Oroco Resource Corp.

Consolidated Financial Statements
(Unaudited)
Prepared By Management

February 28, 2010

Oroco Resource Corp.

(the "Company")

Consolidated Financial Statements
Oroco Resource Corp.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the accompanying unaudited financial statements.

The accompanying unaudited financial statements of the Company have been prepared by and are the responsibility of the management of the Company.

"Craig Dalziel"	*"Steve Vanry"*
Chief Executive Officer	Chief Financial Officer

Oroco Resource Corp.
Consolidated Balance Sheets
(Unaudited)

	February 28, 2010 (Unaudited - Prepared by Management)	May 31, 2009
ASSETS		
Current Assets		
Cash and cash equivalents	$ 139,150	$ 51,467
Refundable GST and other receivable	18,057	28,648
Prepaid expenses	5,311	16,468
	162,518	96,583
Interest in resource properties (note 3)	6,713,754	4,737,732
Property and equipment (note 4)	34,938	38,985
	$ 6,911,210	$ 4,873,300
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 219,096	$ 229,575
SHAREHOLDERS' EQUITY		
Share Capital (note 5)		
Authorized		
100,000,000 common shares, no par value		
Issued and outstanding	9,016,453	6,389,531
Share subscriptions	-	-
Contributed surplus	792,687	327,887
Deficit	(3,117,026)	(2,073,693)
	6,692,114	4,643,725
	$ 6,911,210	$ 4,873,300

On behalf of the Board:

"Craig Dalziel" Director *"Steve Vanry* Director

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

Oroco Resource Corp.
Consolidated Statements of Operations and Deficit
(Unaudited)

	For the three months ended February 28, 2010	For the three months ended February 28, 2009	For the nine months ended February 28, 2010	For the nine months ended February 28, 2009
Expenses				
Amortization	$ 2,022	$ 1,445	$ 5,928	$ 5,383
Bank charges and interest	326	85	986	503
Consulting fees (note 6)	23,800	24,813	110,405	59,458
Management and director fees (note 6)	50,292	14,250	93,189	41,584
Office and general	12,208	25,385	44,908	66,947
Professional fees (note 6)	66,977	73,040	104,885	148,727
Rent	13,997	(2,931)	32,883	7,405
Shareholder communications	37,765	12,051	141,263	75,195
Stock-based compensation	457,706	-	464,800	85,483
Transfer agent and filing	9,942	9,867	38,613	27,186
Travel	10,362	9,528	20,576	31,513
Total expenses	(685,397)	(167,533)	(1,058,436)	(549,384)
Other items				
Interest income	22	5,659	135	27,873
Write off of resource properties (note 3)	-	-	(2,035)	-
Foreign exchange gain (loss)	(2,797)	(16,884)	17,003	(59,398)
	(2,775)	(11,225)	15,103	(31,525)
Net loss and comprehensive loss for the period	(688,172)	(178,758)	(1,043,333)	(580,909)
Deficit, beginning of period	(2,428,854)	(1,208,980)	(2,073,693)	(806,829)
Deficit, end of period	$ (3,117,026)	$ (1,387,738)	$ (3,117,026)	$ (1,387,738)
Loss per share, basic and diluted	($0.02)	($0.01)	($0.03)	($0.02)
Weighted average shares outstanding	42,084,771	27,593,520	36,663,376	27,593,520

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

Oroco Resource Corp.
Consolidated Statements of Cash Flows
(Unaudited)

	For the three months ended February 28, 2010	For the three months ended February 28, 2009	For the nine months ended February 28, 2010	For the nine months ended February 28, 2009
Operating Activities				
Net loss for the period	$ (688,172)	$ (178,758)	$ (1,043,333)	$ (580,909)
Items not involving cash				
Amortization	2,022	1,445	5,928	5,383
Write off of resource properties (note 3)	-	-	2,035	-
Stock-based compensation (note 5)	457,706	-	464,800	85,483
Changes in non-cash working capital				
Refundable GST and other receivables	(2,184)	3,477	10,591	(15,585)
Prepaid expenses	3,768	26,069	11,157	15,546
Accounts payable and accrued liabilities	(68,955)	(123,884)	(10,480)	(173,769)
Accrual for taxes on resource properties	-	68,020	-	68,020
Net cash used in operating activities	(295,815)	(203,631)	(559,302)	(595,831)
Financing Activities				
Shares issued for cash, net of share issuance costs	258,887	-	2,554,422	-
Net cash provided from financing activities	258,887	-	2,554,422	-
Investing Activities				
Purchase of equipment	(1,882)	(383)	(1,882)	(31,635)
Acquisition and exploration of resource properties	(427,519)	(114,290)	(1,905,555)	(1,126,286)
Resource property acquisition obligation	-	-	-	-
Net cash used in investing activities	(429,401)	(114,673)	(1,907,437)	(1,157,921)
Change in cash	(466,329)	(318,304)	87,683	(1,753,752)
Cash and cash equivalents, beginning of period	605,479	549,478	51,467	1,984,926
Cash and cash equivalents, end of period	$ 139,150	$ 231,174	$ 139,150	$ 231,174

