111		229,838		352,962
Legal		1,201		3,330		3,033		7,564
Taxes and recording fees		53,298		29,423		97,147		179,868
Mapping		3,481		255		3,021		6,757
Sampling		72,911		9,780		48,230		130,921
Site visits and vehicle costs		24,321		24,214		34,379		82,914
Trenching and roadwork		17,317		313		—		17,630
Deferred exploration costs, end of year		2,404,841		154,384		640,142		3,199,367
Write-off of resource properties		(2,535,535)		(169,611)		—		(2,705,146)
Total costs, December 31, 2008	**$**	**—**	**$**	**—**	**$**	**687,722**	**$**	**687,722**

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

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

The Company is incorporated under the Company Act of British Columbia, is in the exploration stage and its shares are publicly traded on the TSX Venture Exchange under the symbol CGE.

The Company's resource properties are without a known body of commercial ore. The business of exploring for resources and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amount shown for resource properties is dependent upon the ability of the Company to obtain the necessary financing to complete the exploration and development of the properties, discovery of economically recoverable reserves and future profitable production. There is no assurance that the Company will be successful in recovering the amounts shown for resource properties.

These financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities and commitments in the ordinary course of business. At December 31, 2009, the Company has recurring losses, has an accumulated deficit of $19,649,696 and has not generated cash from operating activities since inception with the exception of the proceeds from a bulk sampling program. The Company will require additional financing in order to conduct its planned work programs on mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in Canada. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. Actual results may differ from these estimates.

The consolidated financial statements have, in management's opinion, been properly prepared within the framework of the significant accounting policies summarized as follows:

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned U.S. subsidiary, Latitude Operating Company (incorporated in Nevada) and its wholly-owned Mexican subsidiary, Corex Global S. de R.L. de C.V. ("Corex Global"). All inter-company transactions and balances have been eliminated.

Cash and Cash Equivalents

Cash and cash equivalents consist of all highly liquid investments that are readily convertible to cash and have maturities of three months or less when purchased.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Equipment

Equipment is recorded at cost and is amortized over their useful lives using the straight-line method with the following annual rates:

Field equipment	10 - 30%
Furniture and equipment	20%
Computer equipment	30%
Vehicles	30%

Resource Properties

The Company capitalizes the cost of acquiring, maintaining its interest, exploring and developing resource properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Proceeds received on the sale of interests in resource properties are credited to the carrying value of the resource properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

Management reviews the carrying value of resource properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

Impairment of Long-lived Assets

Canadian generally accepted accounting principles require that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized and is measured as the excess of the carrying value of the asset over its fair value. Management believes there are no further impairment provisions required for the Company's long-lived assets as at December 31, 2009 and 2008.

Asset Retirement Obligations

The fair value of obligations associated with the retirement of tangible long-lived assets is recorded in the period in which the liability is incurred with a corresponding increase to the carrying amount of the related asset. The obligations recognized are statutory, contractual or legal obligations. The liability is accreted over time for changes in the fair value of the liability through charges to accretion, which is included in depletion, amortization and accretion expense. The costs capitalized to the related assets are amortized in a manner consistent with the depletion and amortization of the related asset. At December 31, 2009 and 2008, the Company did not have any asset retirement obligations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Stock-based Compensation

The fair value of all share purchase options granted is expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

Foreign Currency Translation

The accounts of the non-Canadian subsidiaries, which are considered to be dependent on the Company, and transactions of the Company denominated in foreign currencies, are translated to Canadian dollars using the temporal method. Under this method, monetary assets and liabilities are translated at the current rate of exchange and other assets and liabilities are translated at historical rates of exchange. Revenues and expenses are translated at average rates of exchange for the period, except for depreciation and amortization, which are translated at rates in effect when the related assets were acquired. All exchange gains and losses are recognized in the consolidated statements of loss and deficit.

Loss Per Share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the years presented.

For the period ended December 31, 2009 potentially dilutive common shares (relating to options and warrants outstanding at period-end) totalling 8,870,000 (2008: 4,229,200) were not included in the computation of loss per share because their effect was anti-dilutive.

Future Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely than not that they can be realized.

Future income tax assets and liabilities are measured using substantively enacted tax rates and laws expected to apply in the years in which temporary differences are expected to be recovered or settled. The effect of a change in tax rates on future income tax assets and liabilities is recognized in operations in the period that includes the substantive enactment date. The value of future income tax assets is reviewed annually and adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to assumptions used in determining the fair value of non-cash stock-based compensation, the determination of impairment in mineral properties and valuation allowance relating to future tax assets. Actual results could differ from those estimates.

Financial instruments

All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments and derivatives are measured on the trade date at fair value upon initial recognition. Subsequent measurement depends on the initial classification of the instrument. Held-for-trading financial assets are measured at fair value, with changes in fair value recorded in net income. Available-for-sale financial assets are measured at fair value, with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost. All derivative instruments, including embedded derivatives, are recorded in the balance sheet at fair value unless they qualify for the normal sales and purchases exemption. Changes in the fair value of derivatives that are not exempt are recorded in the statement of operations. Transaction costs on the acquisition of financial assets and liabilities that are classified as other than held-for-trading are expensed in the period in which they occur.

The Company has made the following designations of its financial instruments: cash and cash equivalents as held-for-trading; marketable securities as available-for-sale; receivables as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities.

Comprehensive Income

Comprehensive income is composed of the Company's earnings and other comprehensive income. Other comprehensive income includes unrealized gains and losses on available-for-sale securities, all net of income taxes. Cumulative changes in other comprehensive loss will be included in accumulated other comprehensive loss which is presented as a category in shareholders' equity.

Comparative Figures

Certain financial statement line items from the prior period have been reclassified to conform with current year's presentation

Recently Adopted Accounting Pronouncements

On January 1, 2009, the Company adopted three accounting standards: Handbook Section 3064, Goodwill and Other Intangible Assets, EIC–173, Credit Risk and the Fair Value of financial Assets and Financial Liabilities, and EIC–174, Mining Exploration Costs. The requirements of these new standards are for disclosure purposes only and have not impacted the financial results of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Recently Adopted Accounting Pronouncements (cont'd)

i) Goodwill and Intangible Assets

CICA Handbook Section 3064 replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. The adoption of this new Section did not impact the financial statements.

ii) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the EIC issued EIC–173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", which clarifies that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. EIC–173 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC–173. The Company adopted this recommendation effective for the year ended December 31, 2009. This new standard did not impact the Company's financial results in any period presented.

iii) Mining Exploration Costs

In March 2009, the Emerging Issues Committee ("EIC") issued EIC–174 "Mining Exploration Costs", which provides guidance to mining enterprises related to the measurement of exploration costs and conditions that a mining enterprise should consider when determining the need to perform an impairment review of such costs. The accounting treatments provided in EIC–174 have been applied in the preparation of these financial statements and did not have an impact on the valuation of mineral exploration assets.

iv) Amendments to Section 3862, Financial Instruments – Disclosures

In July, 2009, the CICA approved amendments to section 3862, *Financial Instruments – Disclosures*. The amendments require additional fair value disclosure for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making fair value assessments, as follows:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company adopted the requirements of amendments to Section 3862 in its December 31, 2009 consolidated financial statements (note 10).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Recently Released Accounting Pronouncements

i) Business Combinations

In January 2009, the CICA issued Section 1582 – Business Combinations, which replaces Section 1581 – Business Combinations, and Section 1601 – Consolidated Financial Statements and Section 1602 – Non-Controlling Interests, which replace Section 1600 – Consolidated Financial Statements. These new sections are effective for years beginning on or after January 1, 2011 with earlier adoption permitted. Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. As well acquisition costs are not part of the consideration and are to be expensed when incurred. These new sections are not expected to have a material impact on the Company's financial condition or operating results.

ii) International Financial Reporting Standards ("IFRS")

In 2006, The Canadian Accounting Standards Board ("AcSB") 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, 2010 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2011. The Company continues to monitor and assess the impact of the convergence of Canadian GAAP and IFRS.