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

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Oroco Resource Corp. (the “Company”) was incorporated on July 7, 2006 under the Business Corporations Act of British Columbia and is in the business of acquiring, exploring and evaluating mineral resource properties in Mexico. The Company is in the exploration stage and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the mineral properties and upon future profitable production or proceeds from the disposition thereof.

These interim financial statements should be read in conjunction with the audited May 31, 2009 annual consolidated financial statements. These interim financial statements follow the same accounting policies and methods of their application as in the May 31, 2009 annual consolidated financial statements. These interim financial statements do not conform in all respects to the requirements of Canadian generally accepted accounting principles for annual financial statements in that they do not include all note disclosures.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements and expenses for the periods reported. Actual results could differ from those estimates.

Consolidation

These consolidated financial statements include the accounts of the Company and the following subsidiaries. All intercompany transactions and balances have been eliminated.

	Country of Incorporation	Percentage ownership February 28, 2010	Percentage ownership May 31, 2009
Minera Xochipala S.A. de C.V. ("Minera Xochipala") (note 3b)	Mexico	100.0%	100.0%
Minas de Oroco S.A. de C.V. ("Minas de Oroco") (note 3a)	Mexico	100.0%	100.0%
Minera Polimetalicos Mexicanos S.A. ("Polimetalicos") (note 3a)	Panama	100.0%	100.0%

Polimetalicos is a Panamanian holding company 100% owned directly by the Company. It holds 98% (49 out of 50 shares) of Minas de Oroco, a Mexican company (the other 2%, being 1 share, is held by Minera Xochipala). Minera Xochipala, a Mexican company, is 98% (49 of 50 shares) directly owned by the Company, with 2% (1 share of 50) held by Minas de Oroco.

2. SUPPLEMENTAL CASH FLOW INFORMATION

	For the nine months ended February 28, 2010	For the nine months ended February 28, 2009
Interest paid	$ -	$ -
Taxes paid	$ -	$ -
Non-cash transactions not included in investment or financing activities		
Acquisition of mineral properties by the issuance of shares	$ 72,500	$ -

3. INTEREST IN RESOURCE PROPERTIES

For the nine months ended February 28, 2010

	Cerro Prieto Properties	Xochipala	Salvador	Total
Balance at June 1, 2009	$ 4,737,734	$ -	$ -	$ 4,737,734
Acquisition costs				
Share consideration	72,500	-	-	72,500
	72,500	-	-	72,500
Deferred exploration expenditures				
Assessment and taxes	43,980	1,972	63	46,015
Drilling	1,288,013	-	-	1,288,013
Royalty payments	116,390	-	-	116,390
Sampling	126,235	-	-	126,235
Technical staff	328,902	-	-	328,902
	1,903,520	1,972	63	1,905,555
Impairments	-	(1,972)	(63)	(2,035)
Balance at February 28, 2010	$ 6,713,754	$ -	$ -	$ 6,713,754

For the year ended May 31, 2009

	Cerro Prieto Properties	Xochipala	Salvador	Total
Acquisition costs				
Cash consideration	$ 2,930,395	$ 270,330	$ 113,010	$ 3,313,735
Shares	17,500	14,000	-	31,500
	2,947,895	284,330	113,010	3,345,235
Deferred exploration expenditures				
Assessment and taxes (recovery)	65,784	(60,027)	-	5,757
Drilling	1,149,525	-	-	1,149,525
Sampling	231,562	-	-	231,562
Technical staff	342,966	-	-	342,966
	1,789,837	(60,027)	-	1,729,810
	4,737,732	224,303	113,010	5,075,045
Impairments	-	(224,303)	(113,010)	(337,313)
Balance at May 31, 2009	$ 4,737,732	$ -	$ -	$ 4,737,732

3. INTEREST IN RESOURCE PROPERTIES continued

(a) Cerro Prieto Properties, Sonora State, Mexico

(i) San Felix and San Francisco Concessions ("SF Concessions")