3. EQUIPMENT

		December 31, 2009	
	Cost	**Accumulated Amortization**	**Net Book Value**
Field equipment	$136,911	$70,531	$66,380
Furniture and equipment	11,831	11,040	791
Computer equipment	68,785	20,172	48,613
Vehicles	26,221	26,221	—
Total	**$243,748**	**$127,964**	**$115,784**

3. EQUIPMENT (cont'd)

	December 31, 2008		
	Cost	**Accumulated Amortization**	**Net Book Value**
Field equipment	$136,433	$41,505	$94,928
Furniture and equipment	11,021	10,485	536
Computer equipment	18,422	15,763	2,659
Vehicles	26,221	25,183	1,038
Total	$192,097	$92,936	$99,161

4. MARKETABLE SECURITIES

	December 31, 2009			December 31, 2008		
	No. of Shares	**Cost**	**Fair Value**	**No. of Shares**	**Cost**	**Fair Value**
Hemis Gold Corporation		**$**	**$**		**$**	**$**
- Shares available for sale	25,000	12,496	54	25,000	12,496	31
- Restricted shares [1]	100,000	30,000	210	100,000	30,000	122
Total	125,000	42,496	264	125,000	42,496	153

During the period ended December 31, 2009, $Nil (2008: $42,343) was recorded as realized loss on available for sale investments.

[1] These shares are restricted from resale.

5. RESOURCE PROPERTIES

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge titles to all of its properties are in good standing.

MEXICO

Santana Property

On December 11, 2007 the Company signed two property option agreements under which it collectively holds rights to acquire a 100% interest in two contiguous mining concessions. In addition to the concessions under option Corex has staked two additional contiguous concessions and all four are collectively known as the "Santana Property". The Santana Property covers approximately 7,000 hectares and is located approximately 200 kilometers east-southeast of Hermosillo, Sonora, Mexico. Terms of the above stated option agreements are as follows:

5. RESOURCE PROPERTIES (cont'd)

MEXICO (cont'd)

Santana Property (cont'd)

A) Santa Lucia – Option to Purchase Agreement

Amount	Due date	
US$ 3,000	December 11, 2007	(Paid in 2008)
5,000	June 11, 2008	(Paid)
5,000	December 11, 2008	(Paid)
10,000	June 11, 2009	(Paid)
10,000	December 11, 2009	(Paid)
15,000	June 11, 2010	
202,000	December 11, 2010	
US$ 250,000		

B) Hilda 35 Fraccion 1 - Option to Purchase Agreement

Amount	Due date	
US$ 6,000	December 11, 2007	(Paid in 2008)
10,000	June 11, 2008	(Paid)
15,000	December 11, 2008	(Paid)
20,000	June 11, 2009	(Paid)
30,000	December 11, 2009	(Paid)
50,000	June 11, 2010	
75,000	December 11, 2010	
75,000	June 11, 2011	
719,000	December 11, 2011	
US$ 1,000,000		

The Hilda 35 Fraccion 1 is also subject to a 2% net smelter return (NSR). Each 1% NSR can be purchased for US$1,000,000 within the three years following the conclusion of the feasibility study with positive results.

On July 22, 2009 Corex and Virgin Metals Inc. ("Virgin") signed an option agreement under which Corex's Mexican subsidiary was granted an option to acquire from Virgin's Mexican subsidiary a 100% interest in three concessions (the "Hilda Concessions") covering 722 ha. that are contiguous to the northern boundary of Corex's Santana property. To acquire the Hilda Concessions Corex must pay Virgin a total of $340,000, issue Virgin 500,000 common shares and incur $450,000 in exploration expenditures on the Hilda Concessions over a three year period.