On August 26, 2006, as amended on December 15, 2006 and May 18, 2007, the Company entered into an assignment agreement (the "Assignment Agreement") whereby ATM Mining Corp. ("ATM") and Salvador Rivero Cortina ("Rivero") assigned their rights and interests in the SF Concessions and the Celia Gene and Celia Generosa concessions (the "Xochipala Property") to the Company. Under the Assignment Agreement, the Company paid $69,000 to ATM for costs associated with the Xochipala Property, accepted share subscriptions from ATM to purchase 5,350,000 common shares of the Company and assumed ATM's obligation to issue 3,150,000 common shares to Rivero.

The SF Concessions are located 150 kilometers northeast of the city of Hermosillo, and consists of two concessions covering a total area of 215 hectares. Of these two concessions, the San Francisco concession, consisting of 10 hectares, covers the underground workings of the Cerro Prieto Mine. The second concession, San Felix, consisting of 205 hectares, surrounds the San Francisco concession to the north, south, east and west.

The title to the SF Concessions is held by Minas de Oroco. Both Polimetalicos and Minas de Oroco were formed by the vendors of the SF Concession (the “SF Concession Vendors”) to facilitate the Company’s acquisition of the SF Concessions and its operations in Mexico. In connection with the Assignment Agreement, the Company entered into an agreement with the SF Concession Vendors to purchase their shares of Polimetalicos in consideration for $2,756,376 ($2,500,000 USD) (paid).

The SF Concessions are subject to a 2% net smelter royalty in favor of the SF Concession Vendors, with a minimum royalty payment of US$30,000 per quarter payable from April 1, 2009 until royalty payments commence from production.

(ii) Cerro Prieto "North" Concession

The Cerro Prieto "North" concession is a 2,507 hectare property located in the Cucurpe Municipality of Sonora State, Mexico. It was staked on behalf of the Company for total cost of $96,041.

(iii) Yamana Property

The Company has entered into an agreement with Yamana Gold Inc. ("Yamana") wherein Yamana agreed to grant the Company an option (the "Option") to acquire a 100% interest, subject to a 2% net smelter return royalty, in a 4,120 hectare land position (the "Optioned Property") bordering the Company's SF Concessions to the north, south, west and east.

The Company agreed to issue 500,000 common shares to Yamana upon the granting of the option (issued). To maintain the Option in good standing, the Company must drill at least 1,500 metres on the Optioned Property before December 31, 2010 (completed), of which 750 metres must be drilled by December 31, 2009, and reimburse Yamana for any property taxes paid by Yamana with regard to the Optioned Property. If it completes the drilling by December 31, 2010, the Company may exercise the Option, upon which event it will be required to issue an additional 500,000 common shares to Yamana.

3. INTEREST IN RESOURCE PROPERTIES continued

(b) Xochipala Property, Guerrero State, Mexico

The Company, through its subsidiary, Minera Xochipala, is pursuing an interest in two contiguous mining concessions, Celia Generosa and Celia Gene, referred to as the Xochipala Property. Minera Xochipala was formed so the Company could acquire an interest in the Xochipala Property and operate in Mexico. The Xochipala Property has a combined area of 193 hectares. The property is located in the municipality of Zumpango del Rio in the state of Guerrero, Mexico, 30 kilometers northwest of Chilpancingo, the regional capital and within the southeast extreme of the original Morelos National Mining Reserve.

In connection with the acquisition of the Xochipala Property the Company paid approximately $18,000 (186,000 pesos) to various vendors, assumed a liability for outstanding concession fees in the aggregate amount of 670,612 pesos (approximately $67,000), assumed a lien settlement of 500,000 pesos (approximately $50,000) and incurred legal and other fees of 650,000 pesos (approximately $65,000). In addition, the Company paid ATM $69,000 as mentioned above.

Minera Xochipala's interest in the Xochipala Property is subject to the successful registration of the acquisition with the Public Registry of Mines ("PRM"), which registration had been under review by the Registry due to the existence of liens registered on title against the benefit from a previously option agreement to acquire the Xochipala Property which expired in March, 2002. On October 14, 2009 the Company received notice from PRM that its application for registration of its interest in the Xochipala Property had been rejected on the grounds that it would adversely affect the rights of the third party lien holders. Mexican legal counsel has advised that PRM's position is not supported by Mexican law. The Company has filed an appeal with the Federal Court of Fiscal and Administrative Justice and expects a ruling later this year. As the Company had not been successful in registration of its interest, it had written off the cost of the Xochipala Property at May 31, 2009, being $224,303.