Under the option agreement, Corex paid Virgin $25,000 upon execution (paid) and must issue Virgin 50,000 shares upon TSX Venture Exchange acceptance of the agreement (issued on July 30, 2009). In order to exercise the option, Corex must make payments, issue shares, and incur exploration expenditures as follows:

By July 22, 2010	pay $35,000, issue 100,000 shares, incur $100,000 in expenditures
By July 22, 2011	pay $50,000, issue 150,000 shares, incur $150,000 in expenditures
By July 22, 2012	pay $230,000, issue 200,000 shares, incur $200,000 in expenditures
Total	pay $315,000, issue 450,000 shares, incur $450,000 in expenditures

5. RESOURCE PROPERTIES (cont'd)

MEXICO (cont'd)

Santana Property (cont'd)

Upon exercise of the option Virgin will retain a 2% NSR royalty on the Hilda Concessions, which can be acquired by Corex at any time for US$1,500,000. Under the option agreement Virgin has rights to back-in and acquire any mineralized zones on the Hilda Fracc 2 concession that contain copper and molybdenum mineralization assaying not less than 0.05% Mo, provided the zone does not also contain gold mineralization assaying greater than 0.2 g/t Au, by paying Corex three times Corex's exploration expenditures on the ground acquired by Virgin.

The San Lucia, Hilda 35 Fraccion 1 and Hilda Concessions, are collectively referred to as the Santana Property.

Caliche Properties

The Company entered into a Memorandum of Understanding dated December 15, 2006, wherein it was granted an exclusive due diligence period of 45 days to review certain data and information pertaining to an area located in the Sonora State of Mexico, known as the Caliche Property which consists of thirteen contiguous mining concessions of approximately 1,500 hectares. The Company paid the vendor $11,664 (US$10,000) in consideration of the exclusive review period.

On February 7, 2007, the Company entered into two property option agreements to acquire a 100% interest in the Caliche Property. The interest is earned by paying the optionors, collectively, US$1,740,000 over three years as follows:

Amount	Due date	
US$ 30,000	February 7, 2007	(Paid)
30,000	August 7, 2007	(Paid)
50,000	February 7, 2008	(Paid)
50,000	August 7, 2008	
100,000	February 7, 2009	
100,000	August 7, 2009	
1,380,000		
US$ 1,740,000		

As at August 7, 2008 the Company elected not to proceed under the terms of the Agreement and did not make any further payments. As at December 31, 2008, acquisition and deferred exploration costs of $2,535,535 were written off.

Cumeral Property

Corex had staked a mining concession of approximately 13,290 hectares, located in the municipality of Imuris, about 200 kilometers north of Hermosillo, Sonora, Mexico. In addition to the staked claims the Company entered into the following agreements which collectively together are referred to as the "Cumeral Property:

In April 2008, the Company signed a property option agreement under which Corex held the rights to acquire a 100% interest in the Lluvia de Oro mining concession comprised of 660 hectares located in the municipality of Imuris, located approximately 200 kilometers north of Hermosillo, Sonora, Mexico. Terms of the option agreements were as follows:

5. RESOURCE PROPERTIES (cont'd)

MEXICO (cont'd)

Cumeral Property (cont'd)

Amount		Due date	
US$	15,000	April 4, 2008	(Paid)
	18,000	October 4, 2008	
	25,000	April 4, 2009	
	40,000	October 4, 2009	
	60,000	April 4, 2010	
	100,000	October 4, 2010	
	492,000	April 4, 2011	
US$	750,000		

As per the terms of the option to purchase agreement, Lluvia de Oro is subject to a 1% net smelter return. The 1% NSR could be purchased for $1,000,000. During October, 2008 the Company elected not to proceed under the terms of the Agreement and accordingly the acquisition and deferred exploration costs of $169,611 have been written off as at December 31, 2008.

Zuloaga/Santa Rita Properties

As at December 31, 2009, the Company had staked and has a 100% interest in 16,986 hectares in Zacatecas, Mexico that comprises the Zuloaga property and had staked and has a 100% interest in 22,982 hectares in Zacatecas, Mexico that comprises the Santa Rita property.

In June 2006, the Company entered into an option agreement with Hemis Corporation ("Hemis") whereby Hemis could earn a 49% interest in the Santa Rita property by spending US$950,000 in exploration expenditures over a three year term and by issuing the Company 200,000 common shares of Hemis (25,000 shares received as at December 31, 2006). Hemis became a publicly listed entity subsequent to December 31, 2006 and accordingly the market value of the shares when received was not determinable. Effective January 1, 2007 the shares were recorded at their fair value of $12,496 upon adoption of the current financial instruments policy.

On January 25, 2007, the Company entered into an earn-in agreement with Goldcorp Inc.'s Mexican subsidiary, Glamis Exploration S.A. de C.V ("Goldcorp") (the "Earn-In Agreement"). Under the terms of this Earn-In Agreement, Goldcorp has the right to earn up to an 80% interest in the Zuloaga and Santa Rita properties (the "Zuloaga/Santa Rita Property"). The Earn-In Agreement provides for Goldcorp to earn a 70% interest in the Zuloaga/Santa Rita Property by spending at least US$250,000 per year until total expenditures reach US$4,000,000 over a five-year period and paying the Company US$150,000 over an 18 month period (US$50,000 received on signing). During the years ended December 31, 2008 and 2009, the two US$50,000 payments received were recognized as other income. Goldcorp has the option to increase its interest from 70% to 80% upon paying 100% of the expenditures associated with placing the Zuloaga/Santa Rita Property or any part thereof, into commercial production based on a mine development project approved for all or part of the Zuloaga/Santa Rita Property, with 20% to be repayable to Goldcorp from the Company's related project cash-flows, or arranging the proportionate share of a debt financing.

5. RESOURCE PROPERTIES (cont'd)

MEXICO (cont'd)

Zuloaga/Santa Rita Properties (cont'd)

In connection with the above-noted earn-in agreement, the option agreement with Hemis was replaced on January 29, 2007 such that Hemis may earn a 49% interest in whatever interest the Company holds in the Santa Rita property by paying the Company US$1,000,000 over two years with US$200,000 due on signing (received) and issuing the Company 175,000 common shares over an eighteen month period. On June 4, 2007, the Company received 25,000 shares valued at $21,750, the fair market value of the shares at that date.

On September 20, 2007 the Company issued a notice of default wherein Hemis had not made a scheduled US$200,000 payment or issued the 75,000 additional common shares due on or before July 31, 2007. The Company allowed an extension to October 31, 2007 based on the 75,000 common shares, with a fair market value of the shares on that date of $8,250, being issued to the Company on or before October 12, 2007 (received) and the cash payment due on or before October 31, 2007. The cash payment was not received and as such the option agreement with Hemis was terminated effective October 31, 2007.

6. SHARE CAPITAL AND CONTRIBUTED SURPLUS

On June 12, 2009 the Company completed a non-brokered private placement of 3,000,000 Units, at $0.20 per unit for total gross proceeds of $600,000. Each unit consisted of one common share and one share purchase warrant, exercisable by the holder to acquire one additional common share at a price of $0.32 in year one and $0.45 in year two. The warrants are subject to an accelerated expiry which comes into effect once the shares trade above a weighted average price of $0.50 for any twenty consecutive trading-day period in year one, or $0.65 for any twenty consecutive trading-day period in year two, subsequent to four months from Closing. In the event of an accelerated expiry, the expiry date will be the earlier of the regular two year expiry date and 30 days from the date the Company advises the placees of the accelerated expiry.

On September 23, 2009 the 'Company completed a non-brokered private placement for 4,600,000 units at a price of $0.50 per unit, for aggregate gross proceeds of $2,300,000. Each unit consisted of one common share and one warrant, exercisable by the holder to acquire one additional common share at a price of $0.70 for 24 months from Closing. The warrants are subject to an accelerated expiry which comes into effect once the shares trade above a weighted average price of $1.00 for any twenty consecutive trading-day period, subsequent to four months from Closing. In the event of an accelerated expiry, the expiry date will be the earlier of the regular two year expiry date and 30 days from the date the Company advises the placees of the accelerated expiry.

Escrowed Shares:

As at December 31, 2009 and 2008, 5,625 shares are held in escrow, subject to release by regulatory approval.