(c) Salvador Property, Guerrero State, Mexico

The Salvador Property is a 100 hectare mining concession 100% owned by Minera Xochipala. The concession is approximately 30 kilometers west of the regional centre of Chilpancingo, Guerrero. The concession was acquired for the sum of $108,201 (1,021,877 pesos) paid in cash.

The Company has no immediate plans to explore the Salvador Property and had decided to write off costs of $113,010 attributed to the property as at May 31, 2009.

4. PROPERTY AND EQUIPMENT

		February 28, 2010	
	Cost	Accumulated amortization	Net book value
Automotive equipment	$ 15,948	$ 4,453	$ 11,495
Computer equipment	23,110	9,362	13,748
Leaseholds	10,017	2,354	7,663
Office furniture	3,070	1,038	2,032
Total	$ 52,145	$ 17,207	$ 34,938
		May 31, 2009	
Automotive equipment	$ 15,948	$ 3,770	$ 12,178
Computer equipment	21,228	5,826	15,402
Leaseholds	10,017	1,002	9,015
Office furniture	3,070	680	2,390
Total	$ 50,263	$ 11,278	$ 38,985

5. SHARE CAPITAL

(a) Authorized

100,000,000 common shares of no par value

(b) Issued and outstanding	**Shares**	**Price**	**Amount**
Balance at May 31, 2008 and 2009	27,593,521	$ -	$ 6,389,531
Private placement	6,807,200	0.15	970,500
Issued pursuant to the Yamana option (note 3(a)(iii))	500,000	0.15	72,500
Private placement - November & December 2009	7,176,700	0.225	1,558,922
Warrants exercised	100,000	0.250	25,000
Balance at February 28, 2010	42,177,421		$ 9,016,453

On November 17, 2009 and December 3, 2009 the Company completed a private placement of 5,720,500 units at a price of $0.225 per unit and 1,279,500 units at a price of $0.225 respectively. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant is exercisable into one additional common share for a period of eighteen months at a price of $0.30 per share. If the volume weighted average trading price of the Company's shares is $0.50 or greater for ten consecutive days, the Company may, upon notice to the warrant holder, reduce the expiry date to 30 days from the date of notice. The Company paid a finders fees consisting of $14,925 and 176,700 “Finders Units," wherein each Finders Unit is comprised of one common share of the Company and one-half share purchase warrant exercisable on the same terms as the Units.

On July 31, 2009, the Company completed a private placement of 6,500,000 units at a price of $0.15 per unit. Each unit consisted of one common share and one non-transferable common share purchase warrant exercisable into one additional common share for a period of nine months at a price of $0.25 per share. The Company paid finders fees consisting of $4,500 and 307,200 “Finders Units," wherein each Finders Unit is comprised of one common share of the Company and one warrant exercisable for one year at $0.40.

(c) Warrants

(i) The changes in warrants were as follows:	For the nine months ended February 28, 2010	Weighted average exercise price $	For the year ended May 31, 2009	Weighted average exercise price
Balance of warrants at May 31, 2009	4,101,760	$ 0.90	4,101,760	$ 0.90
Issued	10,395,550	0.27	-	-
Exercised	(100,000)	0.25	-	-
Expired	(4,101,760)	0.90		
Balance of warrants at February 28, 2010	10,295,550	$ 0.27	4,101,760	$ 0.90

(ii) A summary of warrants outstanding is:	Number of warrants	Exercise price	Expiry date
	5,700,000	0.25	16-Apr-10
	700,000	0.25	1-May-10
	2,948,600	0.30	17-May-11
	639,750	0.30	3-Jun-11
	307,200	0.40	16-Jul-10
	10,295,550		

5. SHARE CAPITAL continued

(d) Stock options

The Company has a rolling stock option plan, whereby from time to time, at the direction of the Board of Directors, stock options may be granted to employees, consultants, directors and officers. The number of shares reserved for issuance under the plan shall not exceed 10% of the issued and outstanding common shares of the Company. The exercise price of each option is based on the market price of the Company's common stock at the date of the grant less an applicable discount. The options may be granted for a maximum of five years and vesting is determined by the Board of Directors. The Company granted 2,400,000 incentive stock options during the nine month period ending February 28, 2010.