Commitments:

a) Stock-based Compensation Plan:

The Company has a stock option plan (the "Plan") for officers, directors, employees and consultants whereby a maximum of 10% of the issued shares will be reserved for issuance under the Plan. Options are granted with an exercise price determined by the Board of Directors, which may not be less than the market price of the Company's stock on the date of the grant. The vesting provisions are determined by the Board of Directors and are defined in each stock option agreement.

6. SHARE CAPITAL AND CONTRIBUTED SURPLUS (cont'd)

Commitments: (cont'd)

a) Stock-based Compensation Plan: (cont'd)

	Number	Weighted Average Exercise Price	Weighted Average Life
Balance, December 31, 2007	1,695,409	$0.55	2.03 years
Granted	465,000	$0.40	
Expired	(662,998)	$0.25	
Forfeited	(437,411)	$0.52	
Balance, December 31, 2008	1,060,000	$0.69	3.00 years
Granted	1,000,000	$0.11	
Granted	250,000	$0.25	
Granted	300,000	$0.35	
Granted	90,000	$0.43	
Balance, December 31, 2009	2,700,000	$0.18	4.17 years

At December 31, 2009, 2,700,000 stock options were outstanding and exercisable under the Plan as follows:

Number	Exercise price	Expiry Date
360,000(1)	$0.20	3-Oct-10
335,000(1)	$0.20	14-Feb-12
365,000(1)	$0.20	5-Feb-13
1,000,000	$0.11	2-Feb-14
250,000	$0.25	27-May-14
300,000	$0.35	18-Jun-14
90,000	$0.43	11-Aug-14
2,700,000		

(1) On February 2, 2009, the Company re-priced 1,060,000 stock options with an exercise price between $0.40 - $1.04 per share to an exercise price of $0.20 per share. On August 7, 2009 the Company received shareholder approval on the re-pricing.

During the year ended December 31, 2009, a compensation charge associated with the granting of stock options under the Plan in the amount of $271,752 (2008 - $125,208) was recognized in the financial statements. For purposes of these calculations, the following assumptions were used for the Black-Scholes model:

6. SHARE CAPITAL AND CONTRIBUTED SURPLUS (cont'd)

Commitments: (cont'd)

a) Stock-based Compensation Plan: (cont'd)

	December 31, 2009	December 31, 2008
Risk-free interest rate	2.2% - 2.65	3.34%
Expected dividend yield	0%	0%
Expected stock price volatility	107.43 – 115.59%	95.71%
Expected option life	5 years	5 years

In addition to the grant of options, the Company re-priced 1,060,000 options with exercise prices of $0.40 - $1.04 per share to an exercise price of $0.20 per share. The incremental fair value of stock-based compensation adjustment in the amount of $24,846 (2008 – $Nil) has been charged to the statement of loss and credited to contributed surplus. This incremental value was measured by the difference between the fair value of the modified stock options and the value of the old options immediately before its terms were modified. This value is estimated at the date of grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	December 31, 2009	December 31, 2008
Risk-free interest rate	1.35-2.2%	—
Expected dividend yield	0%	—
Expected stock price volatility	103.23 – 119.72%	—
Expected option life	1.67 – 4.01 years	—

b) Share Purchase Warrants:

At December 31, 2009, 6,170,000 share purchase warrants were outstanding. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Number	Price Per Share	Expiry Date
1,570,000	$0.32/$0.45	June 12, 2011 (1)
4,600,000	$0.70	September 23, 2011

(1) Warrants are exercisable at a price of $0.32 on or before June 12, 2010 and thereafter $0.45 on or before June 12, 2011.

A summary of the changes in the Company's share purchase warrants outstanding for the period ended December 31, 2009 is as follows:

	Number	Weighted Average Exercise Price	Weighted Average Life
Balance , December 31, 2007	3,169,200	$1.21	1.43 years
Balance, December 31, 2008	3,169,200	$1.21	0.43 years
Expired	(3,169,200) (1)	$1.21	0.43 years
Issued	3,000,000	$0.32	2.00 years
Issued	4,600,000	$0.70	2.00 years
Exercised	(1,430,000)	$0.32	2.00 years
Balance, December 31, 2009	6,170,000	$0.55	2.00 years

6. SHARE CAPITAL AND CONTRIBUTED SURPLUS (cont'd)

Commitments: (cont'd)

b) Share Purchase Warrants: (cont'd)

(1) On June 9, 2009 389,000 share purchase warrants at a price of $0.94 and 2,780,000 share purchase warrants at a price of $1.25 expired without exercise.

7. RELATED PARTY TRANSACTIONS

The Company incurred the following amounts charged by (to) directors/officers of the Company and companies controlled by directors/officers of the Company for the period ended:

	December 31, 2009	December 31, 2008
Deferred exploration costs		
Geological consulting fees	$ 89,585	$ 62,760
Consulting fees	238,789	130,250
Rent (recovery)	(58,209)	(25,525)
	$ 270,165	$ 167,485

These charges were measured by the exchange amount which is the amount agreed upon by the transacting parties.

At December 31, 2009, prepaids include $17,850 (2008 - $11,550) of consulting fees paid to a director and officer of the Company.

At December 31, 2009, accounts payable includes $5,119 (2008 - $Nil) of consulting fees owing to a company controlled by an officer of the Company.

8. INCOME TAXES

The Company has accumulated non-capital losses totalling $8,572,000 (2008 – $5,995,000) available to reduce future years' taxable income. These losses expire as follows:

	Canada	Mexico
2013	$ 375,000	$ -
2014	406,000	-
2016	-	460,000
2017	-	1,798,000
2018	-	2,079,000
2019	-	968,000
2025	296,000	
2026	335,000	-
2027	515,000	-
2028	523,000	-
2029	817,000	-
	$ 3,267,000	$ 5,305,000

8. INCOME TAXES (cont'd)

The Company has accumulated capital losses of $215,000 (2008 - $215,000) which may be carried forward indefinitely and applied against future capital gains.

The Company has accumulated Canadian and foreign exploration and development expenditures totalling $3,930,675 (2008 – 3,930,675) available to reduce future years' taxable income. These expenditures carry forward indefinitely and can be applied to taxable income at various rates.

A reconciliation of income taxes at statutory rates is as follows:

	December 31, 2009	December 31, 2008
a) Loss before income taxes	$ (1,101,119)	$ (3,441,146)
Statutory income tax rates	30%	31%
Computed income tax recovery	$ (330,000)	$ (1,067,000)
Foreign income taxed at other than Canadian statutory rate	1,000	86,000
Non-deductible stock-based compensation and other items	96,000	25,000
Effect of reduction in statutory rate	108,000	23,000
Impact of changes in prior year's tax return	(254,000)	-
Foreign exchange gain on revaluation of future income tax asset balances	-	123,000
Share issuance costs	(26,000)	-
Expiry of loss carryforward	54,000	25,000
Increase in valuation allowance	351,000	785,000
Total income taxes (recovery)	$ -	$ -

b) Significant components of the Company's future income tax assets are as follows:

	2009	2008
Non-capital loss carryforwards	$ 2,302,000	$ 1,627,000
Capital loss carryforwards	27,000	28,000
Marketable securities	5,000	-
Resource costs	506,000	952,000
Share issue costs	64,000	10,000
Equipment	29,000	(27,000)
Unrealized F/X gain	8,000	-
	2,941,000	2,590,000
Less: valuation allowance	(2,941,000)	(2,590,000)
	$ -	$ -

The Company has recorded a valuation allowance against its future income tax assets based on the extent that it is more likely-than-not that sufficient taxable income will not be realized during the carry-forward periods to utilize all the future tax assets.

9. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flows. During the year ended December 31, 2009, pursuant to mineral property agreements, the Company issued 50,000 common shares valued at $18,500 as determined by their market prices when issued. Deferred exploration expenditures of $25,023 (2008 - $4,085) was included in accounts payable at December 31, 2009.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, receivables, marketable securities and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair value of the cash and cash equivalents, receivables, accounts payable and accrued liabilities, approximate carrying value because of the short term nature of these instruments.