	Agent's options	Weighted Average Exercise Price	Number of stock options	Weighted Average Exercise Price
Balance outstanding, May 31, 2008	800,000	$ 0.55	2,650,000	$ 0.55
Options granted	-	-	475,000	0.31
Options cancelled		-	(725,000)	0.55
Balance outstanding, May 31, 2009	800,000	$ 0.55	2,400,000	$ 0.50
Options expired/forfeited			(1,825,000)	0.55
Options granted			2,400,000	0.25
Balance outstanding, February 28, 2010	800,000	$ 0.55	2,975,000	$ 0.27

During the fiscal year ending May 31, 2008, at total of 2,650,000 stock options were granted to certain employees, officers, directors and consultants of the Company at a price of $0.55 per share, exercisable for a term of five years. The fair value of these options at the date of grant totalling $243,889 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of five years; risk-free interest rate of 3.84%; expected dividend yield of 0% and an expected volatility of 40.05%. The estimated fair value of these is recorded as compensation expensed on a straight-line basis over the applicable vesting period of the underlying options. During the current nine month period ending February 28, 2010 $Nil (2009 - $142,029; 2008 - $81,656) was recorded as compensation expense related to the options granted in fiscal 2008 and the remaining $20,204 relates to options granted in fiscal 2008 that were cancelled or forfeited prior to vesting.

During fiscal year ending May 31, 2009, a total of 475,000 stock options were granted to certain employees, officers, directors and consultants of the Company at prices ranging from $0.15 to $0.55 per share, exercisable for a term of five years. The fair value of these options at the date of grant totalling $73,803 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of five years; risk-free interest rate of 2.90%; expected dividend yield of 0% and an expected volatility of 93.6%. The estimated fair value of these is recorded as compensation expensed on a straight-line basis over the applicable vesting period of the underlying options. During the current nine month period ending February 28, 2010 $21,282 (2009 - $32,946) was recorded as compensation expense related to the options granted in fiscal 2009 and the remaining $19,575 relates to options granted in fiscal 2009 that were cancelled or forfeited prior to vesting.

During the fiscal year ending May 31, 2010, a total of 2,400,000 stock options were granted to certain employees, officers, directors and consultants of the Company at a price of $0.25 per share, exercisable for a term of five years. The fair value of these options at the date of grant totalling $504,000 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of five years; risk-free interest rate of 2.54%; expected dividend yield of 0% and an expected volatility of 126.9%. The estimated fair value of these is recorded as compensation expensed on a straight-line basis over the applicable vesting period of the underlying options. During the current nine month period ending February 28, 2010, $443,520 was recorded as compensation expense related to options granted during this period and the remaining $60,480 will be recorded upon future vesting of these options.

The following table summarizes information about agent's options and stock options, outstanding at February 28, 2010:

Expiry Date	**Exercise prices**	Number outstanding at February 28, 2010	Weighted average remaining contractual life (years)
1-Nov-13	$ 0.15	75,000	3.68
7-May-14	0.25	250,000	4.19
11-Dec-14	0.25	2,025,000	4.79
16-Dec-14	0.25	375,000	4.80
18-Jan-13	0.55	250,000	2.89
		2,975,000	

At February 28, 2010 fully vested stock options totaled 2,675,000.

e) Contributed Surplus

	February 28, 2010	May 31, 2009
Balance, beginning of year	$ 327,887	$ 152,912
Stock-based compensation	464,800	174,975
Balance, end of period	$ 792,687	$ 327,887

6. RELATED PARTY TRANSACTIONS

The following expenses were incurred with directors and officers of the Company

	For the nine months ended February 28, 2010	For the nine months ended February 28, 2009
Management and director fees	$ 93,189	$ 41,584
Deferred resource expenditures	29,880	71,127
Consulting fees	2,400	-
Professional fees	64,073	54,275
Total	$ 189,542	$ 166,986

As at February 28, 2010 accounts payable and accrued liabilities included $136,441 (2009 - $18,375) owing to officers and directors for directors, management, legal and accounting fees.

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

7. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

8. FINANCIAL INSTRUMENTS

Financial Instruments

As at February 28, 2010, the Company's financial instruments consist of cash and cash equivalents, other receivables and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature.

Credit Risk

The Company is exposed to credit risk with respect to its cash and cash equivalents. However, the risk is minimized as they are held at a major Canadian Chartered Bank.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

The Company's property interests in Mexico make it subject to foreign currency fluctuations which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and foreign functional currencies. The Company does not invest in derivatives to mitigate these risks.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

9. RISK MANAGEMENT

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

10. SUBSEQUENT EVENTS

There have been no subsequent events material to the Company to report.