The fair value hierarchy of financial instruments measured at fair value on the balance sheet is as follows:

	2009	2008
	Level 1	Level 1
Cash and cash equivalents	$2,221,120	$959,020
Marketable securities	264	153
Total	$2,221,384	$959,173

The Company does not have Level 2 or Level 3 inputs as described in the Company's accounting policies.

Of the financial assets listed above, $1,331,682.77 (2008 - $197,023) represents cash held in United States dollars, and $18,934 (2008 – $404) represents cash held in Mexican Pesos. The remaining cash is held in Canadian dollars.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at December 31, 2009 the Company was not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the period in the financial statements is interest income on Canadian dollar cash. As at December 31, 2009, the Company's cash was subject to or exposed to interest rate risk, however, this risk is not significant.

10. FINANCIAL INSTRUMENTS (cont'd)

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balance to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current. The Company addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options.

Currency risk

Cash held in foreign currencies other than the Canadian dollar is subject to currency risk. The Company is exposed to currency risk by incurring certain expenditures in currencies other than the Canadian dollar. The Company does not use derivative instruments to reduce its currency risk.

At December 31, 2009, approximately 3% (2008 – 6%) of the Company's accounts payable and accrued liabilities are denominated in Mexican Pesos. The Company does not use derivative instruments or foreign exchange contracts to hedge against gains or losses arising from foreign exchange fluctuations.

11. CAPITAL DISCLOSURE

The Company manages and adjusts its capital structure based on available funds in order to support its operations and the acquisition and exploration of mineral properties. The Company's primary objectives in managing capital are to:

- Safeguard the entity's ability to continue as a going concern
- Maintain an optimal capital base in order to support the capital requirements of its operations, including growth opportunities and maintaining investor confidence.

The capital of the Company consists of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements. The Company relies on capital markets to support continued growth.

12. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operation decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mining sector relating to gold exploration. Due to the geographic and political diversity, the Company's exploration operations are decentralized whereby an exploration manager is responsible for business results and a regional corporate office provides support to the exploration programs in addressing local and regional issues. The Company's operations are therefore segmented on a district basis. The Company's assets are located in Canada and Mexico.

12. SEGMENTED INFORMATION (cont'd)

Details of identifiable assets by geographic segments are as follows:

		December 31, 2009		December 31, 2008
Total Assets				
Canada	$	2,087,619	$	841,023
Mexico		2,273,063		977,779
	$	4,360,682	$	1,818,802

		December 31, 2009		December 31, 2008
Property and Equipment				
Canada	$	49,135	$	4,233
Mexico		66,079		94,928
	$	115,214	$	99,161

13. COMPARATIVE FIGURES

Certain financial statement line items from the prior period have been reclassified to conform with current year's presentation.

14. COMMITMENTS

Effective August 1, 2005 the Company entered into a three-year lease agreement for the Company's current office space at a rate of $3,000 per month. The Company leases out a portion of the office for rent and administration staff for $4,000/month under an agreement for the term of the head lease. By a Lease Extension and Amending Agreement dated May 27, 2008, the Term of the Lease was extended for a further term of two years, so as to end on July 31, 2010. The parties have agreed to relocate the Leased Premises and extend the Terms of the Lease for a term of three years, commencing April 1, 2010, so as to end March 31, 2013. For the period between April 1, 2010 and March 31, 2013, the amount of $46,664 per annum, in equal monthly instalments of $3,889 each and payable on the first day of each month.

2010	$	40,112
2011		46,668
2012		46,668
2013		11,667
	$	145,115

15. SUBSEQUENT EVENTS

Subsequent to December 31, 2009 the Company:

- Issued 145,000 common shares pursuant to the exercise of share purchase warrants outstanding at December 31, 2009 at a price of $0.32 per share for proceeds of $46,400;
- Issued 116,000 common shares pursuant to the exercise of stock options outstanding at December 31, 2009 at a price of $0.11 per share for proceeds of $12,760.
- Granted 610,000 stock options at a price of $0.80 per common share. The options have been granted to various Directors, Officers and Consultants of the Company.